

MUSKOKA 2010



MUSKOKA ACCOUNTABILITY REPORT

Assessing action and results against
development-related commitments

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The L'Aquila Summit Communiqué: Accountability

3. Guided by our common values, we will address global issues and promote a world economy that is open, innovative, sustainable and fair. To this end, effective and responsible leadership is required. We are determined to fully take on our responsibilities, and are committed to implementing our decisions, and to adopting a full and comprehensive accountability mechanism by 2010 to monitor progress and strengthen the effectiveness of our actions.

98. To improve transparency and effectiveness we decide to strengthen our accountability with respect to G8 individual and collective commitments with regard to development and development-related goals. We have asked our experts to provide a preliminary report, attached as an annex, reviewing our achievements up to now. Furthermore, we have tasked a senior level working group to devise, in cooperation with relevant international organizations, a broader, comprehensive and consistent methodology for reporting with a focus on our activities in development and development-related areas and with attention to results. A report will be delivered in 2010 at the Muskoka Summit in Canada.

Notes:

- In this Report, unless otherwise noted, reporting is by calendar year using financial disbursements in current United States currency.
- In this Report the phrase G8 'members' is used to indicate the eight G8 countries and the European Commission. In some instances commitments are made only by G8 countries and are reported accordingly.

Executive Summary

For over thirty years, leaders of the Group of Eight (G8) have met annually to discuss and take bold, definitive action to address some of the world's most pressing economic, security, environmental and development challenges. Assessing progress in implementing those commitments is central to keeping the G8 on track and demonstrates its ongoing commitment to transparency and the accountability process. The Muskoka Accountability Report reflects the desire of Leaders to provide a candid assessment on what the G8 has done.

Recent G8 Summits

2002	Kananaskis (Canada)
2003	Evian (France)
2004	Sea Island (United States)
2005	Gleneagles (United Kingdom)
2006	St. Petersburg (Russia)
2007	Heiligendamm (Germany)
2008	Hokkaido Toyako (Japan)
2009	L'Aquila (Italy)

The aims of the Accountability Report are threefold: to report on G8 performance in implementing a number of key development-related commitments; to assess the results of G8 action; and to identify lessons learned for future reporting. It is not an exhaustive review of all G8 commitments; nor is it an assessment of global progress towards meeting international development goals. Nevertheless, it is a major step forward in assessing the extent to which the G8 has lived up to its promises.

Reporting on results

The expansion of G8 reporting to emphasize the impact of G8 actions is essential, yet presents a number of new challenges. First, the lack of data makes it difficult to track progress. Second, the G8 does not act alone. Partner countries, other donors, international organizations, NGOs, foundations and the private sector all contribute to successful development results, making it difficult to accurately assess the link between G8 action and results.

By drawing on information from both G8 members and international organizations, this Report presents a combination of empirical data, evaluated programs and narrative examples to assess progress against key development-related commitments. The Report groups these commitments under nine thematic areas, which have been the focus of G8 action in recent years.

How is the G8 doing?

Overall there is a good story to tell. The G8 has acted as a force for positive change and its actions have made a difference in addressing global challenges. In some areas, the G8 can point to considerable success; in others, it has further to go to fully deliver on its promises.

Increasing Official Development Assistance

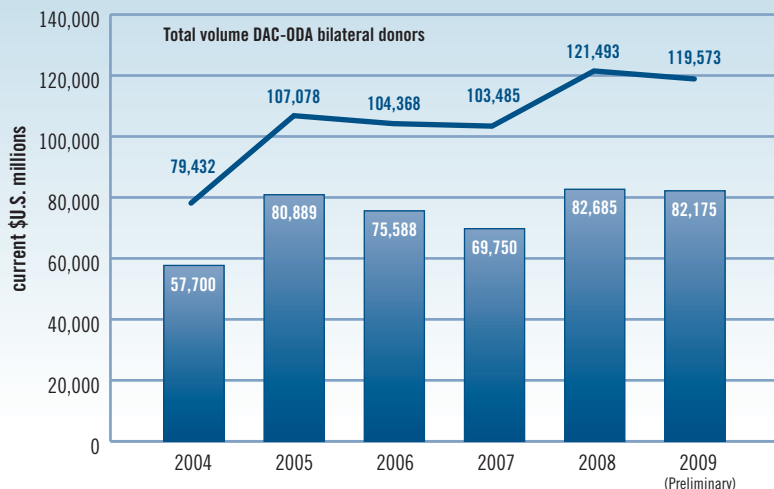
In 2005, at the Gleneagles Summit and the United Nations Millennium +5 Summit, G8 countries and the world's major aid donors made commitments to increase Official Development Assistance (ODA). Based on these specific commitments, the Organization for Economic Co-operation and Development (OECD) estimated that ODA from all OECD-Development Assistance Committee (DAC) bilateral donors would increase by around \$50 billion a year by 2010, compared to 2004.

Five years on, the global community has made progress towards the \$50 billion OECD estimate. In current dollars, donors are four-fifths of the way towards the target (a \$10 billion shortfall). In 2009, despite the onset of the global economic crisis, ODA from all OECD-DAC bilateral donors increased from \$80 billion in 2004 to a level of almost \$120 billion – with \$24 billion of the increase coming from G8 countries. In constant 2004 dollars, the OECD estimates that there is a shortfall of \$18 billion from all donors and, on that basis, donor countries are approximately three-fifths of the way to meeting the original 2005 OECD estimate.* In 2009, G8 ODA disbursements account for almost 70 percent of global ODA.¹

* This Report uses current dollar values throughout. It should be noted that the OECD estimates for the G8 and other donors highlighted in the Gleneagles Summit, do not specify whether the \$50 billion a year by 2010 increment was to be in current or constant dollars.

G8 Total ODA Volume

(figures in current \$U.S. millions, disbursement amount)



Source: OECD-DAC and national ODA data from Russia.

Note: Total volume DAC-ODA bilateral donors does not include national data from Russia. Total G8 volume does not include the EU total ODA.

G8 Gleneagles Summit Africa Communiqué

- 27. 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.
- 28. As we confront the development challenges in Africa, we recognize there is a global development challenge facing the world as a whole. 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.

Gleneagles G8 National Commitments

At the Gleneagles Summit, G8 members made national commitments to increase their international assistance. Specific commitments varied in size, ambition and target dates. Overall, G8 members' progress in meeting these commitments is mixed, with some members meeting or surpassing their individual targets. Others continue to make progress towards their 2010 targets, and have reconfirmed their commitment to meet their 2015 goals.

The G8 and Africa

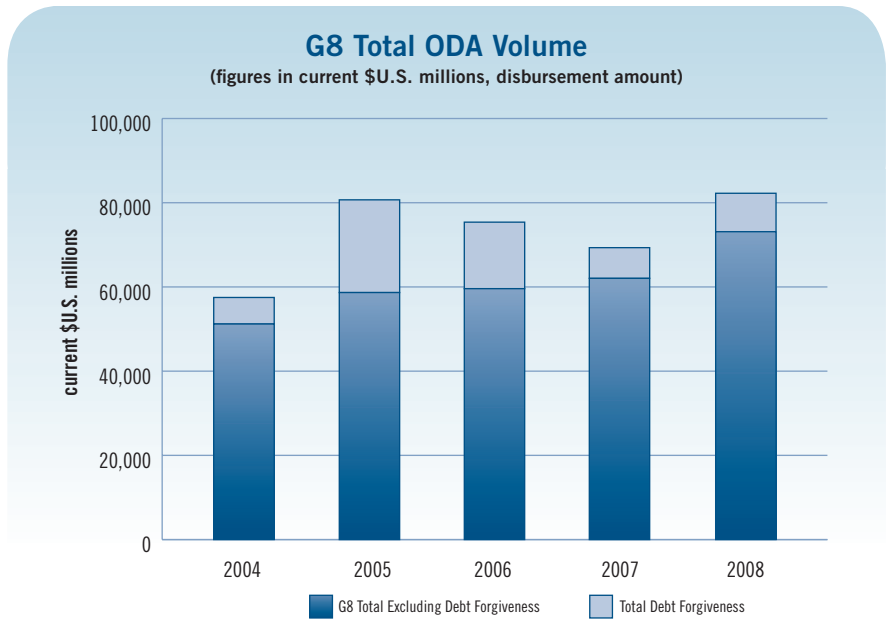
At the start of the decade G8 Leaders placed particular emphasis on African development. The adoption in 2002 of the African Action Plan at the Kananaskis Summit solidified the G8's African agenda. The Africa Action Plan set out a vision of a new partnership between the G8 and Africa based on mutual accountability and respect. Today, the G8's development agenda continues to be closely interlinked with Africa.

G8 members are working with African partners to support their goals to achieve social progress, sustainable economic growth, governance and security. This assistance occurs through various means including: development aid; debt relief; encouraging the development of private capital; improving market access and trade opportunities for African goods; and support for Pan-African and regional institutions working to improve transparency and good governance. Ultimately, sustained progress is a shared responsibility that requires all partners to deliver on their respective commitments.

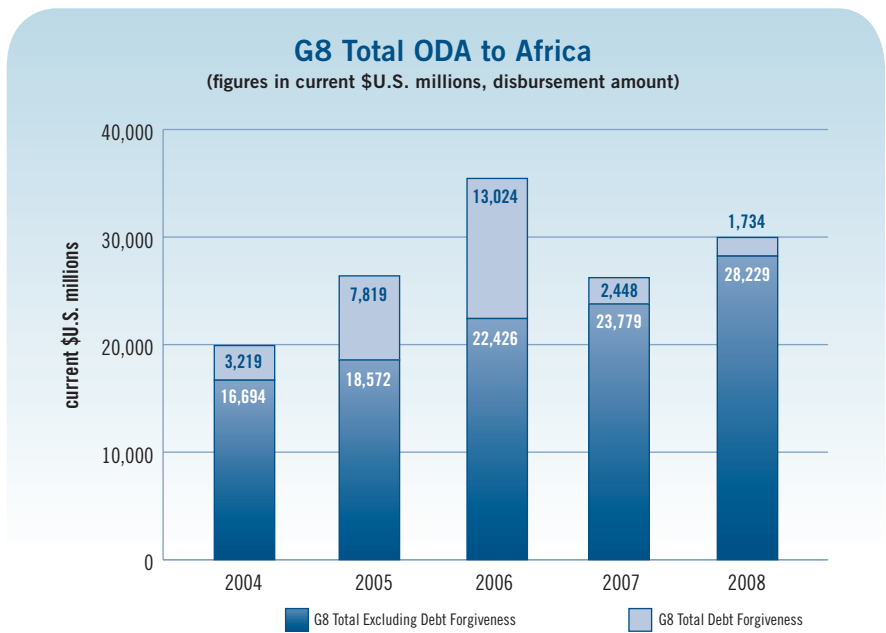
At the Gleneagles Summit, it was expected that commitments from all donors would lead to an increase in ODA to Africa of \$25 billion a year by 2010, more than doubling aid to Africa compared to 2004.

In 2008, the most recent year OECD data is available, ODA spending from all donors to Africa totaled over \$43 billion, an increase of \$15 billion from 2004 – with the G8 contributing \$10 billion to that increase. With 70 percent of total donor assistance, the G8 is by far the largest contributor of ODA to Africa. Since 2004, G8 spending on ODA in Africa has increased by 50 per cent, reaching almost \$30 billion in 2008. In addition, it is important to note that ongoing ODA investments (i.e., excluding important, but episodic debt forgiveness) made by the G8 in Africa increased by approximately \$11.5 billion - from \$16.7 billion to \$28.2 billion annually.

G8 development aid, debt relief, innovative financing mechanisms and other resources have contributed to results on the ground. For example, with the support of the G8, African countries provided antiretroviral (ARV) therapy to nearly three million people in 2008², an increase of 39 percent from 2007, dramatically reduced deaths from malaria and helped put 42 million more children in school. However, sustained action and commitment, especially in the wake of the financial and economic crisis, is required. For their part, G8 Leaders at the L'Aquila Summit reaffirmed the importance of fulfilling their promises to increase development aid.



Source: OECD-DAC.
Note: Does not include national data from Russia.



Source: OECD-DAC.
Note: The national data from Russia is not included as Russia is not an OECD-DAC member-country.

Overview of Development-related Themes

Aid Effectiveness

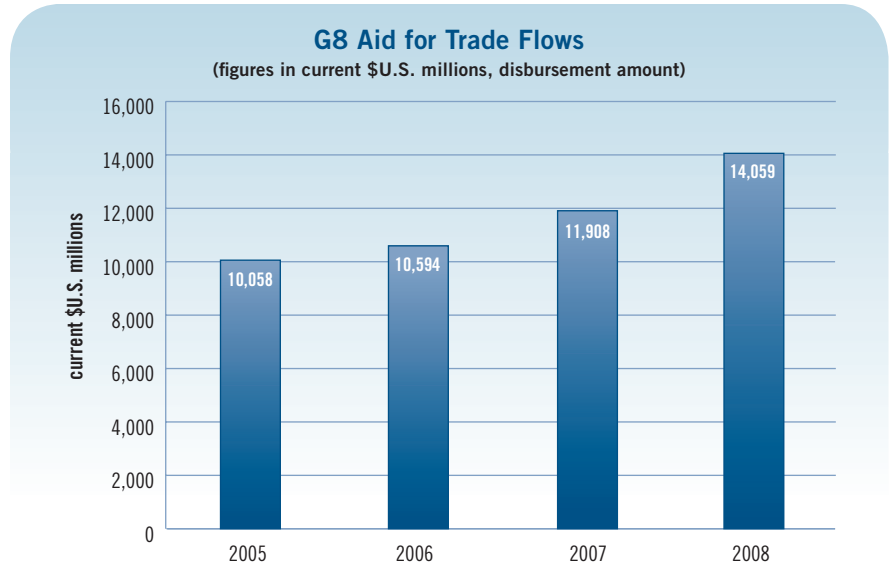
The quality of aid is as important as the quantity. Over the past decade, in response to longstanding criticisms that aid is falling short on achieving results, and reflecting a desire to capture lessons learned about what works, the international community has come together with a set of strong commitments to improve the effectiveness and impact of development cooperation. G8 members have endorsed these objectives and have put in place action plans to implement aid effectiveness commitments. Although some progress has been made on aid effectiveness objectives, many require systemic change by both donors and recipients – change which takes time.

Debt Relief

Large debt burdens impede countries' ability to invest. The G8 committed to cancel 100 percent of the debts owed by those countries deemed to have the most unsustainable debt burdens and that meet certain conditions. G8 members have cancelled significant levels of debt which has helped to free billions of dollars for developing countries. This effort resulted in a significant reduction in the debt ratio of Heavily Indebted Poor Countries (HIPC) which has declined from 114 percent in 1999 to 35 percent in 2009.³ In spite of these efforts by the G8, the accumulation of new debt continues to pose serious challenges to sustainable economic development.

Economic Development

The G8 has committed to pursuing policies aimed at stimulating sustainable economic development, including those that promote international trade, strengthen financial markets and encourage private investment in developing countries.



Source: OECD-DAC.

Note: The national data from Russia is not included as Russia is not an OECD-DAC member-country.

Trade is a key engine of growth and more needs to be done for developing countries to benefit from trade expansion. The G8 is responding by working to improve market access for goods from Least Developed Countries and by providing resources to build trade capacity – whether in terms of policies, institutions or infrastructure. However, progress towards improving regional integration and trade in Africa has been slow.

Health

The G8 has made a number of significant commitments focused on helping developing countries strengthen health systems, improve access to basic health care and fight infectious diseases. G8 countries have launched a number of partnerships and innovative financing mechanisms designed to develop new vaccines and provide access to treatment for infectious diseases, both of which are starting to have a real impact on results.

G8 political support helped establish the Global Fund to Fight AIDS,

Tuberculosis and Malaria and G8 contributions account for 78 percent of the total contributions to the Global Fund. The Fund reports that programs it supports in 144 countries have saved the lives of an estimated 4.9 million people, provided 2.5 million people with AIDS treatment and 6 million people with treatment for tuberculosis.⁴ Although these results are promising, challenges remain – particularly in Africa where health indicators remain the lowest in the world.

In some areas, although there has been substantial progress, G8 commitments have not produced the results hoped for. Despite significant investment and good progress, polio has not yet been eradicated. Maternal deaths remain high – estimated to be between 340,000 and 536,000.⁵ And while there has been a global reduction in child mortality, the number of under-five deaths in sub-Saharan Africa increased by almost 400,000 between 1990 and 2007.⁶

Water and Sanitation

Lack of access to safe drinking water and basic sanitation continues to threaten health throughout the developing world. The 2003 G8 Water Action Plan, adopted at the Evian Summit, raised political awareness and stimulated policy reforms. It continues to provide a useful framework for addressing water and sanitation objectives. The 2009 L'Aquila G8 Africa Partnership on Water and Sanitation helped to strengthen ongoing partnerships aimed at supporting efforts to address water and sanitation objectives in Africa. G8 countries have backed their political commitment with aid to the sector reaching \$18 billion for the period 2002 to 2008.

Food Security

In 2008, soaring food prices threatened progress on achieving global food security. At the Hokkaido Toyako Summit, the G8 made a number of commitments aimed at reversing the decline in agricultural investments. In 2009, the launch of the multi-partner L'Aquila Food Security Initiative (AFSI) and the commitment by the G8 and other donors to mobilize \$20 billion dollars for sustainable agricultural development, have kept food security high on the international agenda. This initiative demonstrates the important catalytic role the G8 plays in bringing together donors, partners and international organizations around common objectives and a shared approach.

Education

At the Kananaskis Summit, the G8 led efforts to create the Education for All – Fast Track Initiative - a global partnership designed to accelerate the achievement of goals and increase aid effectiveness in education. Today, the G8 is supporting reform of the Fast Track Initiative, reform that will promote a more effective, results-oriented partnership. G8 actions have

contributed to significant gains in education, including an increase in the number of students receiving primary and secondary education. Challenges remain, particularly in parts of Africa, where the global financial crisis has had a particularly adverse impact upon education financing.

Governance

Fighting corruption, strengthening the rule of law, parliamentary oversight, civil society engagement and constructive state-society relations, are all important elements of promoting good governance. The G8 has supported a broad range of measures aimed at improving governance, including addressing corruption and increasing transparency in financial transactions.

Peace and Security

The G8 has played a leading role in strengthening developing countries' capacity to prevent and resolve conflict, particularly in Africa. Significant investment has also been made to support African efforts to improve its peace and security capacity, as well as programs designed to promote post-conflict reconstruction and reintegration of former combatants. Limited but important progress has been made. One direct outcome of G8 support is the development of increasingly effective African Union-led peace support operations.

Environment and Energy

The Copenhagen Accord commits developed countries to provide financial assistance approaching \$30 billion for the period 2010-2012, with a balanced allocation between adaptation and mitigation. In the context of meaningful mitigation actions and transparency on implementation, the Accord also commits developed countries to a goal of mobilizing \$100 billion per year by 2020, from both public and private sources. G8 members have responded to these international commitments

through a variety of approaches, including financial contributions to multilateral adaptation funds.

On biodiversity commitments, work by G8 members to mobilize financial resources and develop mechanisms for research, monitoring and scientific assessment of biodiversity has helped to stimulate action to safeguard biological diversity and conservation. Although some progress has been made towards meeting the internationally agreed target of significantly reducing the rate of loss of biodiversity globally, this target will not be met in 2010.

Forward Look

The G8 has demonstrated the capacity to design credible responses to meet global development challenges, and, while achieving the Millennium Development Goals (MDGs) is a global responsibility, G8 actions and initiatives have made a substantial contribution. However, significant challenges remain to achieving the MDGs by 2015. As the G8's role continues to evolve in the changing global landscape it must continue to exercise strong leadership, particularly as we prepare for the United Nations Summit on the MDGs in September 2010.

For the accountability agenda, leadership starts with demonstrating that promises are being followed through with. Regular, clear and transparent reporting by the G8 on progress in implementing commitments is an important first step. In the future the G8 should continue to make improvements on how it fashions, implements, monitors and reports on commitments. Where appropriate, this should include crafting commitments that are clear, transparent and time-bound. These measurable objectives are indicators for future tracking and reporting on results.

A Snapshot of G8 Progress against Key Commitments

Commitment	Progress
International Assistance	
Increase G8 Official Development Assistance (ODA)	<ul style="list-style-type: none"> From 2004 to 2009, G8 ODA disbursements increased by \$24 billion and G8 ODA accounts for almost 70% of ODA from all bilateral OECD-DAC donors. For 2009, total G8 ODA was \$82.175 billion.
Gleneagles National Commitments to increase international assistance. Commitments varied in size, ambition and target dates	<ul style="list-style-type: none"> Some G8 members have met or surpassed their individual targets. Others continue to make progress towards their 2010 targets while reconfirming their commitment to meet their 2015 goals.
G8 ODA to Africa	<ul style="list-style-type: none"> From 2004 to 2008, G8 ODA to Africa expanded by over \$10 billion - an increase of 50%. For 2008 G8 ODA to Africa was \$30 billion.
Provide Debt Relief	<ul style="list-style-type: none"> For the 2005 to 2008 period, the G8 provided over \$54 billion in debt forgiveness
Economic Development	
Assistance for Aid-for-Trade would increase to \$4 billion by 2010	<ul style="list-style-type: none"> For 2008, G8 assistance was \$14 billion, with over \$5 billion directed at Africa.
Health	
Provide at least \$60 billion to fight infectious diseases and improve health systems by 2012	<ul style="list-style-type: none"> The G8 is on track to meet this commitment, with 2008 health ODA disbursements exceeding \$12 billion.
Provide 100 million insecticide-treated nets for malaria prevention by 2010	<ul style="list-style-type: none"> G8 is on track to provide over 100 million insecticide-treated nets by 2010.
Mobilize support for the Global Fund to Fight AIDS, Tuberculosis and Malaria	<ul style="list-style-type: none"> For the 2001 to 2009 period, G8 contributions, including from the European Commission, to the Global Fund totaled \$12.2 billion, representing 78 percent of all contributions to the fund.
Support the Global Polio Eradication Initiative	<ul style="list-style-type: none"> For the period 2005 to 2009 G8 funding to the Initiative was \$1.68 billion. G8 commitments for the period 2010-2012 total \$287.4 million.
Food Security	
Mobilize \$20 billion from G8 and other donors for sustainable agriculture development	<ul style="list-style-type: none"> The L'Aquila Food Security Initiative has identified over \$22 billion in pledges from the G8 and other donors, \$6 billion of which is additional beyond existing commitments.
Peace and Security	
By 2010, train 75,000 troops to take part in peace support operations	<ul style="list-style-type: none"> G8 has trained over 75,000 troops.

Chapter 1: The G8: Development and Accountability

The Group of Eight and the Development Agenda

The Group of Eight (G8) has played a strong leadership role in initiating, championing and coordinating credible responses to some of the most difficult global economic, development, environmental and security challenges. For over 30 years, G8 Leaders have drawn on their shared vision that these global challenges can be effectively addressed through bold, definitive action in partnership with the global community.

G8 Summits have provided Leaders with an unparalleled opportunity to discuss the most pressing issues of the day. The Summits represent a highly personal, visible, and flexible mechanism for addressing global development policy challenges. The annual meetings allow the G8 to respond relatively quickly to changing global circumstances, and, by facilitating focused discussions with key stakeholders, have helped to promote a more coherent and integrated approach to development.

G8 commitments set out in annual Leaders' communiqués reflect the multi-faceted roles played by the G8 in shaping consensus on critical global issues. These roles are captured as follows:

- **Catalyzing Action.** The G8 is a powerful forum for drawing attention to issues and catalyzing action for sustainable change and progress.
- **Influencing Global Policy.** The G8 helps shape and influence the direction of the international policy debate and priorities.
- **Mobilizing Resources.** The G8 is a leading provider of resources and has used its commitments to mobilize additional resources from other partners.

These various roles underpin the G8's ability to deliver on its development agenda. That agenda is also shaped by the Millennium Development Goals (MDGs) aimed at reducing global poverty. G8 actions, initiatives and multi-year commitments have made a substantial contribution towards the global effort around the MDGs. However, making progress towards the MDGs by 2015 requires the concerted action of many partners including all governments, the private sector, foundations, NGOs, civil society and international organizations. In this context, the G8 will continue to play a constructive and leading role.

The G8 and Africa

At the start of the decade the case for a new vision and action to address the significant challenges in Africa was compelling, with many initiatives by the global community failing to deliver sustained results. In response, African Leaders developed the *New Partnership for Africa's Development* (NEPAD) which offered a new, bold and clear-sighted vision to overcome obstacles to development on the continent.

With a view to developing a credible and robust approach to supporting NEPAD, the G8 adopted an Africa Action Plan at the Kananaskis Summit. The Plan set out how each G8 member,

collectively or individually, would enhance their engagement with African countries in support of NEPAD. The vision of this new partnership between the G8 and Africa is based on mutual accountability and respect.

The following year at the Evian Summit, the G8 endorsed the Africa Partnership Forum (APF). The APF broadened the dialogue between the G8 and NEPAD to include other African institutions, development partners and international organizations. It is a key forum for senior officials to discuss and monitor policy issues, strategies and priorities in support of Africa's development.

Africa as a whole has been able to record real progress in a number of areas, including democratic governance and socio-economic development. However, challenges remain and within Africa significant regional disparities exist, for example, Sub-Saharan Africa remaining off track against all the MDGs⁷. Africa continues to have the largest number of armed conflicts of any region; health indicators remain the lowest in the world; and corruption, as in other regions, remains an area of concern.

Today, the G8's development agenda continues to be closely interlinked with Africa, with an emphasis on building and maintaining a responsible partnership. G8 members are working with African partners, based on the principles of mutual accountability, to support their goals to achieve social progress, sustainable economic growth, good governance and security. Ultimately, the responsibility for achieving progress lies with Africa.

Since 2002, the G8's Africa Personal Representatives (APR) have reported periodically on the implementation of the Africa Action Plan. Although an APR report will not be issued at the Muskoka Summit, the Report includes highlights of G8 actions and results in Africa.

Accountability

The effectiveness of the G8 is not only measured by the contents of its annual communiqué, but also by whether the commitments made by G8 Leaders' are kept. Better tracking and reporting on implementation, including identification of where progress has been made and where gaps exist, as well as identifying areas where the G8 has played a catalytic or influencing role, are central to keeping the G8 on track and to the credibility of its accountability process.

Accountability for past commitments is also at the heart of responsible development partnerships and the effectiveness of aid. In line with the Monterrey Consensus, the Paris Declaration on Aid Effectiveness, and the Accra Agenda for Action, the G8 is committed to placing greater emphasis on increased transparency, effectiveness, and country-ownership and is firmly of the view that coordinated actions by all development actors utilizing all sources of finance, including the mobilization of domestic resources, are imperative for achieving concrete, sustainable development results. By reporting on its own actions, the G8 is well-placed to better promote the principles of mutual accountability.

Muskoka Accountability Report

The G8 has recognized the importance of improving the transparency of reporting on implementing commitments. Initial G8 reporting was based upon expert reports that were focused around specific issues and sectors. At the Hokkaido Toyako Summit, the G8 placed accountability firmly on its agenda by releasing the first reports on the implementation of

past commitments and by requesting additional reports for the future. Building on these outcomes, Leaders issued a preliminary accountability report at the L'Aquila Summit, focused on assessing action in the education, water and sanitation, food security and health sectors.

At the L'Aquila Summit Leaders also tasked the Accountability Working Group (AWG), made up of senior-level G8 country officials, to "devise, in cooperation with relevant international organizations, a broader, comprehensive and consistent methodology for reporting with a focus on our activities in development and development-related areas and with attention to results"⁸. The Terms of Reference also directed the AWG to develop guidance on how to improve on the delivery of G8 commitments through better tracking and the design of measurable commitments.⁹

Assessing progress in implementing its development-related commitments is central to keeping the G8 on track and to the credibility of the accountability process. Although the Report is not an exhaustive review of the full range of G8 commitments or an assessment of progress towards meeting international development goals, given its focus on results and common methodology, this report is nevertheless an important step forward in assessing the extent to which the G8 has lived up to its promises. The

Report reflects the desire of Leaders to provide a candid assessment on what the G8 has done.

Building on previous efforts, Chapter 2 of the Report assesses G8 performance, using a consistent methodology, in implementing a number of key development-related commitments. It also expands the focus of G8 reporting by placing an increased emphasis on evaluating the results of G8 commitments and action. Chapter 3 of the Report identifies a number of lessons learned for future reporting.

Detailed information on action by G8 members in addressing the development-related commitments identified in this report, including national financial data, is available in Annex Five which can be found on the CD that accompanies this report.

The Millennium Development Goals

With a target date for meeting the goals set for 2015, the MDGs are a set of goals that require a collective response from donors and developing countries in a global partnership for development.

- 1: Eradicate extreme poverty and hunger
- 2: Achieve universal primary education
- 3: Promote gender equality and empower women
- 4: Reduce child mortality
- 5: Improve maternal health
- 6: Combat HIV-AIDS, malaria and other diseases
- 7: Ensure environmental sustainability
- 8: Develop a global partnership for development.

Chapter 2: Reporting on G8 Commitments

Scope

The L'Aquila Summit Communiqué limited the focus of this Report to development and development-related commitments. Within this mandate, the AWG identified 56 development-related commitments on which to report G8 progress.¹⁰ The criteria used by the AWG to identify relevant development-related commitments included whether they were:

- Overarching (encompassing other, more detailed/specific commitments in the same sector);
- Measurable (for example, referring to financial resources);
- Within the control of the G8, and;
- Multi-year priorities expiring in 2010.

The 56 commitments have been grouped and reported on under nine thematic areas of focus: aid and aid effectiveness; economic development; health; water and sanitation; food security; education; governance; peace and security; and energy and environment. These themes reflect the range of areas on which the G8 has focused its attention on in recent years. The Report focuses primarily on those commitments made between 2005 and 2009, but also reports on progress against certain other marquee commitments – namely the 2002 Kananaskis Africa Action Plan, the 2003 Evian Water Action Plan, and the 2004 Sea Island peace and security commitments – given their strategic importance to G8 work on development. The Report builds on data and narrative evidence provided by G8 countries and relevant international organizations, where appropriate, to the AWG.

In this chapter, each thematic section answers three basic questions:

- What are the key G8 commitments within the theme?
- What action has the G8 taken to implement those commitments?
- What results have been achieved?

Reporting on Results

At the L'Aquila Summit, Leaders expressed a desire that future reporting should give attention to results. This represents a departure from previous G8 reports where the focus was on identifying and reporting on G8 inputs – resources provided, programs implemented, etc. However, attempting to capture the impact of G8 interventions presents a number of challenges.

First, is the issue of attribution. Ultimately, development outcomes are the responsibility of partner governments; and the G8 works in support of them alongside a broad range of donors, international organizations, civil society, non-governmental organizations and private foundations. The results of the G8 interventions can also be influenced by various other factors, such as the recipient countries' capacity to absorb assistance, or unexpected natural, political or economic crises. All this makes it difficult – in the aggregate – to isolate and link G8 interventions with specific results.

Second, assessing impact requires robust and verifiable data. However, many G8 activities are in sectors where the data quality is poor. Moreover,

activities are often carried out with insufficient attention to the need for baseline data or a methodology that would allow for the rigorous assessment of impact. The lack of monitoring systems that provide timely and reliable information further compounds the challenge of reporting on results.

At the programming level, however, G8 members are increasingly delivering their aid and other programming using a results-based management approach. This approach allows G8 members to focus on measuring and reporting on outcomes throughout the lifecycle of a policy, program or initiative.

While recognizing these challenges, the AWG concluded that it was important to take the first steps towards tracking some of the results of G8 interventions, in part to send a signal of the importance we place on assessing impact going forward. The approach adopted involves two elements. First, in every substantive area where the G8 has made development-related commitments, the AWG utilized assessments by international organizations and other experts to report on quantitative trends in key outcomes at the regional and national levels. While these trends cannot be directly attributed to G8 actions, they

provide valuable information on the progress, or the lack thereof, which has accompanied G8 policy attention and investments.

Second, the report includes examples of evaluations drawn from G8 member input that identify the impact of particular programs or interventions, using the best available methods. These evaluations are highlighted in each chapter – identifying success stories and best practices that are illustrative of what can be achieved through G8 initiatives. By highlighting examples of high-quality evaluations, G8 members seek to demonstrate the importance of assessing impact, as well as inputs. At the same time, the AWG recognizes that significant work remains to be done in terms of improving the quality of the evaluations undertaken.

Methodological Issues

Past G8 reports have highlighted a number of inconsistencies in reporting, ranging from different fiscal and calendar years, different currencies and exchange rates, use of commitment or disbursement financial data and double counting. One of the objectives of the 2010 accountability exercise was to devise a broader, comprehensive and consistent methodology for reporting. By adopting a common methodology, transparency and consistency in reporting are improved.

The AWG has assessed these issues and agreed on a common methodology for reporting, set out in the Methodological Guidance Document in Annex Three. In this report, unless otherwise noted, reporting in tables and graphs is by calendar year using financial disbursements in current United States currency. Financial data contained in this report has been drawn from information provided by the OECD-DAC and other international organizations, and G8 members.

Chapter 2: Reporting on G8 Commitments

2.1: AID AND AID EFFECTIVENESS

Highlights

- Official Development Assistance (ODA) from all OECD-DAC bilateral donors has significantly increased from almost \$80 billion in 2004 to nearly \$120 billion in 2009 – a nominal increase of 50%. The G8's ODA spending in 2009 exceeded \$82 billion and represented almost 70 percent of total ODA spending by all donors.
- ODA to Africa has increased, totaling \$43 billion in 2009, a rise of \$15 billion from 2004. Since 2004, G8 spending on ODA to Africa has increased by 50 percent, reaching almost \$30 billion in 2008, making the G8 by far the largest contributor of ODA to Africa.
- Progress has also been made towards meeting the Gleneagles Annex II national aid commitments with a number of G8 members having met or surpassed their targets.
- G8 members have made strong efforts to implement international aid effectiveness objectives particularly with regard to aligning programs with partners' strategies, using country systems, reducing fragmentation through division of labour and untying aid which is helping to advance the Paris Declaration and Accra Agenda for Action.
- G8 action on debt relief has substantially lowered both debt outstanding and debt service ratios of poor countries and allowed them to increase investments related to poverty reduction.

Overview

The purpose of aid is to foster sustainable growth and contribute to tangible improvements in the lives of the world's poorest people. Over the past decade the international community has rallied around a consensus on development goals and aid effectiveness principles, anchored primarily by the Millennium Declaration (2000) and the MDGs, the Monterrey Consensus on Financing for Development (2002), the Paris Declaration on Aid Effectiveness (2005) and the Accra Agenda for Action (2008). ODA has a vital role to play in helping countries meet their development challenges, but other sources of development finance are often of equal or greater importance for sustainable development.

The aid effectiveness agenda, enshrined in the Monterrey Consensus, Paris Declaration and the Accra Agenda for Action, aims to improve the quality of the delivery, management and use of ODA in order to maximize its development impacts. It is based on the important assumption that improved aid

Key Commitments

- Substantially increase aid, with a focus on Low Income Countries (LICs).
- Gleneagles national Annex II aid commitments.
- Implement the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action.
- Implement the Heavily Indebted Poor Countries (HIPC) Initiative and cancel 100 percent of eligible debts of HIPCs to the International Monetary Fund (IMF), International Development Association (IDA) and the African Development Fund (AfDB)

effectiveness will increase the impact of aid on economic growth, reducing poverty and inequality and building capacity, all critical to the achievement of the Millennium Development Goals. Fundamentally it is about aid that makes the best possible use of resources and maximizes benefits.

G8 Leadership and Results

The G8 has made a number of multi-year commitments aimed not only at

International Aid Effectiveness Arrangements

- The Paris Declaration on Aid Effectiveness, endorsed by over 100 development actors, established five principles for shaping a new, more effective relationship between donors and recipients in order to make aid work better: country ownership; alignment; harmonization; management for results; and mutual accountability.
- The Accra Agenda for Action (AAA) signaled where efforts to meet the Paris Declaration targets by 2010 must be increased, notably in strengthening country ownership, building more effective and inclusive partnerships, delivering and accounting for development results.

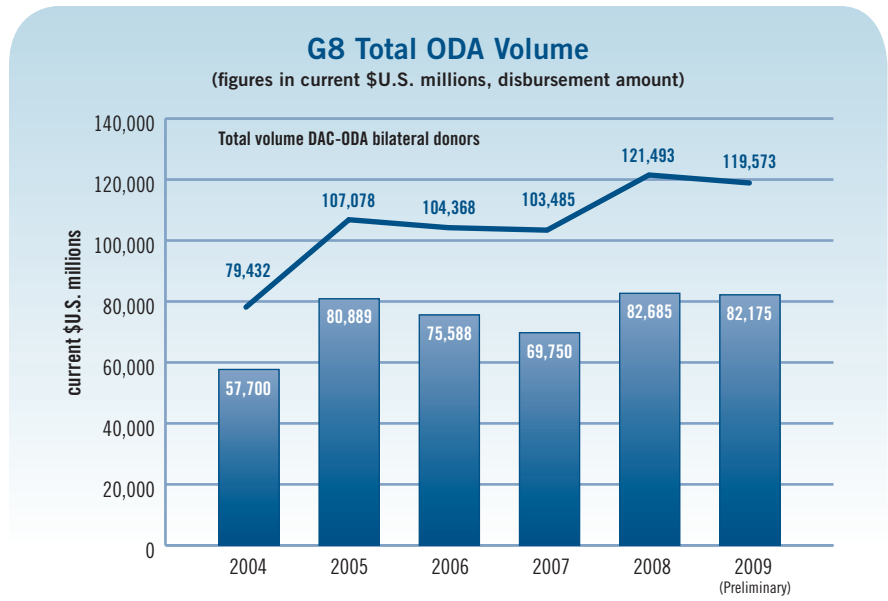
increasing traditional development assistance but also at providing innovative approaches to improving the quality of development assistance and reducing the burden of debt on developing countries.

How has the G8 delivered on its commitments?

Increasing Official Development Assistance

In 2005 at the Gleneagles Summit and the United Nations Millennium +5 Summit, G8 countries and the world’s major aid donors made a series of commitments to increase Official Development Assistance (ODA). Based on these commitments and on overall ODA trends, the Organization for Economic Co-operation and Development (OECD) estimated that ODA from all donors would increase by around \$50 billion a year by 2010, compared to 2004.

Five years on, the global community has made progress towards the \$50 billion OECD estimate. In current dollars, donors are four-fifths of the way towards the target (a \$10 billion shortfall). In 2009, despite the onset of the global economic crisis, ODA from all OECD-DAC bilateral donors increased from \$80 billion in 2004 to a level of almost \$120 billion – with \$24 billion of the increase coming from G8 countries. In constant 2004 dollars, the OECD estimates that there is a shortfall of \$18 billion from all donors and, on that basis, donor countries are



Source: OECD-DAC and national ODA data from Russia.
Note: Total volume DAC-ODA bilateral donors does not include national data from Russia. Total G8 volume does not include the EU total ODA.

approximately three-fifths of the way to meeting the original 2005 OECD estimate.* In 2009, G8 ODA disbursements account for almost 70 percent of global ODA.¹¹

Gleneagles Annex II National Commitments

At the Gleneagles Summit each G8 member made national commitments to increase their international assistance. The specific commitments varied in size, ambition and timetable. Overall G8 members’ progress in meeting these commitments is mixed, with some members meeting or surpassing their individual targets. Others continue to

make progress towards their 2010 targets and have reconfirmed their commitment to meet their 2015 goals.

Table 1 provides information on G8 members’ ODA spending. Detailed information on how G8 members have met their Annex II commitments is set out in Table 2.

* This Report uses current dollar values throughout. It should be noted that the OECD estimates for the G8 and other donors highlighted in the Gleneagles Summit, do not specify whether the \$50 billion a year by 2010 increment was to be in current or constant dollars.

G8 Gleneagles Summit Africa Communiqué

- 27. 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.
- 28. As we confront the development challenges in Africa, we recognize there is a global development challenge facing the world as a whole. 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.

Table 1: G8 Total ODA Volume (in U.S. dollars, million current) and ODA/Gross National Income (GNI) percent

G8 Country	Aid Volumes		ODA/GNI		
	2004	2009 Preliminary	2004	2009 Preliminary	2010 OECD Projections
Canada	2,599	4,013	.27	.30	.33
France	8,473	12,431	.41	.46	.46
Germany	7,534	11,982	.28	.35	.40
Italy	2,462	3,314	.15	.16	.20
Japan***	8,922	9,480	.19	.18	.18
Russia	100	785	.015	.065	.07
United Kingdom	7,905	11,505	.36	.52	.60
United States	19,705	28,665	.17	.20	.19
G8 Total	57,700	82,175	.22**	.26**	—
OECD-DAC Bilateral Donors	79,512*	119,573*	.26*	.31*	

Source: OECD-DAC and national ODA from Russia

Note. * National data from Russia is not included as Russia is not an OECD-DAC member-country.

** The G8 ODA/GNI average is based on information provided by the OECD-DAC. As Russia is not an OECD-DAC member-country, the ratio for Russia is not included in the G8 average.

*** OECD data for Japan is being revised to reflect the data in this table.

Table 2: GLENEAGLES ANNEX II NATIONAL COMMITMENTS (as reported by G8 members)

Country Commitment	Progress								
Canada will double its international assistance from 2001 to 2010, with assistance to Africa doubling from 2003/4 to 2008/9.	On track to double international assistance to reach (CND) \$5 billion in 2010/11 and met its commitment to double aid to Africa in 2008-09.								
France has announced a timetable to reach 0.5 percent ODA/GNI in 2007, of which 2/3 for Africa, – representing at least a doubling of ODA since 2000 – and 0.7 percent ODA/GNI in 2012.	<p>The share of ODA to GNI has increased regularly since 2007.</p> <table border="1"> <thead> <tr> <th>2007</th> <th>2008</th> <th>Prelim. 2009</th> <th>2010</th> </tr> </thead> <tbody> <tr> <td>0.38</td> <td>0.39</td> <td>0.46</td> <td>0.47-0.51</td> </tr> </tbody> </table> <p>In terms of volume, net ODA in current Euros has doubled between 2000 (€ 4.4 billion) and 2009 preliminary declaration (€ 8.9 billion), with an increase of 16.9 percent from 2008 to 2009. In 2008, bilateral ODA toward Africa has almost reached 52 percent.</p> <p>In the context of successive and multiple crises (energy, food, world economic and financial), France has defined at the latest French interministerial committee for international cooperation and development (CICID), in June 2009, a policy to face the present challenges of development and has reiterated the commitment to reach 0.7 percent ODA/GNI in 2015. Africa has been strengthened as the main geographical priority in the French development policy and, accordingly, 60 percent of the budgetary effort is being targeted at the Sub-Saharan African countries. Furthermore, CICID established a priority list of 14 poor African countries which will benefit from 50 percent of the grants allocated to MDGs (excluding grants in favour of post-crisis countries which are object of a specific treatment).</p>	2007	2008	Prelim. 2009	2010	0.38	0.39	0.46	0.47-0.51
2007	2008	Prelim. 2009	2010						
0.38	0.39	0.46	0.47-0.51						

Table 2: GLENEAGLES ANNEX II NATIONAL COMMITMENTS (as reported by G8 members)													
Country Commitment	Progress												
<p>Germany (supported by innovative instruments) has undertaken to reach 0.51 percent ODA/GNI in 2010 and 0.7 percent ODA/GNI in 2015.</p>	<p>Following a rise from 0.26 percent of GNI in 1998 to 0.28 percent of GNI in 2004, the base year for the Gleneagles target, ODA has increased to 0.38 percent of GNI in 2008 and 0.35 percent of GNI in 2009. According to OECD estimates, ODA will reach 0.40 percent of GNI in 2010. Significant ODA budget increases totalling approximately US \$2.6 billion in 2008, 2009 and 2010 will compensate for the statistical phase-out of large debt reduction operations.</p> <p>Reaffirmed intention to reach 0.7 percent in 2015.</p>												
<p>Italy has undertaken to reach 0.51 percent ODA/GNI in 2010 and 0.7 percent ODA/GNI in 2015</p>	<p>The severe constraints of high public debt compared to GNP, aggravated by the financial and economic crisis, prevented fulfillment of Gleneagles ODA commitments. However, as soon as possible new resources are available for the State Budget, a part of them is allocated for ODA. It has been the case in 2007 (around €1 billion). Efforts are under way to improve ODA reporting to fully capture all sources which have been reported partially due to technical and organizational reasons.</p> <table border="1"> <thead> <tr> <th>2004</th> <th>2005</th> <th>2006</th> <th>2007</th> <th>2008</th> <th>2009</th> </tr> </thead> <tbody> <tr> <td>0.15</td> <td>0.29</td> <td>0.20</td> <td>0.19</td> <td>0.22</td> <td>0.16</td> </tr> </tbody> </table> <p>Reconfirmed commitment towards achieving 0.7%</p>	2004	2005	2006	2007	2008	2009	0.15	0.29	0.20	0.19	0.22	0.16
2004	2005	2006	2007	2008	2009								
0.15	0.29	0.20	0.19	0.22	0.16								
<p>Japan intends to increase its ODA volume by \$10 billion in aggregate over the next five years. Japan has committed to double its ODA to Africa over the next three years and launched the \$5 billion 'Health and Development Initiative' (HDI) over the next five years. For the "Enhanced Private Sector Assistance (EPSA) for Africa" facility, Japan will provide more than \$1 billion over 5 years in partnership with the AfDB</p>	<p>It fell short by USD 3.6 billion while Japanese ODA increased by \$6.4 billion in aggregate. Doubling of ODA to Africa was achieved in 2007 with \$1.71 billion (2003 baseline of \$0.84 billion). Japan fulfilled the commitment of the HDI, providing a total of approximately 6.63 billion USD by the end of FY2008. Provisions made amounting to about \$0.65 billion for the EPSA for Africa facility and endeavoring to form and implement efficient and effective projects to achieve the goal.</p>												
<p>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.</p>	<p>Russia is on track and has already cancelled debts owed by African countries in the amount of \$11.3 billion, including \$2.2 billion of debt relief under the HIPC Initiative. Beyond this Russia has taken the decision to cancel \$552 million in debt under the programme "Debt for development SWAPs" to the following countries: Madagascar, Mozambique, Ethiopia, Tanzania, Benin and Guyana. The programme is under consideration of partner countries' governments.</p>												

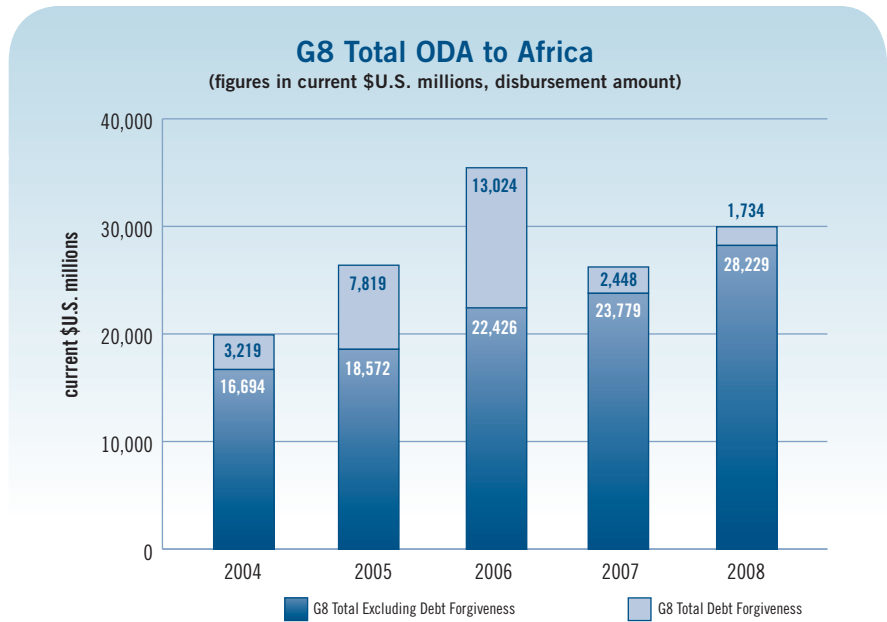
Table 2: GLENEAGLES ANNEX II NATIONAL COMMITMENTS
(as reported by G8 members)

Country Commitment	Progress
<p>The UK has announced a timetable to reach 0.7 percent ODA/GNI by 2013 and will double its bilateral spending in Africa between 2003/04 and 2007/08.</p>	<p>The latest OECD figures confirm on target to reach 0.56 percent by 2010. Committed to spend 0.7 percent by 2013. Based on latest UK financial year projections, DAC estimates UK 2010 calendar year ODA spend will be equivalent to \$15.5 billion or 0.6 percent of GNI. Commitment to double bilateral spending in Africa between 2003/4 (£625 million \$1021 million) and in 2007/08 (£1,269 million or \$2,540 million) was met.</p>
<p>The U.S. pledged to double aid to Sub-Saharan Africa by 2010.</p>	<p>Has met commitment one year early to double its annual assistance to Sub-Saharan Africa by 2010 from \$4.335 to \$8.67 billion.</p>
<p>The EU has pledged to reach 0.7 percent ODA/GNI by 2015 with a new interim collective target of 0.56 percent ODA/GNI by 2010. The EU will nearly double its ODA between 2004 and 2010 from € 34.5 billion to € 67 billion. At least 50 percent of this increase should go to sub-Saharan Africa.</p> <p>Note: EU combined ODA/GNI is for all EU member states</p>	<p>Progress towards the commitment has been slower than expected, but in 2009 the EU reached 0.42 percent ODA/GNI, and is taking steps to reach the 0.7 percent target by 2015. The ODA disbursed by the EU institutions increased in 2009 to \$15 billion.</p>

Aid to Africa

G8 members are working with African partners to support their goals to achieve sustainable economic growth, good governance and security. At the Gleneagles Summit, it was expected that commitments from all donors would lead to an increase in ODA to Africa of \$25 billion a year by 2010, more than doubling aid to Africa compared to 2004.

In 2008, the most recent year OECD data is available, ODA spending from all donors to Africa totaled over \$43 billion, an increase of \$15 billion from 2004 – with the G8 contributing \$10 billion to that increase. With almost 70 percent of total donor assistance, the G8 is by far the largest contributor of ODA to Africa. Since 2004, G8 spending on ODA to Africa has increased by 50 per cent, reaching almost \$30 billion in 2008.



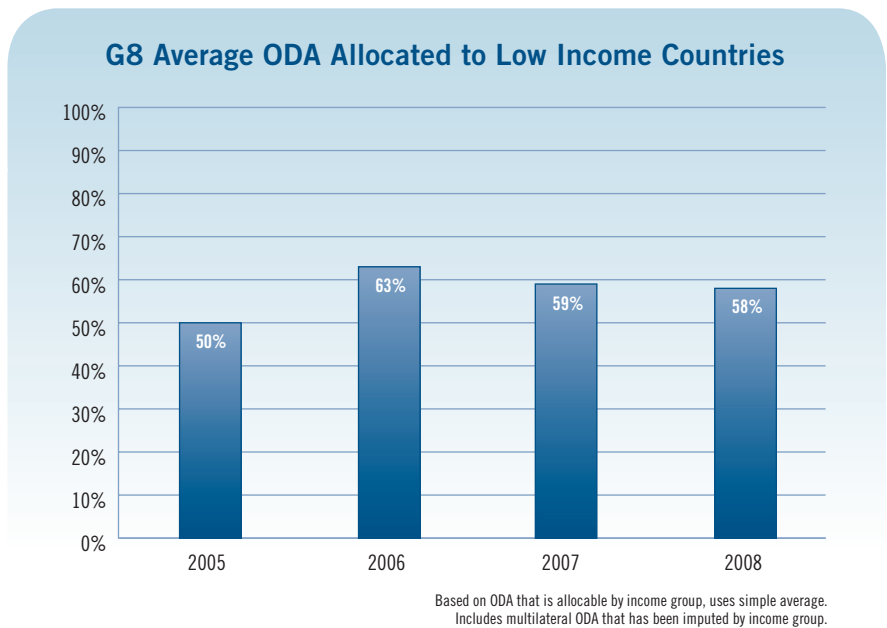
Source: OECD-DAC.

Note: The national data from Russia is not included as Russia is not an OECD-DAC member-country.

Aid to Low Income Countries (LICs)

In order to accelerate progress towards the MDGs in countries where external ODA resources can make a difference, G8 Leaders pledged at the Gleneagles Summit to focus aid on LICs¹² committed to: growth and poverty reduction; democratic, accountable and transparent government; and sound public financial management. They also noted that aid is an important instrument of response to humanitarian crises and countries affected by, or at risk of, conflict. ‘The G8 has increased the overall proportion of its aid (allocated by income group) to LICs every year since 2005, starting from a base of 50 percent. Although there has been some variability, the average share to LICs between 2005-2008 was 58 percent.

An ODA focus on LICs is important given that these countries, generally considered the poorest, have a limited capacity to mobilize other sources of financing for development. As noted in



Source: OECD-DAC and national ODA data from Russia.

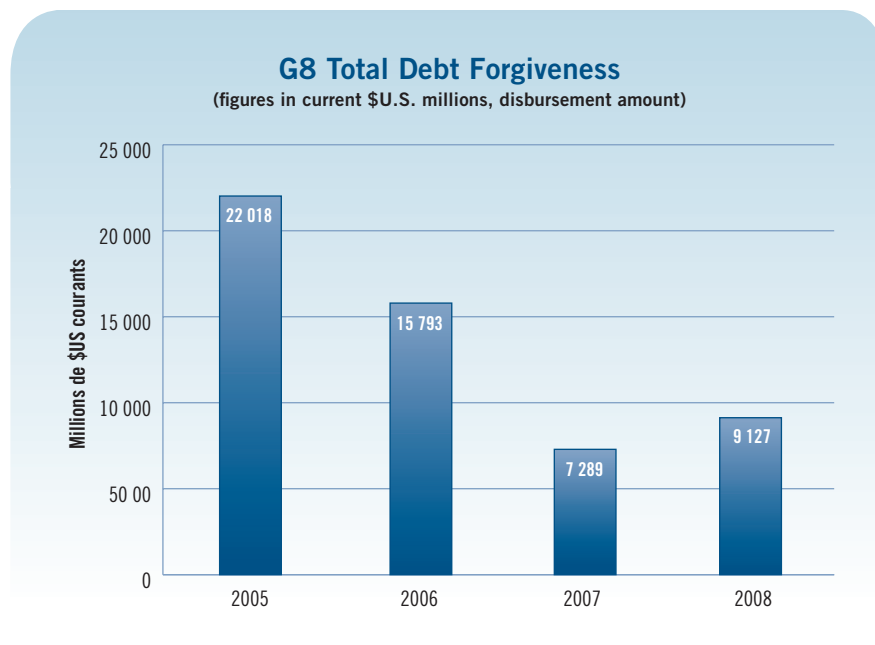
the 2005 commitment, LICs are not a homogeneous group; some countries have the capacity to exert stronger ownership of development processes, while other states are considered more fragile or conflict-affected and require a different approach. The G8's pledge to LICs demonstrates a commitment to responding to the different circumstances within the LIC grouping.

The potential of innovative financing for development is widely recognised among G8 countries. These mechanisms need further enhancement in order to provide financial resources that are more stable, predictable and complementary to traditional aid. Some G8 members are examining different mechanisms that could enable financing in new areas.

Debt Relief

Unsustainable debt is a major obstacle to development. In many developing countries the cost of servicing debt grew to consume large shares of domestic earnings, thereby creating obstacles for sustainable economic and social growth. G8 countries have been at the forefront of international initiatives that enabled the cancellation of eligible debts of heavily indebted countries. Key to debt relief initiatives is ensuring that they provide additional resources and the proper incentives for good governance and economic reform.

Started in 1996, the Heavily Indebted Poor Countries (HIPC) debt relief initiative was enhanced following the Köln G8 Summit in 1999. The enhanced HIPC initiative entails debt relief from bilateral and multilateral creditors when debtor countries complete the HIPC process. Under the terms of this initiative, bilateral creditors are expected to provide forgiveness on 90 percent of debt owed by HIPCs. The debtors also commit to seek comparable debt reduction from their private creditors and have often been successful in securing it.



Source: OECD-DAC.

Note: The national data from Russia is not included in graph as Russia is not an OECD-DAC member-country. Russia has already cancelled debts owed by African countries in the amount of \$11.3 billion.

Given that some multilateral creditors, which are also expected to provide debt relief, require donor assistance, the World Bank-administered Debt Relief Trust Fund (formerly HIPC Trust Fund) gives bilateral donors the opportunity to provide contributions to assist with multilateral creditors' shortfalls in financing of debt relief. In 2002, the G8 committed to seeing that the projected shortfall in the Debt Relief Trust Fund be fully financed and also to fund its share of the shortfall of the HIPC Initiative. This action will provide significant support for countries' efforts to reach the Millennium Development Goals, while ensuring that the financing capacity of the international financial institutions is not reduced.

In 2005, G8 countries agreed and led on the initiative to cancel 100 percent of outstanding debts of eligible HIPCs to the IMF, IDA and the African Development Fund. While G8 countries themselves are not in a position to cancel debts owed by eligible HIPCs to

these organizations, they have used their influence to ensure that eligible HIPCs receive additional debt relief through the Multilateral Debt Relief Initiative (MDRI).

Since 1999, G8 members have collectively forgiven at least 90 percent of debt owed by every HIPC that has reached completion point, and most G8 members provide 100 percent relief. Most G8 members cancel these debts outright, though some members expect the debtor to offset or swap their claims with specific developmental budgetary allocations. As an increasing number of eligible countries complete the HIPC initiative, the requirements for debt forgiveness have decreased in recent years.

The G8 and Aid Effectiveness

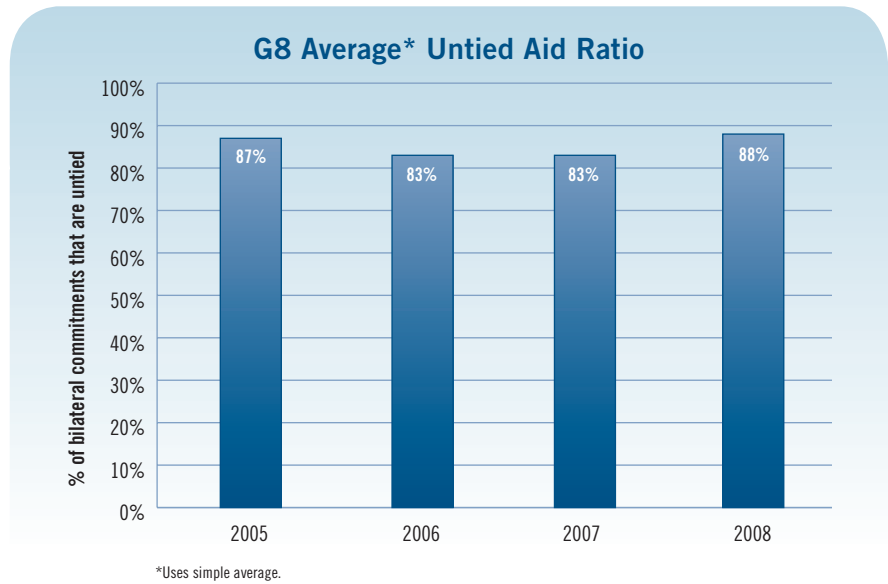
Over the past decade the international community has come together with a set of strong commitments to improve the impact of development cooperation and the effectiveness of aid. It is based on

the assumption that improved aid effectiveness will increase the impact aid has on reducing poverty, increasing growth, building capacity and accelerating achievement the Millennium Development Goals. The aid effectiveness agenda seeks to transform aid relationships to achieve these goals by setting out actions that have been agreed by donors and partner countries to improve the quality of aid.

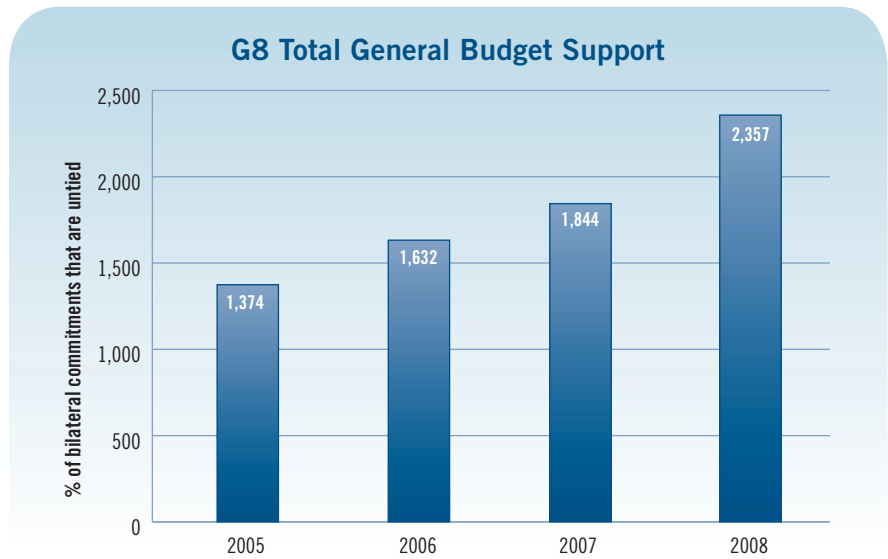
Although G8 members are not alone among donors in taking greater action to adhere to the principles of aid effectiveness, their efforts have signaled and supported a strong policy direction within the donor community. At the Gleneagles Summit, G8 members affirmed the importance of the principles of aid effectiveness and agreed to implement and be monitored on the commitments they made in the Paris Declaration. In 2009 at the L'Aquila Summit, Leaders' acknowledged that the financial crisis made it "doubly important...to improve the effectiveness of our aid" and committed to "accelerate the implementation of our aid effectiveness commitments," including those made under the Paris Declaration and the Accra Agenda for Action.¹³

When donors and partner countries endorsed the Paris Declaration, they agreed to set collective targets against 12 indicators for effective aid and to review progress in 2008, in Accra. In preparation for this review, the OECD released the 2008 Survey on Monitoring the Paris Declaration, Making Aid More Effective by 2010. The report presented the results and findings from two survey rounds – in 2006 and 2008 – and was aimed at assessing progress towards the targets for effective aid. Information on how the G8, other donors and partner countries are assessed in implementing the Paris Declaration can be found in the 2008 OECD Monitoring Survey.

The G8 Accountability Report highlights the work of the G8 in implementing a number of aid



Source: OECD-DAC and national data from Russia.



Source: OECD-DAC and national data from Russia.

effectiveness principles from the Gleneagles Summit, including enhancing efforts to untie aid and to disburse aid in a timely and predictable fashion through partner country systems, where possible.

G8 members have made progress on these principles by identifying and

implementing specific actions to meet their aid effectiveness commitments. Specific measures include providing guidance and training for staff of donor agencies and establishing processes for reporting on key aid effectiveness indicators. In 2011, there will be both another OECD monitoring survey and an

assessment of the impact of the Paris Declaration.

Untying Aid¹⁴ Untying aid is one action towards improved aid effectiveness. Many G8 countries have made significant and concrete progress towards untying their aid. Several G8 members have met or surpassed the OECD-DAC weighted average of 86 percent for untying aid. Some countries, including Canada, France, Germany and the UK, have either already fully untied their aid, or have a clear plan to further untie their remaining tied aid.

Predictability In order to make best use of development assistance, partners need to be in a position to plan for the medium and long term. Delays in receiving committed aid can have a serious impact on partner governments' ability to implement their national development strategy. The Paris Declaration called on donors to provide reliable commitments of aid over a multi-year framework and to disburse aid in a timely and predictable manner. While some partner countries, the G8 and other donors are working towards achieving greater predictability, much work remains to be done in order to significantly increase the proportion of aid disbursed within the fiscal year for which it was scheduled and recorded in partner-country information systems.

Strengthen Country Systems For development results to have a lasting impact, developing countries need the institutional capacity to take ownership of and sustain development programs. This includes the capacity to manage public finances and procurement, plan and deliver programs, but also to monitor and report on results and be accountable to parliaments and publics. G8 donors engage in policy dialogue and provide guidance and support for institutional capacity building of central governments, local governments, ministries, other governmental

G8 Results: United States Education Sector Program Assistance in Zambia

For the past five years, USAID/Zambia has used a Sector Program Assistance Agreement¹⁵, with a total allotment of \$6.4 million, with Zambia's Ministry of Education to advance joint objectives in education. The purpose has been to strengthen the Ministry's internal operational capacity. A 2008 USAID review of the Agreement noted how it had enhanced local technical capacity and provided an important accountability foundation, including transparency and governance, for the Government of Zambia and the Ministry, but also took note of a range of implementation challenges in using this modality successfully.

Further assessments have shown promising results for the Community Schools program, including: 948 community school teachers and 412 Ministry Basic School Teachers trained in basic teaching skills; 48 managers trained in fundamentals of school management; 321 community committees trained and supported; and over 450 teachers enrolled as distance students in the Zambia Teacher Education Course.

institutions, civil society and the private sector.

In order to both strengthen and use country systems some G8 countries channel their bilateral development assistance through these systems, using a wide range of modalities that include budget support, loan support, project funding, basket funding or technical assistance pooling in order to enhance increased institutional capacity. As one example of the growing use of country systems, G8 general budget support has increased by over 70 percent during the period 2005 to 2008. This increase reflects a growing recognition of the impact that budget support can have when partner countries have made substantial progress in reforming their policies and institutions.

Mutual Accountability for Results

Mutual accountability for development results between partner countries and donors is at the heart of the Monterrey Consensus, the Paris Declaration and the Accra Agenda for Action. Mutual accountability is a process by which

partners hold one another responsible for the commitments that they have voluntarily made to each other. The target under the Paris Declaration is for all partner countries to have established mechanisms for assessing the implementation of agreed commitments on aid effectiveness by 2010.

The 2008 OECD Monitoring Survey showed that of the 54 countries surveyed in 2007 only 25 percent had functioning mutual accountability mechanisms. This proportion was similar to the 2006 survey but the number of countries surveyed was nearly doubled. The unchanged ratio of mutual accountability mechanisms for partnership commitments may suggest that momentum has been lost. Members of the G8 can lead by providing transparent, complete and timely information on assistance and support partner country efforts to deliver measurable results.

G8 Results: United Kingdom and Ethiopia Basic Services Programme

The recent Ethiopia Country Programme Evaluation¹⁶ found the UK Department for Foreign International Development (DFID) “is well regarded for willingness to align with government strategies and systems, particularly through the Protection of Basic Services Programme (PBS). DFID has demonstrated the flexibility and responsiveness to be able to work through federal government systems for the disbursement of funds and the collection of financial monitoring information, while building capacity in these same government systems.”

The evaluation also found that the provision of budget support to the PBS contributed to:

- 46 percent of the population now having access to a potable water supply, up from 35 percent two years earlier;
- New malaria cases falling by 26 percent due to increased distribution of insecticide-treated nets; and
- 2.6 million more children enrolling in primary school.

Key Findings and Lessons Learned

- The G8 is a powerful resource mobilizer for development assistance, with ODA spending of over \$82 billion, accounting for almost 70 percent of global ODA in 2009.
- The changing global development architecture, particularly with regard to the role of emerging donors and other partners will provide new opportunities for increasing and enhancing the quantity and quality of aid, including better mobilization of domestic resources, innovative financing and increasing private flows.
- Progress is underway on implementing aid effectiveness commitments set out in the Paris Declaration and the Accra Agenda for Action. However, certain commitments require systemic change on the part of both donor and recipient countries, which takes time, and is often only visible on the ground after several years.
- As a key driver behind international debt relief initiatives, such as HIPC and MDRI, the G8 has demonstrated its ability to draw the attention of other actors and galvanize political will towards key issues.
- G8 members have cancelled significant levels of debt which has helped to free billions of dollars for developing countries. In spite of the efforts of the G8, the accumulation of new debt continues to pose serious challenges to sustainable economic development. Hence, further efforts are necessary to sustain manageable debt levels in many HIPC eligible countries.

Chapter 2: Reporting on G8 Commitments

2.2: ECONOMIC DEVELOPMENT

Highlights

- Since 2005, G8 has provided significant political and financial support for the Aid for Trade agenda. G8 Aid for Trade flows increased from \$10 billion in 2005 to \$14 billion in 2008.
- G8 members are making progress on their commitment, as agreed at the WTO 2005 Hong Kong Ministerial, to provide at least 97 percent duty and quota free access to their markets for products emanating from Least Developed Countries.
- G8 support for the Infrastructure Consortium for Africa, as well as other bilateral and multi-donor support, has contributed to a significant increase in investment in African infrastructure.
- The G8 has made substantial contributions to private sector development in Africa, including through support to the Investment Climate Facility, financial market development and financial inclusion.

Overview

Stimulating economic growth is central to reducing poverty and achieving the Millennium Development Goals (MDGs). The economic development agenda involves improving the investment climate in developing countries, fostering financial inclusion and further integrating developing countries into international trade regimes.

G8 Leadership and Results

The G8 has recognized the importance of a holistic approach to economic development, and as a result has developed a range of policies to promote international trade and private investment, strengthen financial markets and financial inclusion, and develop regional integration and

infrastructure. The G8 has also recognized the central role that trade must play in any strategy for sustainable development.

How has the G8 delivered on its commitments?

Trade and Development

Trade, and especially international trade, is an essential component of economic growth and can reduce poverty when the right conditions are in place. As a result, many developing countries have begun to integrate themselves further into the global economy. However, low income countries continue to face challenges in adjusting their economies to take advantage of new market access

The G8 \$4 billion Aid for Trade Pledge

At the St. Petersburg Summit, the G8 indicated its expectation that spending on Aid for Trade (AFT) would increase to \$4 billion. Subsequently, it was decided that the OECD would assume the role of tracking AFT, using its own monitoring framework. Under this framework, the range of activities covered under 'Aid for Trade' expanded, overtaking the original \$4 billion estimate.

Key Commitments

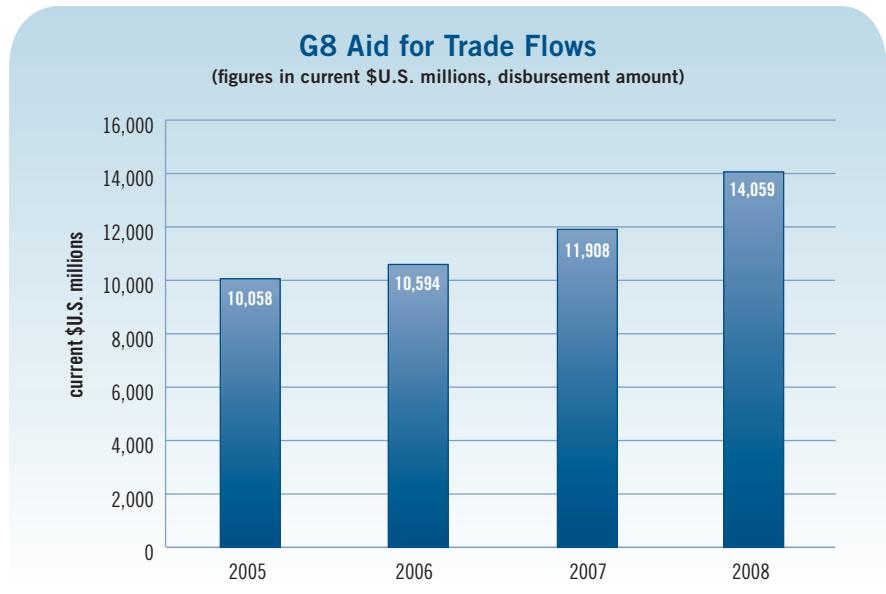
- Increase developing country capacity for trade through Aid for Trade, with spending on trade-related assistance expected to increase to \$4 billion by 2010 (based on a 2005 WTO definition of Aid for Trade).
- Support initiatives that address the investment climate and strengthen, private sector development, financial markets and financial inclusion in Africa.
- Stimulate regional integration and trade between developing country partners, including through addressing Africa's infrastructure needs.
- Objective of duty-free and quota-free access and simplified rules of origin for products from Least Developed Countries.
- Work towards a reduction of the global average costs of transferring remittances from the present 10 percent to 5 percent in 5 years.

opportunities. Moreover, the benefits of global trade have been unequally realized— Africa's share of global trade remains the smallest of any region in the world. Improving access to regional and international markets and substantially lowering tariffs and other barriers to trade are essential to reduce market distortions, provide for market access and spur new growth in global trade. A balanced and ambitious World Trade Organization (WTO) Doha Round agreement that delivers real and further market access would greatly assist with these objectives.

At the same time, G8 countries have increased efforts to provide developing countries, in particular Least Developed Countries (LDCs), with enhanced trade-related technical assistance and capacity building. At the 2005 Gleneagles Summit G8 leaders stressed the importance of supporting increased trade and regional integration; six months later, trade ministers gathered in Hong Kong for the WTO Ministerial Conference agreed to an ambitious Aid for Trade (AFT) initiative to help build developing countries' capacity to trade successfully. AFT can help to address some of the challenges faced by developing countries in the Doha negotiations and help them reap benefits from a successful conclusion of the Round.

The G8 has lent strong political support to the AFT agenda and backed this with significant financial resources. At the 2005 WTO Ministerial Conference, a number of donors pledged to increase their aid for trade by 2010. For instance, all EU donors committed themselves to fulfilling the joint EC-EU member states pledge on scaling up trade-related assistance. Some bilateral donors as well as the EC have already met or are close to fully meeting their delegated shares of the joint pledge. The US is also on track to meet its target, although fulfillment of its pledge will rely upon developing country partners consistently prioritizing trade needs in their national development plans. Japan has met and exceeded its initial pledge by starting a second initiative for the period 2009-2011.

The Aid for Trade initiative has achieved, in a short time, remarkable progress: partner countries are increasingly mainstreaming trade in their development strategies and clarifying their needs and priorities; donors are improving aid-for-trade delivery and scaling up resources. In Africa, partly thanks to a significant increase in its share of Aid for Trade, there are real signs of progress:



Source: OECD-DAC.

Note: Based on the expanded Aid For Trade monitoring framework.

National data from Russia is not included as Russia is not an OECD-DAC member-country.

Based on CRS proxies.

G8 Results: Making Trade Work for Africa

At the 2005 Gleneagles Summit G8 Leaders committed to 'make trade work for Africa', and have consequently placed increased emphasis on Aid for Trade activities in African countries. In line with this agenda, the European Commission is helping Kenya to increase the financial return for horticulture farmers through fair trade certification. Initiatives such as these, when combined with improved market access, has resulted in Kenya becoming a leading exporter of fresh cut flowers to the EU.

Separately, further growth is taking place in Kenyan horticulture exports to Japan and the U.S. Japan's 'One Village One Product' initiative has helped to build the capacity of developing countries to export products. Under this initiative, exports of cut flowers from Kenya (together with Ethiopia and Tanzania) to Japan increased by 500 percent from 2005 to 2008. More broadly, Kenya's horticulture sector has shown a steady increase in export volumes of 15-20 percent over the past decade¹⁷.

between 2003 and 2007 annual African exports to the world more than doubled from \$178 billion to \$424 billion.¹⁸ Sub-Saharan Africa's economies on average expanded by 5.4 percent in 2008; for the first time in more than 45 years, the continent's growth exceeded 5 percent for five years in succession.¹⁹ However, the global economic crisis threatens to undermine these positive

trade trends. Sustaining momentum towards trade expansion remains essential.

Strengthening the private sector

A vigorous private sector is vital for strong, sustainable growth. Functioning financial markets help foster economic growth by channelling resources effectively, reducing dependence on

external financing and mitigating risk. As the global economic crisis has proven, creating stable and inclusive financial systems is also an important measure to foster crisis resilience. In recognition of these issues, the G8 has committed to contribute to improving the investment climate, especially in Africa, and to initiate and support various activities to improve financial market development.

In line with these commitments, the G8 has given political and financial support to the Investment Climate Facility (ICF) for Africa, which is one of the key tools for improving the investment climate in Africa. G8 countries have also supported the launch of two flagship initiatives designed to support private sector investment – the Partnership for Making Finance Work for Africa (MFW4A), and the Regional Micro, Small and Medium-Sized Enterprise Fund for sub-Saharan Africa (REGMIFA).

MFW4A is designed to support the efforts of African countries to boost economic growth and fight poverty by encouraging and facilitating development of the financial sector. It works to promote better cooperation, communication and coordination to maximize the impact of diverse, individual financial sector development efforts. REGMIFA will contribute significantly to the scaling-up of investment and capacity building in support of Micro, Small and Medium-Sized Enterprises (MSMEs).

One of the main obstacles to growth in many developing countries is the lack of long-term financing in local currency. In recognition of this, the G8 has also supported local currency financing instruments such as the Currency Exchange Fund (TCX), which has helped to improve access to finance for MSMEs.

Supporting Regional Integration and Trade

Increasing regional trade provides an important means of improving

G8 Action: Supporting Private Sector Development

- The Canada Investment Fund for Africa (CIFA) is an 8 year, \$100 million joint public-private sector initiative designed to provide risk capital for private investments. By generating interest in establishing similar funds in the region, CIFA has stimulated increased public-private foreign direct investment into Africa. CIFA has leveraged an additional \$160 million investment in 15 African companies and 20 MSMEs.
- France has committed (and is on track) to mobilize EUR 2.5 billion to support private sector development in Africa from 2008 to 2012. Projects funded by this initiative will use innovative financing tools including loans, guarantees and private equity. It is estimated that this support will benefit 2,000 companies and help sustain or create 300,000 jobs.
- Under its Development Initiative for Trade, Japan will provide \$12 billion (2009 – 2011) through bilateral technical assistance (involving 40,000 persons including dispatching experts and receiving trainees) in the field of trade-related activities.
- The U.S. committed \$200 million for the African Global Competitiveness Initiative (AGCI), aimed at promoting the export competitiveness of enterprises in sub-Saharan Africa in order to expand African trade with the United States, other international trading partners, and regionally within Africa.

G8 Action: Regional Integration and Trade

- France is supporting regional integration in Western and Central Africa through budget support (€20 million per year) to the West African Economic and Monetary Union (WAEMU) and the Economic and Monetary Community of Central Africa States (CEMAC).
- Germany is working to strengthen the secretariats of the RECs, and has currently committed to providing €77 million in support of regional economic integration.
- Japan has supported various trade and investment agencies and has supported the expansion of One Stop Border Posts in Africa.
- The US - together with the UK and Japan – is collaborating with other donors to provide assistance aimed at facilitating trade along African transit corridors.
- Since 2007, the EU has been working to sign regional Economic Partnership Agreements (EPAs) with most African countries. France and the UK have strong involvement in the EPA's Development Program exercise with Western Africa to align European Aid for Trade with the region's needs. The EU is also providing support to capacity building in various areas through programs in Africa, the Caribbean and Pacific for which more than €1.5 billion is available over the period 2008-2013.

employment and incomes in developing countries. Regional trade is especially important in the 15 landlocked countries in Africa, where high transport costs and poor infrastructure present barriers to inter-regional trade. A number of Regional Economic Communities (RECs) have been established – such as the East Africa Community (EAC), the Economic Community of Western States (ECOWAS) and the Southern African Development Community (SADC). Several G8 members are providing technical assistance to support their efforts to create free trade areas, regional integration strategies and customs unions.

Supporting Infrastructure

The state of a country’s infrastructure is a major determinant of economic growth, social welfare, and trade. Poor infrastructure conditions increase costs and compromise product quality and thereby undermine the ability of firms to produce and export goods and services competitively. At the 2005 Gleneagles Summit, the G8 committed to address this issue by establishing an international infrastructure consortium involving the African Union, the New Partnership for Africa’s Development (NEPAD), the World Bank and the African Development Bank.

As a result, the Infrastructure Consortium for Africa (ICA) was created. The ICA has brought together G8 donors, RECs, the African Union and multilateral organizations around the common goal of increasing public and private investment in infrastructure in Africa. It has also contributed to greater cooperation between its members and other important sources of infrastructure finance (such as non-OECD donors) and enhanced engagement with the private sector. As ICA members, G8 countries have provided financial and technical support to the ICA Secretariat and are working

G8 Results: Rehabilitation of the TANZAM Highway

From 2002 – 2004, Japan has helped to facilitate the construction of 7.46 km of the only road connecting Tanzania and Zambia. This has contributed to the significant increase of exports from Tanzania: to Zambia, total export value increased from 3,779 million Tanzania Shilling (TZS) in 2000 to 18,949 million TZS in 2006; to the Democratic Republic of Congo, exports increased from 88 million TZS to 26,859 million TZS over the same period.

to improve its monitoring and reporting capacity.

Market Access

Tariffs, quotas and other barriers such as strict rules and standards all serve to restrict access by developing countries to developed country markets. G8 countries have committed to facilitate free and open trade through the multilateral trade system – with due attention to the African situation. In order to increase Africa’s share of global trade, countries must not only have the ability to export agricultural products

and commodities, but also be able to diversify exports into value-added products such as processed foods and apparel. Regional and inter-country trade barriers must also be reduced.

The G8 is working to help Africa better integrate itself into the global economy through regional and international trade. All G8 members have preference programs or agreements in place that allow some products from Least Developed Countries (LDCs) duty and quota-free access to their markets.

Preference programs for LDCs		
Canada	LDC Tariff Programme	Allows nearly 100 percent duty and quota-free access for LDCs.
EU (applies to European G8 members)	Everything But Arms Programme (EBA)	Allows nearly 100 percent duty and quota-free access to products from LDCs, including rice and sugar (but excluding arms and ammunition). In 2008, imports under the EBA had increased to € 5.8 billion, and 94 percent of all LDC imports entered the EU duty-free.
Japan	LDC Programme	Allows approximately 98 percent duty and quota free access to LDCs. From FY2002 to FY2008, total imports from LDCs to Japan have tripled from JPY222 billion to JPY671 billion.
Russia		Since 2000, Russia has adopted a list of products from LDCs which allows nearly 100 percent for duty and quota free access for LDCs.
U.S.	African Growth and Opportunity Act (AGOA)	Allows 97 percent duty-free access from 38 sub-Saharan countries (including non-LDCs), including textiles and apparel. U.S. total imports from sub-Saharan Africa more than tripled during the period 2000 to 2008 to \$86.1 billion. In 2008, over 97 percent of U.S. imports from AGOA-eligible countries entered the United States duty-free.

These programs have achieved notable successes in increasing exports from LDCs. The G8 is making progress towards the objective of providing duty-free and quota-free market access for products originating from LDCs, in particular for countries in Africa. However, market access for African countries continues to be limited by a number of trade barriers and rules of origin and other administrative procedures differ across the G8. Importantly, some G8 preference programs continue to pose limitations in terms of the countries and products covered. Exporters and importers are making use of the G8 members' LDC preference programs.

Remittances

The flow of remittances across international borders is growing. Remittances can play a key role in private-sector development efforts. But transaction costs can be high – as much as 10 to 15 percent even for flows to large, urban markets.

Since the Sea Island Summit G8 members have worked with the World Bank, the IMF and other bodies to develop mechanisms for improving data on remittance flows. One such mechanism is the Global Remittances Working Group (GRWG), chaired by the World Bank. The GRWG has developed a framework to allow members to set priorities towards achieving the goal of reducing the global average costs of transferring remittances from the present 10 percent to 5 percent in 5 years. At the L'Aquila Summit, the G8 agreed to work towards this objective. This reduction can be pursued through a variety of means, including enhanced information, transparency, competition and cooperation with partners.

In 2007 the G8 adopted a series of recommendations aimed at improving data, remittances services, and access to finance both in their own and partner countries. In partnership with the private sector, civil society groups and

G8 Results: Facilitating Internal Remittances in Kenya

Vodafone's M-PESA, with pilot funding from the UK, is a Kenyan mobile-phone-based money transfer and payment service. Since its launch in 2007, over 8.3 million people have signed up to use the service, which has increased the 'financial inclusion' of Kenyan adults by 15%.

By making smaller, more frequent transfers, urban migrants on average are sending more money home than before. This represents a significant boost for rural recipients, for whom remittances can constitute up to 70 percent of their household income. An initial study found that the income of rural recipients increased by up to 30 percent through M-PESA payments. M-PESA also enables the poor to expand their network of potential remitters and lenders. This is important as a buffer against shocks as it allows individuals to solicit small amounts of money from a larger base of contacts.

G8 Action: Remittances

- France supports the efforts of African authorities to improve the regulatory framework related to remittances in the Maghreb and Zone Franc regions in partnership with the Africa Development Bank.
- Italy has funded projects to extend credit support to African and Latin American diaspora investments in their country of origin, introduced tax-reduction measures for remittances services and has co-funded together with civil society organizations (CSOs) and research centres the national website on the cost of remittances from Italy, certified by the World Bank.
- Germany has refined its central bank's practice for data collection on remittances.
- Japan has abolished the threshold for its survey on remittances and passed legislation to allow non-banking entities to provide remittance services.
- Russia has achieved a reduction in the cost of transferring remittances to less than 5%.
- The UK provided pilot funding to Vodafone's M-Pesa service and is currently working to demonstrate the feasibility of sending remittances across borders using technologies such as mobile phones. In January 2008, the UK also launched a Remittances Customer Charter to give greater confidence to people sending money abroad.
- The U.S. is supporting mobile phone Text-A-Remittance services in the Philippines and West Africa, working to establish electronic transfer services in Ecuador, and supporting a local micro-finance initiative in Bolivia. U.S support to credit unions in Mexico has resulted in fund transfers at less than half the cost of Western Union.

partner countries, G8 countries have taken a number of steps to implement these principles

Key Findings and Lessons Learned

- Sustainable economic growth requires more than official development assistance. G8 commitments and interventions in support of economic growth in developing countries, particularly in relation to private sector development, have led to positive results.
- G8 countries support of the Aid for Trade initiative has produced benefits for developing countries. Maintaining momentum on aid for trade, particularly in the wake of the economic crisis, requires a continued and broader dialogue among governments, donors, civil society, and the private sector.
- Changes in approach and international conditions can affect the manner in which a commitment is measured. For instance, following the G8 commitment to Aid for Trade (AFT) and the expectation that Trade Related Assistance would increase to \$4 billion by 2010, changes to the international methodology for capturing has meant that the G8 investment in total AFT activities are significantly higher than the initial \$4 billion target.
- G8 countries have made progress in implementing commitments to improve duty and quota free market access for products emanating from LDCs. At the same time, in order to increase the utilization rate of the various systems of preferences provided for developing countries, additional efforts are required to simplify the rules of origin in some programs – in line with the commitment made at the Heiligendamm Summit.
- Strengthening the private sector in developing countries remains key to stimulating economic growth and reducing poverty. Further efforts remain to improve the investment climate for private business in Africa, to strengthen financial markets and financial inclusion, to develop insurance products for the poor, to foster regional economic integration, and to speed up preparation and implementation of vital regional and national infrastructure projects.
- An ambitious, balanced conclusion to the WTO Doha Round that delivers real, new market access would generate new economic growth and poverty reduction in developing countries.

Chapter 2: Reporting on G8 Commitments

2.3: HEALTH

Highlights

- The G8 has played a critical role in raising the profile of health within the broader global development agenda – which has led to real results. The G8 was fundamental to the creation of the Global Fund to Fight AIDS, TB and Malaria, which has saved 4.9 million lives.
- The G8 is on track to meet its commitment to provide \$60 billion to strengthen health systems and fight infectious diseases by 2012. From 2001 to 2009 G8 donors provided three quarters of the Global Fund's financial resources. G8 donors have also helped to mobilize additional resources for vaccine development and immunization programs, particularly through the launching of innovative financing mechanisms.
- Significant progress has been made. Rates of new HIV and Aids infections are declining and access to treatment is improving, including in Africa. Malaria and tuberculosis death rates are down and there have been promising gains in the fight to eradicate polio. At the same time, universal access targets with respect to HIV/AIDS will not be met by 2010, and many developing countries, in particular those in Africa, remain off track to achieve the health-related MDGs. The MDGs on child mortality and maternal health are proving the toughest area in which to make progress.
- Ultimately, sustainable progress on health is a global responsibility, with key roles for partner countries, other donors, international and non-governmental organizations. G8 countries are committed to implementing the principles of aid effectiveness in the health sector, and, inter alia, are working to strengthen the health systems of developing partner countries.

Overview

G8 health commitments are made in the context of international health-related development goals, such as the MDGs, and although progress towards the health-related MDGs is a shared responsibility, the G8 has played a catalytic role. With only five years remaining to 2015, there are important signs of progress towards the health-related MDGs in many countries. The rate of new HIV infections are declining and more people living with HIV are receiving care and treatment. Polio remains endemic in a few countries and, although some countries have been re-infected, the WHO has launched a promising new eradication plan for 2010-12. Since 2000, reported

malaria cases have declined by at least half in 25 countries. Tuberculosis death rates are now declining in every region of the world. Progress has been particularly evident in sub-Saharan Africa, which has seen increases in the availability of HIV prevention, treatment and care services and significant reductions in AIDS prevalence rates in several countries. Three African countries have achieved the goal of treating at least 50 percent of their population living with HIV/AIDS.

There has also been substantial, albeit varied, progress towards MDGs 4 and 5 on reducing maternal and child mortality. At the global level, the number of children who die before their fifth birthday declined from 93 deaths

Key Commitments

- Continue efforts towards the goal of providing at least a projected \$60 billion over five years to fight infectious diseases and strengthen health systems.
- Scale up efforts to reduce the gaps in the area of maternal and child health, and support sexual and reproductive health care and services including voluntary family planning.
- Working with others, aim to provide as close as possible universal access to HIV/AIDS treatment for all who need it by 2010.
- Strengthen the fight against infectious diseases, namely malaria, tuberculosis, polio and measles.
- Support the control or elimination of certain major neglected tropical diseases listed by the WHO.
- Build a robust health sector workforce, with the goal of increasing coverage towards the WHO threshold of 2.3 health workers per 1000 people.

per 1,000 live births in 1990 to 67 in 2007²⁰ and by some estimates there has been a 20 percent reduction in maternal deaths for the period 1980 to 2008²¹.

The rate of increase in new HIV infections is declining. Despite this, major challenges remain. In addition, progress towards the goal of universal access in 2010 to HIV/AIDS treatment, prevention, care and support is less than hoped for, and for every two

people placed on treatment, five more people are infected with HIV. In 2008 there were 9.4 million new cases of tuberculosis. More than one million people, mostly women and children, die each year because of malaria.

As a region, Africa remains most off track, especially against the goals of reducing the under-five death rate by two-thirds and the maternal death rate by three-quarters by 2015. In sub-Saharan Africa the number of under-five deaths has increased. Life expectancy remains low and, more broadly, Africa's health indicators remain among the poorest in the world. Many developing countries in South-East and Central Asia and Latin America are also off track to achieve the health-related MDGs and about 99 percent of maternal deaths worldwide still occur in developing countries.

G8 Leadership and Results

Health issues have been discussed at every G8 meeting since 1996. In 2005, G8 countries catalyzed progress towards the MDGs by committing to reduce the burden of HIV/AIDS, malaria and tuberculosis and polio and to improve access to basic health care. At the St. Petersburg Summit, G8 leaders advanced the global fight against infectious diseases and committed to help build disease-surveillance capacity and early warning systems in developing countries to address neglected tropical diseases.

The G8 has also helped to shift the global agenda towards strengthening health systems for sustainable service delivery, and has helped to mobilize partner countries to respond better to health challenges.

How has the G8 delivered on its commitments?

Health Financing

In 2007, the G8 made a commitment to provide US\$60 billion over several years (revised to 'over five years' in 2008) for

G8 Total ODA Allocated to Health ²²		
G8 DONOR	2007	2008
	(figures in current \$US millions, disbursement amount)	
Canada	510.46	630.11
France	684.63	1,046.30
Germany	755.20	956.20
Italy ²³	819.25	361.69
Japan	703.6	792.9
Russia	102.18	110.29
UK ²⁴	1,633.53	1,381.10
U.S.	5,190.76	6,808.58
Total	\$10,399.61	\$12,087.17
EC	\$ 449.06	\$ 531.70

Source: OECD-DAC and national ODA from Russia.
Note: Table does not include imputed general budget support allocable to health. Amounts disbursed by the EC cannot be added to those disbursed by G8 members as this would result in double counting of G8 member's multilateral contributions to the EC.

G8 Contributions to the Global Fund ²⁵		
G8 DONOR	2001-2008	2009
	(figures in current \$US millions, disbursement amount)	
Canada	560.58	141.49
EC	926.54	143.26
France	1,639.98	326.50
Germany	715.32	271.44
Italy	1,008.26	—
Japan	846.52	194.43
Russia	194.14	57.40
UK	737.90	179.10
U.S. ²⁶	3,497.58	841.36
Total	\$10,126.82	\$2,087.17

Source: Global Fund as at May 31, 2010.

fighting infectious diseases and strengthening health systems. In 2007 - 2008 G8 members provided over \$22 billion as aid to health. If the current levels are maintained, the G8 will meet its commitment to provide \$60 billion by 2012.

At the 2000 Kyushu-Okinawa Summit, the G8 recognized a need for

greater resources to fight HIV/AIDS, tuberculosis and malaria. This recognition, and subsequent endorsement by the UN, led to the establishment of the Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund) at the 2001 Genoa Summit. Of all the funding mechanisms directed at improving health, the Global

Fund is one of the most important, and the G8 has made several commitments to work with other donors to replenish it. From 2001 to 2009 contributions from G8 members represented over 78 percent of all contributions to the Global Fund. The last two Global Fund funding rounds have been the largest in its history.

Beyond the Global Fund, itself an important financing innovation, G8 members have launched a number of other innovative financing mechanisms to promote the development of new vaccines and improve access to treatment for infectious diseases. Some of the initiatives receiving support from individual G8 members include the International Finance Facility for Immunization (IFFIm) and the UNITAID air ticket levy – which provide funds for

vaccines, treatment for HIV/AIDS and strengthened health services in many developing countries.

In January 2007, four G8 countries (Canada, Italy, Russia and the UK), together with Norway and the Bill & Melinda Gates Foundation, committed \$1.5 billion to launch a pilot Advance Market Commitment (AMC) to speed the development and delivery of pneumococcal vaccine. Other G8 countries are supporting the pilot pneumococcal AMC through their contributions to the Global Alliance for Vaccine Immunization (GAVI). It is estimated that introduction of pneumococcal vaccine through the AMC will save approximately 900,000 lives by 2015 and over 7 million lives by 2030²⁷.

G8 countries also contribute to fighting diseases through support to multilateral organizations such as the World Health Organization, the World Bank, UNFPA and UNICEF, and through bilateral assistance through partner countries' national health programs.

Child mortality and maternal health

G8 countries have undertaken a broad range of bilateral program activity in line with their commitment to scale up efforts to reduce gaps in the areas of maternal and child health care services. Related assistance includes sexual and reproductive health care and services, including voluntary family planning, antenatal and post-natal care, and treatment of severe newborn infection. G8 countries are also working on a number of cross-cutting issues such as improved hygiene, nutrition, sanitation and water supply, increased coverage of immunization programs and issues related to gender equality.

The G8 has also provided crucial support to the GAVI Alliance, which provides developing countries with a range of services related to immunization and vaccines, which are among the most efficient tools for reducing under-five mortality. Since 1999, G8 countries provided \$874.6 million to the GAVI Alliance, which represents almost 50 percent of all direct country contributions²⁸. By 2010, WHO has projected 300 million children will have been immunised against a variety of preventable diseases in the world's poorest countries since GAVI's establishment in 2000²⁹.

Fighting infectious diseases

HIV/AIDS

In 2005, the G8 agreed to work with others to develop and implement a package for HIV prevention, treatment and care, with the aim of getting as close as possible to universal access to

G8 Results: Maternal and Child Care

Nepal

A recent study on Nepal found that the maternal mortality ratio for the eight districts studied had declined by 40 percent since 1996 (down to 229 per 100,000 live births). Support from a number of G8 donors has been instrumental in helping the Government to bring free delivery services to the women of Nepal and by legalizing the abortion processes, safe abortion is now available throughout Nepal. This contribution has helped to scale up access to skilled birth attendance, supported the construction and renovation of health facilities, and increased the equity of and access to health services. For example, for over a decade the UK has been supporting the Government of Nepal's efforts to reduce maternal deaths through two "Safe Motherhood" projects. The U.S. has been working to develop standards for skilled birth attendant training and to introduce and expand high-impact interventions to prevent maternal death. Germany has contributed support through the German-Nepalese Health Sector Support Programme.

Bangladesh

In 2006, Japan launched the Safe Motherhood Promotion Project (SMPP) in Narsingdi district in Bangladesh to strengthen safe delivery service including obstetric and neonatal care at health facilities and to establish "Community Support System". As a result of the project, after four years, the percentage of pregnant women who attended antenatal care and that of institutional deliveries and the deliveries attended by skilled birth attendants (SBA) have significantly increased, while death rate of pregnant women has declined from 1.7 percent to 0.4 percent at the health facilities where emergency obstetric care (EMOC) is available.

treatment for all those who need it by 2010. This commitment was later strengthened by the international community. The G8 has supported increased access to HIV treatment in low- and middle-income countries, particularly through its support of the Global Fund. The Global Fund estimates that programs it has supported have provided over 2.5 million people with AIDS treatment.

The Global HIV Vaccine Enterprise

Safe and effective HIV vaccines would save millions of lives and potentially produce massive global health and development gains, especially for the world's poorest nations. Developing such vaccines, however, remains a formidable scientific and public health challenge. G8 Leaders at the Sea Island and St. Petersburg Summits endorsed the establishment of a Global HIV Vaccine Enterprise – a virtual consortium to accelerate HIV vaccine development by enhancing coordination, information sharing, and collaboration globally. Since 2006, the Enterprise has produced some key results, including:

- The development of coordinated global vaccine development centers;
- Expansion of an integrated international clinical trials system;
- Expansion of HIV vaccine research in developing countries and increased engagement by scientists from those countries; and
- Increased use of advanced information sharing technologies.

Progress has been seen with the number of people newly infected with HIV falling from 3.5 million in 1996 to 2.7 million in 2005. This is attributed to the expansion in antiretroviral use, to which the G8 has contributed. However, the number of people living with HIV continues to rise at the global level, and

G8 Action: U.S. Global Health Initiative

The U.S. Global Health Initiative will work to decrease maternal, newborn, and child mortality by scaling up interventions including family planning, antenatal care, skilled care at birth, treatment of severe newborn infection, improved hygiene, sanitation and water supply, prevention and treatment of pneumonia and diarrhea and immunization. The GHI will also link to programs that address social determinants of health, including education for women and girls, women's economic empowerment, and efforts to combat gender-based violence. The GHI will focus on improving the health of women and their children because strengthening health services for these often underserved groups as been shown to improve health services for their families, communities and countries.

France invests in immunization programs through its contribution to GAVI / IFFIm (US\$ 1.8 billion over 20 years) to reduce infant mortality. France's contribution to UNITAID has allowed the development of antiretroviral formulations for children and access to over 9,000 treatments. Beyond support to reproductive health through multilateral channels, France provides direct support to maternal health through health programs at the country level, which totalled €45 million for the period 2007 to 2008.

G8 Results: The Catalytic Initiative to Save a Million Lives

The Catalytic Initiative (CI) is a multi-donor initiative that takes a common approach to supporting national health plans and efforts to strengthen health systems in order to accelerate progress towards MDGs 4 and 5. The Initiative is strengthening health systems by delivering life-saving packages of essential and high-impact health and nutrition interventions to children and women with a particular emphasis on strengthening human resources for health. The CI represents a concrete step towards scaling-up the continuum of care and strengthening health systems, with a focus on health impact.

Canada has played a leading role in the development of the CI. Its contribution of CAN\$105 million (2007-2012) to UNICEF will support training, equipping and deploying of front-line health workers and is expected to save 200,000 lives.

nearly two-thirds of those currently infected live in sub-Saharan Africa. Infection rates are also rapidly increasing in Eastern Europe and central Asia due largely to injection drug use³².

According to the UNAIDS definition of universal access, treatment of 80 percent people in most urgent need (approximately 10 million people

worldwide) is required. The international community will not reach this target or the associated goals for universal access to prevention and care by the end of 2010.

Malaria

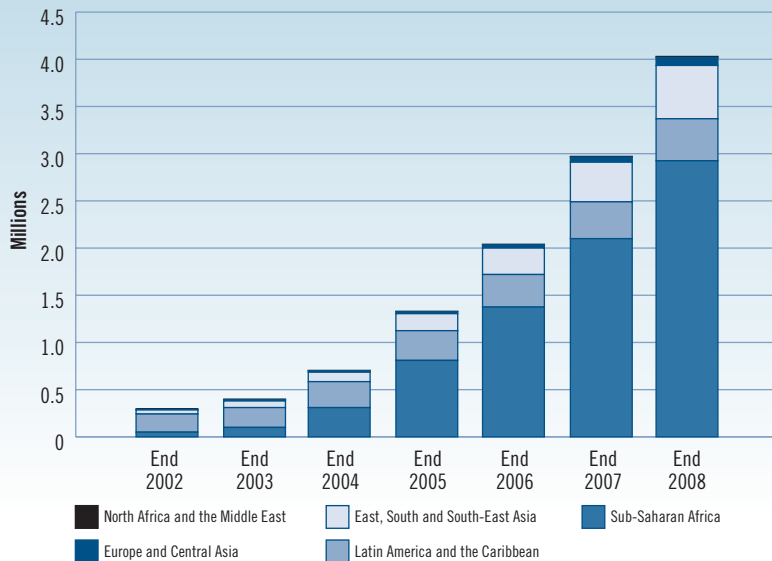
According to the WHO, half of the world's population is at risk of malaria, and in 2008 there were nearly 863,000

G8 Results: The U.S. President's Emergency Plan for AIDS Relief (PEPFAR)³⁰

PEPFAR was launched in 2003 as a 5 year, \$15 billion program for HIV treatment, prevention, and care. It has since been extended as part of the U.S. President's 6-year, \$63 billion Global Health Initiative. The program has directly supported life-saving anti-retroviral treatment (ART) for over 2.4 million people and provided care for nearly 11 million people affected by HIV/AIDS, including 3.6 million orphans and vulnerable children. U.S. investments have supported programs for the prevention of mother-to-child transmission that allowed nearly 100,000 babies of HIV-positive mothers to be born HIV-free. These investments also provided HIV counselling and testing for nearly 29 million people.

To capture the results of this program, a recent study assessed the trends of HIV-related deaths and HIV prevalence from 1997 to 2007 using 12 African focus countries and 29 control countries. The study concluded that after four years of PEPFAR activity, HIV-related deaths decreased in sub-Saharan African focus countries compared with control countries, but trends in adult prevalence did not differ. This highlights the need for a strengthened focus on HIV prevention.

Number of people receiving antiretroviral therapy in low-and middle-income countries by region, 2002-2008³¹



Source: WHO, UNICEF, UNAIDS.

deaths, with 88 percent of these occurring in sub-Saharan Africa. Major progress has been made in the fight against malaria in recent years, due in large part to increased funding and focus on malaria control. New and ambitious goals, laid out in the 2008

Roll Back Malaria Global Action Plan, are challenging countries to implement bold plans to achieve universal coverage with key interventions by the end of 2010.

Through a series of commitments, the G8 has played a key role in

G8 Action: Malaria

- Since 2005, Canada's support to the Red Cross, UNICEF and World Vision has helped distribute over 4 million free bednets to children under five and mothers in Africa.
- Since 2006, France has been the largest donor to UNITAID, which has provided 23 million malaria treatments.
- Russia's support to the International Development Association (IDA), through the World Bank's Malaria Booster Program, has help provide 300,000 bednets in 2008-2009 and to scale up the insecticide residual spraying campaign in Zambia and Mozambique.
- Japan fulfilled its commitment to provide 10 million bednets for African countries with serious malaria prevalence in 2007.
- Through a joint program with UNICEF, the EC has helped to provide 350,000 bednets in the Democratic Republic of Congo, Ethiopia, Mozambique and Niger.
- In 2008, the UK committed to provide 20 million bednets by the end of 2010, and a further 10 million per year to 2013.
- During the fourth year of implementation, the U.S. Malaria Initiative reached more than 50 million people with malaria prevention or treatment measures, protecting nearly 27 million people through indoor residual spraying and the distribution of more than 19 million bednets, and distributing more than 40 million courses of malaria treatments.

leveraging urgently needed new resources for malaria control and mobilising strong political commitment from national governments and donors. In 2005, the G8 committed to work with African countries to scale up action against malaria to reach 85 percent of vulnerable populations. In 2008, the G8 further committed to provide through bilateral and multilateral assistance, in partnership with other stakeholders, 100 million long-lasting insecticide treated nets. The G8 is on track to meet this commitment, providing in the period 2008-2009 almost 33 million bednets through bilateral assistance³³ and 41.9 million through multilateral assistance. The Global Fund estimates the imputed multilateral contribution by the G8 will be over 54 million bednets in 2010.

Tuberculosis

The WHO reports that TB death rates are now declining in every region of the world. All regions except Africa are on track to reach the MDG target of halving TB prevalence and mortality by 2015, compared to 1990 levels. At the same time, new cases of TB increased by one million from 2000 to 2007³⁴. The rise of multidrug-resistant TB threatens to roll back progress, particularly in those countries that have not fully implemented the WHO's Stop TB Strategy.

G8 commitments to countering the threat of tuberculosis have helped ensure sustained global attention towards this disease. Since 2005, the G8 has given substantial support to the Global Plan to Stop Tuberculosis, an integral part of the global effort to improve the health of vulnerable populations and has enabled substantial reductions in the burden of the disease on developing countries.

G8 countries are also working to counter the threat of tuberculosis through support to the Stop TB Partnership and the Global Fund. As of 2010, programs supported by the

Global Fund were estimated to have detected and treated 6 million cases of TB worldwide—a 54 percent increase since 2008.

Polio

G8 leaders committed to support polio eradication at every Summit since 2002. From 2003 to 2008, G8 countries provided 50 percent of total resources for the Global Polio Eradication Initiative (GPEI). G8 donor funding supports immunization campaigns, surveillance, staffing, communication and community mobilization and the provision of vaccines.

Since the launch of the GPEI in 1988, the number of cases of acute flaccid paralysis in children has dropped from 1,000 per day to fewer than five per day by 2008—a decline of 99 percent in just 20 years. Between 1988 and 2008, global eradication efforts averted some 250,000 deaths from polio, and prevented life-long paralysis in more than 5 million people.

While polio has not yet been eradicated, transmission is at an all time low. The four remaining countries where polio is endemic (Afghanistan, Pakistan, India and Nigeria) are now making a renewed push to complete the final,

difficult stages of polio eradication, with new financial resources, more effective vaccines and stronger political commitments. However, financial pressures and a growing risk of

G8 Results: Cambodia

Since 1994, Japan has been supporting the National Tuberculosis Program of Cambodia. Japan has contributed to improving access to TB services including achieving 100 percent Directly Observed Treatment Short (DOTS) coverage at health centres in all regions by 2004. In 2002, Japan, collaborating with WHO and other partners, supported the Government of Cambodia to undertake the first National Prevalence Survey. Since 2005, the global target of case detection rate of over 70 percent and treatment success rate of over 85%, have been achieved and maintained in Cambodia.

Contributions received for Stop TB Partnership 2001 - 2009* (\$US)

Donor	2001	2002	2003
Canada	9,944,000	3,723,000	8,530,000
UK		353,000	1,414,000
U.S.	2,351,000	2,557,000	3,750,000
Japan	325,000	314,000	96,000
Italy			
Total:	12,620,000	6,947,000	13,790,000

Notes: Data is provided by the Stop TB Partnership.

* Figures represent cash contributions to the StopTB Partnership - they do not include in-kind donations, other TB funding to WHO, or GDF Direct procurement. Some G8 countries that do not provide direct support, support the Stop TB Partnership by providing indirect support, e.g. through cooperation schemes with government agencies and non-governmental organizations

re-infection in polio-free countries threaten collective global efforts towards eradication.

Measles

G8 countries continue to provide technical support to partners including the WHO, its regional offices, and other countries, with the goal of a steady decrease in the number of measles-

related deaths, progress in halting the spread of measles, and its eventual elimination. Measles immunization is frequently integrated with other immunization programming, as well as the delivery of other childhood interventions.

Since 2000, there has been a steady increase in global immunization coverage to 83 per cent, due to

improved routine immunization activities, immunization campaigns and greater efforts to reach marginalized populations. Since 2000, all WHO regions have made progress, particularly Africa and South-East Asia³⁵.

Contributions to the Global Polio Eradication Initiative (U.S. dollars millions)						
G8 Countries & European Commission	2004	2005	2006	2007	2008	2009
USA	133.11	130.07	132.40	133.05	133.50	133.20
United Kingdom	73.83	114.72	59.74	57.46	41.30	37.72
Germany*	1.08	46.76	14.74	24.89	73.67	155.06
Japan	29.64	26.02	14.09	20.32	21.12	21.44
Canada	25.10	37.93	42.45	9.07	32.56	29.27
European Commission**	16.82	67.65	28.18	37.27	8.22	0.90
France	11.85	11.97	12.80	—	—	2.65
Italy	7.60	5.01	5.85	—	11.95	2.09
Russian Federation	4.00	3.00	3.00	3.00	8.94	5.06
Total G8 Countries Only	303.03	443.12	313.25	285.06	331.26	307.38

* Germany: The 2009 contribution includes €52 mil (\$82.01 mil) to the Government of India (combination loan/grant), which the Government is using to strengthen cold chain and information systems. Although this lies outside of the GPEI budget for India, the GPEI has included this amount in Germany's total contribution, but has excluded it from the total G8 GPEI contributions line.

** Amounts disbursed by the EC cannot be added to those disbursed by G8 members as this would result in double counting of any G8 multilateral contributions to the EC.

Source: The WHO

	2004	2005	2006	2007	2008	2009
	14,083,000	20,994,000	22,862,000	7,139,000	9,202,000	21,463,000
	1,815,000	176,000	17,832,000	22,215,000	21,180,000	16,030,000
	3,744,000	5,340,000	6,433,000	8,640,000	18,828,000	18,820,000
				267,000	148,000	141,000
	19,642,000	26,510,000	47,127,000	38,261,000	49,358,000	56,454,000

Neglected Tropical Diseases (NTD)

At the Hokkaido Toyako Summit the G8 committed to supporting the control or elimination of neglected tropical diseases (NTDs), reaching at least 75 percent of the people affected by certain major neglected tropical diseases in the most affected countries.

There are some positive trends. In 2008, 496 million people were treated for lymphatic filariasis. In 2008, only 4,619 cases of dracunculiasis (Guinea worm) were reported; in the mid-1980s, the estimate was 3.5 million. At the beginning of 2009, there were a reported 213,036 cases of leprosy, down from 5.2 million in 1985. The campaign to eradicate Chagas disease—a painful and debilitating parasitic disease—is one of the greatest success stories in global health. In 2008, Guatemala became the first Central American country to be certified as having interrupted the transmission of the disease, and other countries are on course to interrupt new transmissions³⁶.

Health Systems Strengthening

Significant investments have been made through “vertical” funds such as the Global Fund to address specific diseases. At the same time the fundamental importance of strengthening overall health systems in many developing countries has become abundantly clear. Weak and failing health systems represent a critical obstacle to delivering essential health services and achieving health-related development goals. Deficient health systems, for example, are consistently identified by experts as the single biggest contributor to high mortality rates among mothers and newborns. In Africa, many health systems remain under-funded, under-staffed and ill-equipped.

While disease-specific interventions are critical and have contributed substantially to providing health services where they operate, such interventions

must be fully integrated into broader health systems work or they will fall short of their potential. By committing to strengthen health systems for sustainable and equitable provision of health care at the Heiligendam Summit, the G8 helped shift the global health agenda towards an increased focus on a more integrated approach to health.

G8 members are working to strengthen health systems through bilateral and multilateral engagement, including through the training of health workers, building of health information systems, capacity-building assistance and support to international organizations (such as the WHO, UN agencies and the World Bank) that work closely with health ministries in developing countries. G8 countries support greater coordination among the Global Fund, GAVI Alliance, WHO and World Bank on health systems strengthening, and welcome the development of concrete, sequential

steps for those organizations to work together to improve the performance of health systems in developing countries.

Aid Effectiveness

The G8 has catalyzed action on aid effectiveness in the health sector. G8 members are taking significant steps to align their health programming with partner country plans and priorities, guided by the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action, including through close bilateral relationships with ministries of health, general budget support, health sector budget support and project finance. Many G8 countries are also strong supporters of the International Health Partnership and related initiatives which seek to achieve better health results by mobilizing donors and other development partners around a single country-led national health strategy.

G8 Action: Neglected Tropical Diseases

- The UK and France have supported the Drugs for Neglected Diseases Initiative (DNDI) which is developing new drugs for visceral leishmaniasis, human African trypanosomiasis, and Chagas disease.
- Since 2007, the U.S. Neglected Tropical Disease program has delivered over 220 million preventative chemotherapy treatments in lymphatic filariasis, trachoma, soil-transmitted helminths, onchocerciasis, schistosomiasis to 55 million people in sub-Saharan Africa, Asia, and Latin America.
- Russia supports research into NTDs and enhanced institutional surveillance capacity in affected countries in Africa and Central Asia, through a 4 year, \$21 million commitment, program, adopted in 2009.
- Italy is also engaged in research on NTDs in partnership with African institutions.
- The UK is supporting dracunculiasis control, lymphatic filariasis and onchocerciasis programs, especially in Asia and Africa and finalizing a major schistosomiasis program.
- In the past decade, Japan has delivered insecticide for Chagas disease to approximately a half million houses and more than 2.3 million people in five Central American countries.

Key Findings and Lessons Learned

- G8 countries have had a real impact when they have given comprehensive and coordinated political and financial support to health financing mechanisms such as the Global Fund. Through the creation of such mechanisms, the G8 has played a key role in catalyzing action from others and provided an important entry-point for co-ordinated donor funding. As it is difficult to attribute results directly to G8 actions, the G8 should continue to work in the spirit of shared accountability for results produced by partner countries.
- Innovative financing mechanisms have the potential to play a key role in the development of effective medicines and vaccines. For example, the G8-supported Global HIV Vaccine Enterprise and Advance Market Commitment for Pneumococcal Vaccines have shown promising developments to date. The G8 has also played a positive role in leveraging and mobilizing partnerships with the private sector, other donors and stakeholders.
- Significant efforts have been made through disease-specific funds, with some important results – particularly in the fight against infectious diseases. However, the vertical nature of funding for health has not always facilitated the strengthening of health systems, and has made it hard to document the contributions of disease- and issue-specific programs to health systems.
- Reporting on the results of G8 commitments in the health sector remains a challenge. Results are not easily attributable and in the health sector the majority of resources will come from domestic sources.
- The global health architecture is complex, and G8 countries, along with other international actors, face

G8 Action: Health System Strengthening

- Through its 10-year, \$450 million Africa Health Systems Initiative (AHSI), Canada works to support African efforts to improve basic health services and train health workers.
- France, Germany and the UK provide financial and technical support to the Global Health Workforce Alliance (GHWA), which is designed to address the shortage of health workers in developing countries
- Italy is providing technical support to Ethiopia's plan to strengthen health systems.
- Most of Russia's bilateral development projects in health are designed to enhance human resources capacity and the expansion of health infrastructure
- Japan has been training 100,000 health workers and improving 1,000 hospitals and health centers in Africa to fulfill a five year commitment announced at TICAD IV in 2008.
- Through its PEPFAR program the U.S. is working to train more than 140,000 new health workers by 2014, to improve community case management, and to advance the rational use of medicines in more than 15 countries.
- All G8 members engaged in developing the WHO Code of Practice on the International Recruitment of Health Workers, adopted by consensus at the 63rd World Health Assembly, in May 2010.

the challenge of increasing and improving their coordination and harmonization in order to achieve better results and realize efficiencies, recognizing there are limitations on additional resources. Several G8 countries working effectively together with developing country partners have led to real results, as evidenced by the reduction in maternal mortality in Nepal.

- Donors face the challenge of responding to emerging threats and a changing global landscape. For example, the emergence of multi- and extremely- drug resistant tuberculosis represents a serious challenge to efforts in reducing TB-related mortality, particularly among persons living with HIV/AIDS. G8 commitments need to maintain an

element of flexibility with regard to program objectives and design to allow for changes in global circumstances and adjustments based on lessons learned.

Chapter 2: Reporting on G8 Commitments

2.4: WATER AND SANITATION

Highlights

- The G8 Evian Water Action Plan continues to provide a useful framework for addressing water and sanitation challenges in developing countries.
- G8 has significantly increased aid levels for water and sanitation and is a major contributor to the sector – providing more than 75 percent of the overall OECD-DAC donors' bilateral disbursements to the sector in 2002-2008.
- Support for sanitation and water is not reaching the most affected countries with only 42 percent of development aid commitments in sanitation and water over the past 3 years reaching the least developed or low income countries.³⁷
- The L'Aquila G8-African partnership on water and sanitation has increased political awareness and has helped to facilitate new work with African partners.

Overview

Sanitation and water underpin all aspects of human and economic development, the attainment of the Millennium Development Goals (MDG) and other internationally agreed development targets. Expanding this access is essential to reduce the burden of water-related diseases and to improve the well-being of a large part of the world's population. It is also a vital input into economic development and poverty alleviation.

In the developing world today, poor access to safe drinking water and basic sanitation continues to be a threat to human health. Poor hygiene, inadequate quantities and quality of drinking water and lack of sanitation facilities cause millions of the world's poorest people to die from preventable diseases each year. Women and children are the main victims; child mortality is considerably influenced by poor sanitation, hygiene and water provision. Polluted water and the lack of basic sanitation take the life of a child every 20 seconds, representing 1.5 million preventable deaths each year.³⁸

Investments in sanitation and water make economic sense. It is estimated that the annual economic benefits of

achieving universal access to safe sanitation and water are \$171 billion.³⁹ Investments in sanitation and water deliver economic returns of over 5 times on investment, with an annual rate of return of over 20%.

The internationally agreed to goals are to halve, by 2015, the proportion of people without sustainable access to safe drinking-water and basic sanitation. The latest statistics on progress to these goals provide a mixed message: on track to meet the water goal globally, but dangerously behind in achieving the sanitation goal, with Sub-Saharan Africa making the slowest progress. Although

Key Commitments

- 2003 Evian G8 Water Action Plan
- 2009 L'Aquila. Agreement with African partners on a stronger G8-African partnership on water and sanitation.

1.3 billion people have gained access to improved sanitation since 1990, the world is likely to miss the sanitation goal by a billion people - at the current rate of progress, the goal will not be met until 2049.

G8 Leadership and Results

G8 members have been actively contributing to international initiatives to increase political commitment for water and sanitation and to improve coordination between the different actors. There have been improvements in coordination at the country level, which avoids inefficiencies or

G8 Results: Water & Sanitation Programs

In Bangladesh, the United Kingdom has helped 1.8 million people gain access to clean water and 5.7 million gain access to sanitation through the 5 year program Advancing Sustainable Environmental Health (ASEH) implemented by WaterAid . This \$25m project has reduced the occurrence of water-related diseases in Bangladesh and has had the effect of reducing household medical costs by \$10 million over the period of the project. Ownership of the main source of drinking water by the household has increased from 27 percent to over 75%. In the rural clusters, the use of latrines has increased from 69 percent to 82%. Utilisation of the time saved in water collection has resulted in an increase in annual disposable income of \$4.5m.

duplication and reduces the administration costs of aid for recipient countries, but there is scope for more work.

How has the G8 delivered on its commitments?

Evian Water Action Plan

The Water Action Plan was adopted by G8 Leaders in 2003 at the Evian Summit. It advocates an integrated approach to water management, with an emphasis on financing within the broader context of good governance, to meet internationally agreed water and sanitation goals. The Water Action Plan built on the objectives of the G8 Kananaskis Africa Action Plan which stressed the importance of proper water management in Africa.

At the Hokkaido Toyako Summit, G8 Leaders requested their water experts to review progress on the implementation of the Water Action Plan. In their 2009 report, G8 water experts concluded that the Water Action Plan has been an important catalyst for action and has helped to raise the profile of water and sanitation at high political levels, stimulated policy reforms and increased financial support for the water and sanitation sectors.⁴⁰

G8 water experts also concluded that the Water Action Plan had:

- Promoted better governance as fundamental to effective policy and decision-making and efficient use of funds;
- Supported the preparation and implementation of national plans and strategies, and strengthened regional cooperation and processes that ensure local ownership through partnerships and stakeholder engagement; and
- Supported processes of better donor coordination and, through UN-Water, improved coordination between the UN agencies involved in water.

G8 Action: The Evian Water Action Plan

- Canada, France, Germany, Italy, Japan, United Kingdom, United States, European Commission and other donors provide support for the Nile Basin Initiative objective to develop the Basin's water resources in a sustainable manner.
- The European Union Water Initiative aims to raise political awareness among high-level decision-makers, to encourage the coherence and synergy of activities related to water and sanitation and to attract new resources.
- Japan's support to the Water Environment Partnership in Asia has helped to strengthen good water governance by enhancing information exchange and capacity development.
- France, Germany, Japan, United Kingdom and the United States along with a number of developing country partners, civil society organizations and international agencies are supporting Sanitation and Water for All: A Global Framework for Action, which aims to increase political prioritization of water and sanitation.

G8 Results: Pro-Poor Financing and up-scaling of low cost technologies

Many cities in developing countries lack the capacity and infrastructure to provide adequate access to water and sanitation to poor urban residents. One effective solution is to provide cost-efficient water kiosks.

In Zambia public water kiosks were established with support from Germany and the EC, as utility-owned and vendor-managed. One kiosk can serve 500-1500 people with a per capita investment of less than € 10. Between 2004 and 2010, more than 600,000 people obtained safe and affordable water from about 360 water kiosks. The fast and wide implementation of this low-cost technology is facilitated through an innovative multi-donor basket fund, the Devolution Trust Fund. Through an exercise of regional exchange and learning, the concept is being adopted in other Sub-Saharan African countries with support from Germany.

To address the persisting challenges in sanitation, the G8 at the Hokkaido Toyako Summit called on national governments to prioritize sanitation, a point highlighted by G8 water experts in their recommendation for a stronger focus on sanitation and hygiene in 2009.

Water and Sanitation Development Assistance

One component of the Water Action Plan was to underscore the importance of mobilizing financial resources for the water and sanitation sector. The G8 committed to give high priority in official development assistance to sound water and sanitation proposals of developing

country partners. This support can be a catalyst to mobilize other financial flows.

Since the adoption of the Water Action Plan, there has been a significant increase in G8 spending in the water and sanitation sector. In 2008 G8 ODA for the water sector was \$3.7 billion dollars, representing an increase of over 200 percent since 2002.'

G8-Africa Water Partnership.

In response to the reciprocal call for improving joint work on water and sanitation made at the G8 and African Union Summits in 2008, the G8 and African partners issued a Joint Statement at the L'Aquila Summit to strengthen ongoing efforts on water and sanitation through a stronger G8-Africa partnership.

The joint statement contributes to maintaining political momentum for the water and sanitation sector and helps to improve cooperation to achieve water and sanitation objectives in Africa. The statement recognizes the shared responsibilities and the need for mutual accountability and will guide interactions between G8 members and African partners at all levels, taking into consideration the diversity of needs, and the variety of channels through which partners collaborate.

G8 countries have followed up on the joint statement by building on the strengths of existing initiatives and programs, including improving partner coordination, and will continue to work at all levels with African partners in the water and sanitation sector. This work contributes to the implementation of African commitments in the water and sanitation sector made during the 2008 Sharm-El Sheik Africa Union Summit on Water and Sanitation.

G8 Action: Africa

- Canada will provide (CDN) \$36 million over three fiscal (2009-2012) to the Rural Water Supply and Sanitation Initiative (RWSSI) to support the water and sanitation strategies of African countries.
- The European Commission launched a new phase of its EU-Africa, the Caribbean and the Pacific Water Facility, allocating €200 million to water supply, sanitation and hygiene projects in the region (2010 to 2013).
- At the end of 2009, the United States initiated the new four-year, \$18 million Sustainable Water and Sanitation for Africa program aimed at fundamental utility reform and innovative finance to meet the water and sanitation MDGs.
- Germany, the United States and the European Commission are providing support to the African Ministers' Council on Water (AMCOW) to accelerate progress towards the water and sanitation MDGs, strengthen water resource management and encourage regional cooperation on shared water.
- Italy has launched a partnership water program for African arid and water-scarce zones, allocating \$4.4 million.

G8 Results: Water Assistance in Africa

At the *Tokyo International Conference on African Development (TICAD IV)* in June 2008, Japan committed to: providing grants and technical assistance, amounting to ¥30 billion to the water sector in Africa (2008-2012); providing safe drinking water for 6.5 million people; and providing capacity building to 5,000 water resources managers and users.

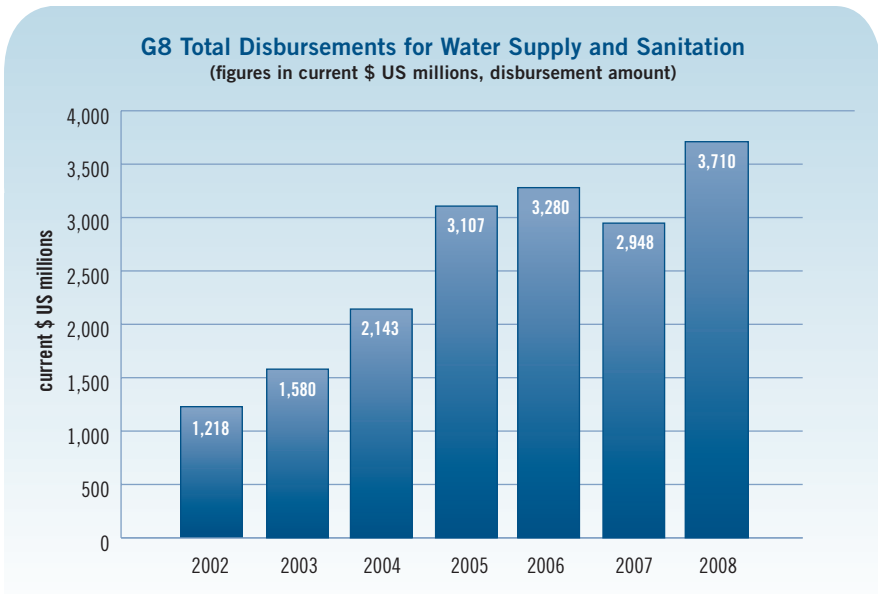
Since TICAD IV, Japan has steadily implemented grant and technical assistance in the fields of education and human resource development on water and sanitation. Total amount of grants and technical assistance committed between April 2008 to March 2010 was ¥26.09 billion. Safe drinking water was provided to 3.4 million persons through grant and loan projects committed by the end of March 2010. A total of 12,209 trainees participated in a series of Japan International Cooperation Agency (JICA)'s training program by the end of the same period.

Key Findings and Lessons Learned

- The objectives stated in Evian in 2003 still constitute a useful framework for addressing water and sanitation challenges in developing countries.
- The Water Action Plan has helped to mobilize G8 and other donor resources for the water and sanitation sector. G8 ODA spending has increased by \$2.5 billion since the adoption of the Water Action Plan.
- G8 work with the international community has helped to better identify opportunities to leverage resources for the water and sanitation sector and achieve greater impact on the ground. Although there has been progress, sanitation needs particular attention.
- Water issues are fundamentally local challenges that require leadership,

capacities, investments and action by local, national and regional authorities and civil society. National governments must take the primary responsibility for ensuring their own development success by creating an enabling environment (including good governance, economic growth and peace and security) that supports people, mobilizes local resources, and maximizes the benefits of donor support. When water and sanitation are not priorities in national development plans, donors, both bilateral and multilateral, are less likely to invest in those areas.

- In 2012, the next World Water Forum in France will be an opportunity to monitor further progress under the Evian Water Action Plan and the G8-Africa Water Partnership.



Source: OECD-DAC

Note: Includes multilateral aid that has been imputed to the Water Supply and Sanitation Sector and assumes that imputed multilateral commitments are equal to imputed multilateral disbursements. National data from Russia is not included as Russia is not an OECD-DAC member-country.

G8 Total Disbursements for Water Supply and Sanitation (2002-2008) ⁴¹							
(figures in current \$US millions, disbursement amount)							
Donor Country	2002	2003	2004	2005	2006	2007	2008
Canada	27.2	39.9	51.8	76.0	72.6	70.2	104.2
France	178.8	215.8	280.1	303.3	363.2	329.8	374.3
Germany	293.6	457.8	513.9	495.3	532.0	647.2	803.2
Italy	43.1	54.1	76.1	159.2	99.9	117.3	203.1
Japan	349.6	512.8	560.4	672.9	1,008.1	765.2	1,524.3
United Kingdom	85.2	178.1	171.4	184.5	275.4	349.6	352.2
United States	240.4	121.6	489.2	1,215.9	928.9	668.4	349.1
G8 Total	1,217.9	1,580.1	2,142.9	3,107.2	3,280.1	2,947.7	3,710.3
<p>Notes Includes multilateral aid that has been imputed to the Water Supply and Sanitation Sector and assumes that imputed multilateral commitments are equal to imputed multilateral disbursements. National data from Russia is not included as Russia is not an OECD-DAC member-country.</p> <p>Source: OECD-DAC.</p>							

Chapter 2: Reporting on G8 Commitments

2.5: FOOD SECURITY

Highlights

- The G8 has helped put sustainable agricultural development and food security on the global development agenda following years of neglect, and considerably augmented financial resources in support.
- At the L'Aquila Summit, in the Joint Declaration on Global Food Security, the G8 led 40 world leaders and heads of international organizations in reaching a broad consensus on the main principles for a reinvigorated approach to food security and in launching a Global Partnership for Agriculture, Food Security and Nutrition
- G8 members and other donors, brought together through the L'Aquila Food Security Initiative (AFSI), committed to mobilizing US\$20 billion for sustainable agricultural development over three years. The AFSI group, chaired by Canada in 2010, works to ensure implementation and accountability for this commitment. The amount pledged by donors now stands at over \$22 billion.
- The G8 promotes a comprehensive approach to food security, emphasizing effective coordination, support for country-led processes and a strong role for multilateral institutions. The G8 is working towards a twin track approach to food security, including both short-term emergency and long-term development measures.

Overview

In 2009, nearly one billion people were considered food insecure. With food price volatility, growing global food demand and a deteriorating environmental resource base, the stability of the global food system is vulnerable. Improving food security is particularly important because it has implications for other key development sectors, including nutrition, health, economic growth and education.

A strong and sustainable agricultural system is necessary for achieving the MDG on eradicating extreme poverty and hunger. Agriculture has historically played a key role in economic development and represents the primary engine for inclusive economic growth in most developing countries. In Africa, for example, 80 percent of all economic output is linked to agriculture. Investments in agriculture provide some of the highest rates of return for

alleviating poverty of any sector. The role of smallholder farmers is particularly significant with some 500 million smallholder farmers supporting the food requirements of 2 billion people worldwide.

G8 Leadership and Results

The years 2007–2008 saw dramatic increases in world food prices, creating a global crisis and causing political and economic instability and social unrest. Those hardest hit by the price spike were the poor, especially women and children. This called for a more sustained, action-oriented and effective response to the current and future food insecurity.

The international community has come together around a shared approach to improving food security. In 2008, the Food and Agriculture Organization (FAO) High-level Conference on World Food Security

Key Commitments

- Reverse the decline in investment in agriculture to improve food security.
- Support regional and country-led processes and plans in support of responsible agricultural development.
- Support strategic co-ordination of food security assistance, including through reform of the international agriculture, food security and nutrition architecture.

adopted a declaration aimed at increasing assistance for developing countries, particularly those most affected by high food prices. The G8 has helped to sustain momentum around this agenda, mobilizing action from others and influencing global policy. At the L'Aquila Summit, the G8 led 40 Leaders and heads of international organizations to reach a broad consensus on the main principles for a reinvigorated approach to food security. This paved the way for the subsequent endorsement of the 'Five Rome Principles for Sustainable Global Food Security' at the 2009 World Summit on Food Security.⁴²

At the L'Aquila Summit, the G8 also launched the Global Partnership for Agriculture and Food Security (GPAFS), subsequently renamed the Global Partnership on Agriculture, Food Security and Nutrition (GPAFSN), which is designed to sustain global attention on food security, foster the sharing of best practice and create a network of experts in support of effective action. G8 members also support work to promote Responsible Agricultural

Investment (RAI), designed to facilitate sustainable private investment in agriculture, nutrition, food security and rural development.

How has the G8 delivered on its commitments?

Reversing the decline in investment

The establishment of the L'Aquila Food Security Initiative (AFSI) at the 2009 Summit represented a major step towards the G8 objective of reversing the decline of investment in agriculture and improving food security. The agreement made by the G8 and other donors to mobilize \$20 billion for sustainable agricultural development over three years, while maintaining the provision of emergency food aid, was a landmark achievement. It also demonstrated the G8's commitment to a twin track approach to food security, combining both short-term emergency and long-term development measures. The amount pledged by donors now stands at over \$22 billion.

The creation and evolution of the AFSI group – comprised of G8 and other donors, developing country partners, and multilateral institutions – represents an important step towards improving the transparency of and accountability for financial commitments. The results of the AFSI group's tracking exercise are reproduced in the table below.

In line with these commitments, G8 countries are engaged in a number of programs aimed at improving sustainable agricultural productivity and food security, including through developing infrastructure, sharing of best irrigation practices, advancing efficient techniques for management and improving food storage facilities, market access and trade opportunities.

Supporting country-led and regional processes

G8 countries have been supporting regional and country-led processes for many years through bilateral

Emergency Food Aid: In the L'Aquila Joint Statement on Global Food Security, G8 countries recognized the importance of ensuring adequate emergency food aid. Emergency Food Aid is considered for general free distribution or special supplementary feeding programs and short term relief to targeted population groups affected by emergency situations. Efforts are underway to improve the quality and effectiveness of food aid programming. Russia has been a key provider of emergency food aid for developing countries, both through bilateral channels as well as relevant international organizations and aid agencies (\$41.2 million in 2009).

G8 Action: Support to CAADP

- EC has pledged a total of \$7.2 million (of which \$3.6 million has already been disbursed) which will be used to support numerous projects aimed at building the capacity of Comprehensive African Agriculture Development Programme (CAADP) institutions and processes, supporting agricultural research, and strengthening climate change adaptation strategies.
- France has contributed to the Multi-donor Trust Fund (MDTF) (\$1.4 million in 2009) and has provided technical expertise to support the implementation of the CAADP process through the African Regional Economic Communities, in particular in Western Africa.
- Germany has contributed to capacity building and training of the NEPAD Secretariat with a view to enhancing its ability to manage the CAADP process and to build the capacity of regional and national CAADP teams and committed €11 million for the period 2008-2011.
- Japan has pledged \$2 million for MDTF on the occasion of TICAD IV in 2008 and aligned its support for improved agricultural productivity with CAADP strategies. Japan has also contributed to CAADP through the Coalition for African Rice Development (CARD), aiming at doubling rice production in African countries over ten years.
- The UK has aligned itself strongly behind the CAADP agenda, targeting improvements in transport and communications, trade and investment, social protection/safety nets and agricultural research and development.
- The U.S. was the first donor to contribute to the MDTF (\$3.1 million for 2008-2009). It has also supported projects aimed at increasing regional integration and competitiveness of agricultural commodity markets; and is working to build the capacity of government organizations, regional economic communities, policy and research groups, private sector and civil society organizations.

development assistance programs using a range of instruments such as joint donor assistance strategies, program-

based approaches, multi-donor pooled funds, budget support and sector wide approaches. The AFSI focuses this

support in some important ways, including by committing to align bilateral investments with country-owned agriculture and food security investment plans.

A major regional process supported by G8 members is the Comprehensive African Agriculture Development Programme (CAADP), organized within the New Partnership for Africa's Development (NEPAD). CAADP is an African-owned initiative working to boost agricultural productivity across the continent. Since CAADP emerged in 2003, the G8 and other donors have worked together closely to support its processes and objectives. This collaborative effort has resulted in a significant harmonization of donor support for CAADP activities, and the creation of the CAADP Multi-donor Trust Fund (MDTF), which acts as a mechanism for channeling financial support for CAADP processes and investments. At the L'Aquila Summit, G8 leaders also committed to identifying principles and good practices to promote responsible agricultural investment (RAI). By translating commonly-accepted principles into a positive investment environment, RAI helps support country-led and regional processes and boost responsible investment in agriculture. Since the commitment was made, two roundtable meetings have been held, with participation from G8 members and other donors, developing countries, multilateral institutions, the private sector and civil society. The G8 continues to support this initiative and other efforts to foster a strong and sustainable agricultural investment climate.

Improving Coordination and Accountability

The G8 believes in the importance of increasing the coherence, coordination and accountability for food security assistance. The G8 has made a series of commitments designed to foster

G8 Action: The Global Agriculture and Food Security Program (GAFSP)

Canada and the United States were two of the founding donors of the GAFSP, a multi-donor trust fund set up at the request of the G20 to realize some of the agriculture and food security commitments made at the L'Aquila Summit. Using the capacity of multilateral development banks and the UN food agencies, the GAFSP will provide a predictable and transparent source of financing for country-led agricultural development strategies in the poorest countries. Launched in April 2010, the GAFSP has already mobilized \$880 million in commitments from five contributors (Canada, the United States, Spain, South Korea and the Gates Foundation) and is actively seeking further contributions.

international partnerships on food security and improve the international architecture of institutions governing agriculture, food security and nutrition.

In line with these commitments, the G8 has supported four mechanisms that bring key actors together around common objectives and a shared approach to food security: country-led agricultural investment plans; the Global Partnership for Agriculture, Food Security and Nutrition (GPAFSN); the Global Donor Platform for Rural Development (GDPRD); and the L'Aquila Food Security Initiative (AFSI) group.

The G8 also supports the role of the Committee on World Food Security (CFS), an intergovernmental body for reviewing global food security policy, as a central component in the global architecture on food security and nutrition, and which also includes civil society participation. At the same time, G8 countries have supported reform of the CFS to ensure that it becomes an inclusive platform for relevant discussions and sharing of best practices on food security.

G8 members promote a stronger role for the UN's Standing Committee on Nutrition (SCN), a forum for collaboration with UN agencies, bilateral partners and civil society. G8 countries have also actively encouraged reform of the Consultative Group on International

Agricultural Research (CGIAR - an informal association of public and private sector donors) and the FAO with a view to improving their effectiveness and efficiency.

Key Findings and Lessons Learned

- Significant G8 investments have helped to reverse the overall decline of aid and investment in the agricultural sector. Momentum has been sustained through the 2009 L'Aquila \$20 billion commitments by the G8 and other donors, the subsequent donor pledges to over \$22 billion and the allocations and disbursements to date.
- The establishment of the L'Aquila Food Security Initiative (AFSI) represents a major step forward in the way the G8 makes and tracks commitments. When developing future initiatives, it will be important to build on the lessons learned through the AFSI process. Ongoing monitoring of financial disbursements/allocations of the L'Aquila financial commitment will remain an important part of this process.

- The G8's strong emphasis on supporting country-led and regional processes, promoting international coordination, and using country systems for aid delivery has sent an important message regarding the G8's commitment to the aid effectiveness agenda and the Five Rome Principles, internationally endorsed in 2009.
- The G8 is directly responsible for advancing broad political support for the importance of food security. However, given the wide range of other actors that contribute to food security objectives, including from the private sector and civil society, it is difficult to attribute direct results to G8 interventions alone. Beyond the tracking of financial commitments, G8 countries should continue to focus on supporting efforts to map broader food security activities.
- The endorsement by many G8 members of the new Global Framework for Action on Nutrition reinforces the importance of the strong link between improved nutrition and agricultural growth, upon which it will be important to build.

Tracking pledges on the L'Aquila Food Security Initiative
 Table 1: Baseline Information on Pledges (million USD) (1)

Country		Period of Pledge	ODA Pledge		Bilateral Channel: Distribution of pledges by sector (2)						
			Total	Additional (3)	Multilateral Channel		Development food aid/ food security assistance (520)	with the main purpose of improving food security			
				Voluntary Core (4)	Earmarked and Trust Funds (5)	Agriculture, Agro-Industries, Forestry, Fishing (311, 32161, 312, 313)		Nutrition (12240)	Transport & storage (210)	Safety nets (i.e. social welfare services) (16010)	Rural development (43040)
Australia	Fiscal 2009/10 to 2012/13	360	360	34	285	194			85		41
Canada	Fiscal 2008/09 to 2010/11	1034	526	159	87	591					
European Commission	2010-2012	3800	742			686	42	1260	330	400	283
France	2009 - 2011	2161	365	145	80	1823					47
Germany	2010-2012	3000	1000	80	30	1300		160		160	900
Italy	2009-2011	428	180	120	78	120	10			88	20
Japan	2010-2012	3000			78	740		2260			
Netherlands	2009-2011	2000	139	246	696	382	7	57	208	97	1015
Russia	2009-2011	191	64	15			99				
Spain	2009-2011	696	696								
Sweden	2010-2012	522	14	195	309	327					
UK	Fiscal 2009/10 - 2011/12	1718	312	625	475	450		59		167	
US	Fiscal 10/2009 - 09/2012	3500	1751			3025	275				
TOTAL		22101 (6)	6149								

Notes: L'Aquila Food Security Initiative Tracking Table

1. USD values of non-USD denominated pledges calculated at the 2009 annual average exchange rates against the USD
2. Sectoral distribution of donor pledges, to the extent known at the time of the pledge or estimated thereafter. DAC/CRS purpose codes are shown in parentheses. A full description of each of the relevant CRS codes can be found via the following link: http://www.oecd.org/document/2/1/0,3343,en_2649_34447_1914325_1_1_1_1,00.html

CRS codes

- Agriculture, Agro-Industries, Forestry and Fishing (311, 32161, 312 and 313)
- Nutrition (12240)
- Transport and storage (210)
- Safety nets (i.e. social welfare services - 16010)
- Rural development (43040)
- Development food aid/food security assistance (520)
- Other, such as water supply and sanitation (140) or trade policy and regulations (331). Please specify, including relevant CRS code/s

NOTE: Emergency food aid (710) is excluded from this tracking exercise.

3. Appropriations for food security, additional to previously planned expenditures and representing spending plans above the baseline.
4. This covers voluntary contributions to multilateral institutions that have a main focus on food security (e.g. CGIAR, IFAD).
5. This covers aid to the programs of multilateral organisations where donors have a control on the spending of money. It also includes multilateral programs and Trust Funds (e.g. World Bank GAFSP).
6. In order to avoid possible double counting between UK and EU pledges, this total has been reduced by \$309 million.

Country Notes**Australia:**

1. The L'Aquila pledge is in addition to ongoing funding for food security and rural development and to a USD 140 million four year commitment to core funding for WFP which is supplemented by funding for emergency food aid as crises occur.
2. Allocations by purpose are indicative only.
3. 'Other' funds are USD 25 million for trade policy and administrative management (33110) and USD 16 million for microfinance (24040).

Canada:

1. Figures for Canada are consistent with the fiscal year: April 1-March 31.
2. Canada's pledge is specific to agricultural development and does not include investments in development or emergency food aid or nutrition. Canadian investments in the multilateral channel include IFAD, CGIAR and the World Bank GASFP

EC:

1 billion € committed to the EU Food Facility for 2009-2011. Of this 450 million have been disbursed in 2009. Multilateral earmarked and trust funds includes CGIAR. Development food aid/food security assistance. Other bilateral includes CC and DRR.

France:

Voluntary Core funding includes IFAD, FAO, OIE (World Organisation on Animal Health), World Bank, CGIAR, WFP. Agriculture pledges are essentially via AFD and development food aid via programmed food assistance. Other activities supported by the pledge include NGOs and technical assistance.

Germany:

1. The pledge is for the total amount of 3 billion US-\$ of which about 1 billion US-\$ is additional to previously planned commitments.
2. The pledge refers to commitments, not disbursements. These commitments are made and will be made in bilateral and multilateral agreements. In some cases these commitments will lead to respective disbursements in the same year, in other cases to disbursements in years following the year of the commitment.
3. Allocations by purpose are indicative only.
4. "Other purposes" mainly include: rural water supply and sanitation (CRS 140); land mine clearance (CRS 15250); rural energy supply (CRS 230); rural banking and financial services (CRS 240); rural business support services and institutions (CRS 25010); environmental protection in rural areas (CRS 410).

Italy

Multilateral voluntary core support includes IFAD, CGIAR, WHO, WFP, CIHEAM, UNICEF. Support via earmarked trust funds includes FAO, Italy will spend USD 50 million in addition to its pledge for emergency assistance and safety nets.

Japan:

1. Japan's pledge is for the total amount of at least US\$ 3 billion for "agriculture (311)" and "transport and storage(210)". The breakdown is indicative only.
2. Bilateral spending on other areas relating to food security including "Forestry(312)", "Fishing(313)", "Nutrition(12240)", etc. were NOT included in the pledge
3. The pledge refers to commitments, not disbursements. These commitments are made and will be made in bilateral agreements. In some cases these commitments will lead to respective disbursements in the same year, in other cases to disbursements in years following the year of the commitment.
4. It is not possible to say how much of this money is "new" under Japan's budgetary system.

Netherlands:

The large amount in the 'other' category reflects a number of large programmes which are categorised in the DAC/CRS system in sectors outside those used in this table (e.g. school feeding programmes are reported in the Education category).

Russia

Russia's support through earmarked trust funds and programs include WFP, World Bank (Food Price Crisis, Rapid Response), ICDO. Russia's voluntary core includes FAO. Russia intends to contribute to CGIAR starting in 2010 and establish Food Security EuroAsia Center.

Spain:

1. This pledge reflects only the specific announcement made by Prime Minister in L'Aquila, completely additional to previous 1 billion € pledged in the HLM of Food Security for All held in Madrid, January 2009.
2. The total commitment of Spain of FS&N is endorsed in its 2009-2012 Development Master Plan, and is the achievement of a share of at least 10 percent of ODA by 2012. This means an estimated 2.2 billion € for the total period and 1.7 for 2009-2011.
3. Earmarked include contributions to WB GAFSP.
4. The share of core funds is highly dependant on the Strategic Partnership Agreements 2010-2012 being prepared between Spain and the WFP and IFAD during 2010. Due to this reason, the pledge is reflected as 100 percent earmarked, although is likely to finally present a considerable share of core funding.

Sweden:

Funds to both multi- and bilateral channels cover agriculture, safety nets and rural development more broadly. Multilateral channels include IFAD and WFP medium term assistance (but not emergency assistance). The pledge does not include assistance via EU, IDA and AfDB.

UK:

1. The pledge is for the total amount of £1.1 billion (USD 1.7 billion). The breakdown is indicative only.
2. The pledge is for total disbursements by DFID.
3. Voluntary Core includes imputed agriculture and food security shares of core contributions to World Bank, AfDF, AsDF, FAO, IFAD, UNDP and UNICEF
4. Ear Marked/Trust Funds includes imputed Agriculture and food security shares of contributions to EC Budget and EDF only. Note: bilateral spending may include contributions to trust funds; these are NOT recorded in this column.
5. Bilateral spending on Nutrition and Forestry were NOT included in the pledge.
6. The level of disbursement envisaged represents an increase over 2007/8 level of £300 million.

US:

- (a) The pledge level reflects the schedule of budget appropriation levels, subject to the timing of US Congress appropriation, rather than disbursement of funds.
- (b) Pledged funds have not been fully allocated to the detailed sector columns in this table, so that we can be responsive to priorities set through country-led agriculture and food security planning processes, and pending further consultations and decisions as part of the typical budget process in USG fiscal years FY 2010 through FY 2012. Further refinements can be made once these allocations are determined over time.
- (c) Earmarked and trust funds include the World Bank Trust Fund - the Global Agriculture and Food Security Program (GAFSP).
- (d) The agriculture/forestry/fishing amount represents bilateral assistance (country, regional and global programs) included in the "Feeding the Future - Global Hunger and Food Security Initiative." In addition, at least \$745 million has been excluded from the pledge that relates to specific agricultural development programs in countries not included in the initiative.
- (e) Nutrition -- Subject to US Congressional appropriations for this same pledge period, funding for the Global Hunger and Food Security Initiative's nutrition program is expected to exceed \$275 million. The amount shown has not been counted towards the \$3.5 billion pledge for agricultural development but is an essential component of the USG strategy.
- (f) Development food aid/food security -- The USG also provides significant resources for emergency and non-emergency food aid, which are not included in this pledge. For the purposes of this exercise, while the 2012 Budget has not yet been formulated, based on recent budgets, the estimated 2010-2012 Budget request totals for food assistance are anticipated to be about \$7.2 billion, of which roughly one-third is non-emergency.

Chapter 2: Reporting on G8 Commitments

2.6: EDUCATION

Highlights

- Education is a longstanding G8 priority, and G8 countries have committed significant political and financial resources towards the achievement of education goals.
- The G8 has provided substantial and sustained support to the global Education for All movement and made important contributions to the education sector in developing countries
- The G8 – particularly through the creation of the Education for All-Fast Track Initiative – has helped to mobilise a more coherent and coordinated global approach to education, with a focus on support to country-led processes and plans
- Although significant progress has been made on primary education, particularly in Africa, challenges remain.

Overview

Education is crucial to building knowledge societies, improving living standards and stimulating economic growth. Over 72 million children do not have access to primary school, learning outcomes are poor in many countries and some 759 million adults lack basic literacy skills, two-thirds of whom are women.⁴³ Access, inclusion and quality are leading challenges facing policymakers in all countries. For example, sub-Saharan Africa has the lowest primary enrolment and the highest female illiteracy rates in the world⁴⁴. Achieving gender equality is particularly important: women who attend primary school for a single year tend to earn wages 10 to 20 percent higher than those who do not, and more schooling is associated with a reduced risk of HIV/AIDS, lower fertility and fewer child deaths.

Some of the most impressive global successes have been in primary education. At the global level, primary education enrolment reached 88 percent in 2007, an increase of 5

percent from the 2000 figure. The gross intake rate in sub-Saharan Africa increased by 25 per cent, by far the largest regional increase recorded. The gender gap in primary schools has also narrowed. By 2007, 95 girls per 100 boys were enrolled in schools, in contrast to 91 in 1999.⁴⁵

However, the global financial and economic crisis has put government education budgets under even greater pressure.

G8 Leadership and Results

At the Dakar World Education Forum in 2000, world leaders adopted a framework for action for achieving Education for All (EFA), declaring that “no country seriously committed to Education for All will be thwarted in its achievement of universal primary school completion by 2015 due to lack of resources.” The EFA agenda, particularly with regard to its focus on improving basic education in developing countries, has underpinned the G8’s approach to education.

Key Commitments

- Work to support the Education for All agenda.
- Support the Fast Track Initiative (FTI) and, along with other donors, provide sufficient resources to fill the financial shortfall estimated at the L’Aquila Summit by the FTI Secretariat at \$1.2 billion over the succeeding 18 months.
- Work with partners and other donors to meet resource shortfalls in countries endorsed by the FTI.

How has the G8 delivered on its commitments?

Supporting Education for All

G8 countries have played a strong leadership role in the education sector, and have undertaken a broad range of programs and policies in support of the EFA goals. G8 activities are particularly focused on helping developing countries improve access to primary education, strengthening institutional capacity (including through teacher training programs) and improving gender equality in education. Given that around one-third of the world’s 72 million out of school children live in only 20 conflict-affected countries, many G8 countries are focused in conflict-affected and fragile states.

Supporting the Education for All-Fast Track Initiative

Following the adoption of the MDGs, world leaders recognized that with more than 100 million children out of school, it would be impossible to achieve

G8 Action: Supporting Education for All

- Advancing gender equality is a priority in all Canadian programming in education. In particular, Canada supports the governments of Burkina Faso, Bangladesh, Afghanistan, Pakistan and Senegal to promote girls’ education. Canada supports the Afghanistan Reconstruction Trust Fund’s Education Quality Improvement Program (EQUIP) which has trained 45,000 teachers, built over 800 schools and established approximately 8,000 school management committees.
- Italy supports Ethiopia’s General Education Quality Improvement Project, aimed at enhancing the quality of primary and secondary education.
- Germany and Japan support the Basic Education Development Strategy in Yemen with a focus on increasing girls’ access to primary schooling.
- Japan launched a Basic Education for Growth Initiative in 2002, aimed at improving access to and quality of education in 52 developing countries. Japan also supports education in conflict-affected countries such as Afghanistan, Iraq, Sudan, Eritrea and Angola through teacher training, literacy classes, school construction and community empowerment in cooperation with the UN agencies and NGOs.
- In 2008 Russia announced a 5-year, \$42 million Education Aid for Development program, designed to help developing countries to strengthen institutional capacity. Russia also supports the Afghanistan Reconstruction Trust Fund.
- UK education programming in Ethiopia has helped almost 4 million children into primary school. The UK Girls’ Education Strategy, launched in 2005, has led to improved girls’ primary school enrolment figures in almost all UK-supported countries in Africa and Asia.
- The US Africa Education Initiative has helped to train over 900,000 teachers and administrators, provided over 400,000 scholarships and almost 18 million textbooks.
- The EC supports education programs in 43 countries across the developing world, nine of them in Africa. It also provides general budget support in support of national education plans in 25 African countries.

universal primary education without significant country commitment and increases in support. In response, the G8 led a global effort to establish a global partnership known as the Education for All-Fast Track Initiative (EFA-FTI).

The FTI “compact”, based on mutual accountability, aims to provide the incentives and resources to empower

poor nations to build and implement sound education plans. Developing nations are responsible for taking ownership of crafting national education plans, with budget accountability and a greater commitment of political and financial resources, while donor nations commit to providing additional technical know-how and funding – ensuring that no nation that met its obligations would

G8 Results: Textbook Procurement Reform

Canada has provided financial and technical assistance to the ‘Support to Educational Materials in Mozambique’ (SEMM) project, which is designed to improve the government’s textbook purchasing and procurement capacity. The most recent evaluation concluded that, since 2005, the project had helped the Government to provide 90 million textbooks, reduce the cost of textbooks and deliver 85 percent of textbooks on time. The Government has now provided all primary students with quality textbooks and all teachers with appropriate teachers’ guides. Ultimately, this has contributed to an increased net primary enrolment rate from 83 percent to 99.2 percent and increased completion rate of primary school for girls from 34 percent to 39.4 percent.

The UK has been engaged in reforming the textbook procurement process in Rwanda, which has led to the development of recommended book lists, improved evaluations of bids and better monitoring of decentralized textbook selection in schools. This is already having a positive impact on competition and lowering of prices.

fail for lack of resources or technical capacity. All low-income countries that demonstrate serious commitment to achieve universal primary completion are eligible to seek support from FTI.

The FTI has made a major contribution to improving education in developing countries. Currently, 41 developing countries, including half of all African countries, have FTI-endorsed national education sector plans – which the G8 and other donors support through the provision of bilateral funding. From 2006 to 2007, the number of children out of school declined from 17.8 to 16.1 million in FTI countries. 17 out of 40 FTI countries have achieved or are on schedule to achieve a primary completion rate of 95 percent or more, and 11 FTI partner countries have achieved gender parity in primary education⁴⁶.

The FTI is a useful global policy forum for keeping Education for All on the global agenda, and has successfully maintained a focus on country ownership, promoted aid effectiveness principles, and built on country processes and structures. It has also financed critical gaps in some countries and enabled some donors to scale up financing for basic education. However, as the FTI itself notes, it has fallen short of its expectations in the past⁴⁷. The G8 – in its role as an FTI board member - is working to support FTI reform in view of developing a more effective, results-oriented partnership that reinvigorates the global community in support of the EFA goals. FTI also needs to strengthen efforts to address policy, data, and capacity gaps that hamper achievement of the EFA goals.

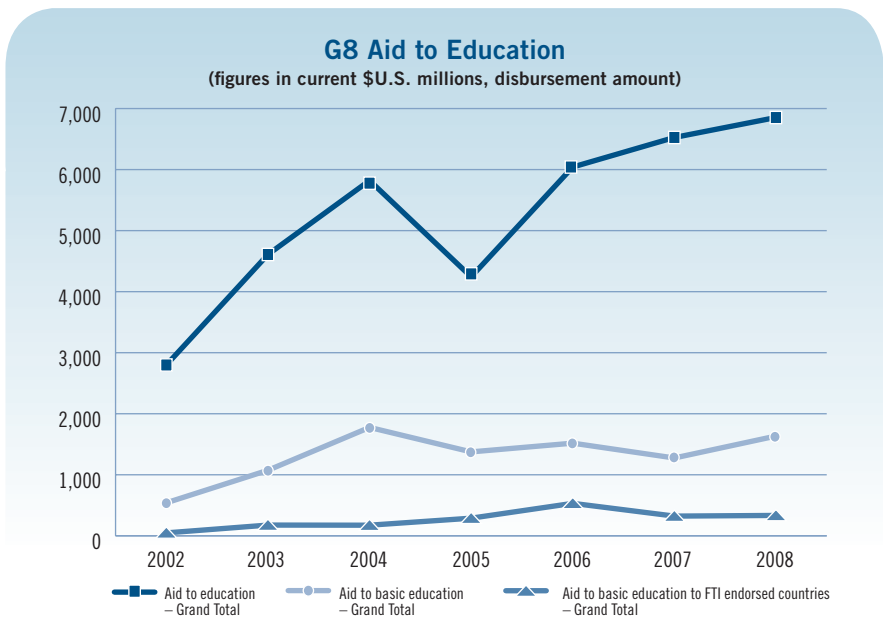
Meeting resource shortfalls in FTI-endorsed countries

In line with the commitment made at the 2005 Gleneagles Summit, G8 countries have scaled up their support to FTI-endorsed countries. Total G8 spending on basic education in those countries increased from \$180 million in 2005 to \$354 million in 2008.⁴⁸ More broadly, the G8 has substantially increased its contribution to education and basic

G8 Results: BRIGHT

A recent impact evaluation shows that a U.S. Millennium Challenge Corporation (MCC)-funded education program (BRIGHT) in Burkina Faso had a significant impact on primary school enrollment and education outcomes, which lead to increased lifetime incomes. The program, implemented by USAID, sought to increase girls’ primary school enrollment and completion rates by constructing 132 “girl-friendly” schools in the 10 provinces with the lowest rates of girls’ primary school enrollment. The program also provided take-home rations for girls, daily meals for all students, textbooks, and school supplies. To complement the classroom interventions, BRIGHT included an adult literacy and mentoring program, training for local partners, and a public awareness campaign.

MCC hired an independent research firm to evaluate the program’s effects on enrollment and test scores for girls and boys. Using a regression discontinuity design, the researchers compared the 132 communities served by BRIGHT to the 161 communities not selected for the program. The evaluation concluded that the program improved overall school enrollment by 15-20 percentage points. These effects are larger than those of other educational interventions in developing countries, particularly given that 60 percent of the comparison group villages received non-BRIGHT schools, eroding the measured impact of communities MCC-funded schools. BRIGHT had large, positive impacts on learning, as well, as measured by improvements in math and French test scores. The evaluation results indicate that for a student who started at the 50th percentile of the sample, attending a BRIGHT school is likely to increase his or her test score to approximately the 80th percentile. The enrollment impacts for girls were about five percentage points higher than those for boys, while the impact on test scores were not statistically different for girls and boys.



Source: OECD-DAC

G8 ODA Disbursements to Education⁴⁹								
Aid to education		Disbursements, Current USD millions						
		2002	2003	2004	2005	2006	2007	2008
Canada	Education	122.4	172.3	199.6	156.9	175.5	261.1	298.7
(of which) Basic Education		32.5	54.1	73.1	92.7	102.0	130.9	151.3
(of which) Basic Education to FTI-endorsed countries		2	17	15	31	45	67	93
EC	Education	41.1	63.1	95.2	521.9	662.4	747.7	747.1
(of which) Basic Education		9.5	25.4	41.2	239.4	258.5	215.1	280.6
(of which) Basic Education to FTI-endorsed countries		3	3	3	8	17	36	16
France	Education	806.479	1061.29	1280.472	1293.726	1426.232	1916.712	1707.435
(of which) Basic Education		14.5	19.2	25.4	66.1	92.6	189.5	191.3
(of which) Basic Education to FTI-endorsed countries		4	4	7	24	45	43	53
Germany	Education	215.3	1004.5	1071.4	1224.3	1340.8	1406.0	1655.6
(of which) Basic Education		60.1	83.1	91.6	70.5	86.9	85.1	109.7
(of which) Basic Education to FTI-endorsed countries		3	9	10	16	35	37	55
Italy	Education	21.3	37.8	82.0	65.0	62.6	49.5	85.7
(of which) Basic Education		0.32	1.40	19.9	1.4	1.3	2.6	12.0
(of which) Basic Education to FTI-endorsed countries		-	-	1	0	0	1	1
Japan	Education	120.6	764.6	696.3	816.9	796.5	739.07	873.8
(of which) Basic Education		62.6	94.3	126.2	112.0	128.9	122.7	140.1
(of which) Basic Education to FTI-endorsed countries		3	19	31	38	79	83	54
Russia	Education					1	3.2	13.8
(of which) Basic Education						1	3.2	9.4
(of which) Basic Education to FTI-endorsed countries						1	3.2	9.4
United Kingdom	Education	101.6	1734.4	310.7	285.4	501.7	743.3	440.0
(of which) Basic Education		63.6	120.3	254.3	230.1	394.2	498.7	208.2
(of which) Basic Education to FTI-endorsed countries		0	2	20	42	75	214	0
United States	Education	106.7	275.1	386.1	494.1	440.2	597.6	690.1
(of which) Basic Education		56.5	206.5	279.0	326.7	242.5	327.4	394.7
(of which) Basic Education to FTI-endorsed countries		2	13	42	21	50	44	82
Total Aid to education		15356	3552	4122	4858	5407	6464	6513
(of which) Total Aid to basic education		300	604	911	1139	1308	1575	1502
(of which) Total Aid to basic education to FTI-endorsed countries		17	65	108	138	271	310	353

Source: OECD-DAC and national data from Russia.

Note: Totals are from OECD-DAC data and includes national data from Russia.

Aid to Education includes the sum of CRS codes 111 (Education, Level Unspecified), 112 (Basic Education), 113 (Secondary Education) and 114 (Post-secondary education).

education in developing countries, as shown by the chart below.

In addition, some G8 members provide General Budget Support (GBS) which supplements developing countries' sector spending on education. G8 countries are also working to promote innovative financing mechanisms to improve investment in education.

G8 members have made significant contributions to the two trust funds set up to help those countries who need support in drawing up educational sector strategies or who have difficulty attracting short-term funding. G8 contributions to these funds represent over 30 percent of total contributions to date⁵⁰.

Some G8 members contribute to the multi-donor Education Program Development Fund (EPDF) which was established in November 2004 to enable more low-income countries to access the FTI and accelerate progress towards universal primary education. The EPDF finances country-specific and regional activities to achieve one or more of the following objectives: education sector plan development; capacity development; monitoring

G8 Action: Improving aid effectiveness in education programming

- The UK conducts joint annual reviews of Niger's national ten-year education plan, in collaboration with its implementing partner, the Government of Niger and other development partners.
- A number of G8 countries, including the EC, UK, Germany, Canada, France and Japan, are partners in several education sector-wide approaches.
- All Russia's activities are designed in line with the conclusions of evaluation reports prepared by partner countries.
- Under a Fixed Amount Reimbursement agreement (FAR) with the United States, the Government of Senegal constructs middle schools and is reimbursed upon completion, addressing middle school access gaps while enhancing the capacity of the Ministry of Education to manage resources and construct quality schools.
- Germany supported the implementation of the national strategic program for the education sector (EESP) in Mozambique. The program, aligned with other donors under the umbrella of the national program, supported better access to schools for marginalized children.

evaluation and knowledge sharing; and strengthening partnerships.

G8 members also contribute to the Catalytic Fund, a multi-donor trust fund managed by the World Bank on behalf

of donors. Its purpose is to provide transitional financial assistance to FTI countries that have completed a Poverty Reduction Strategy and whose education sector plans have been

Catalytic Fund			Education Program Development Fund		
G8 Donor	Pledges 2003 – 2013	Receipts To Date	G8 Donor	Pledges 2005 – 2013	Receipts To Date
	US \$ Millions			US \$ Millions	
Canada	65.1	35.5	Canada	12.55	5.12
EU (ACP) Part 1	86.3	65.0	France	7.78	5.85
EU Part 2	41.2	20.2	Japan	1.2	1.2
France	23.3	23.3	Russia	3.2	3.2
Germany	27.2	13.6	UK	11.57	11.57
Italy	31.5	27.4	TOTAL	\$ 36.3	\$ 26.94
Japan	3.6	3.6	<small>Source: EFA-ETI, Education Program Development Fund Financial Update (November 2009)</small>		
Russia	10.0	6.0			
UK	273.7	273.7			
TOTAL	\$561.9	\$468.3			

Source: EFA-FTI, FTI Catalytic Fund, Quarterly Financial Status Report (as of March 31, 2010)

endorsed by donors through the FTI review process, but which have difficulty mobilizing additional external funding at the country level due to a relatively limited donor presence.

Improving Aid Effectiveness

Along with support to the EFA-FTI, G8 countries have demonstrated aid effective practices through bilateral support to education. In most countries, donors participate in joint assessments, programming and review exercises, and carry out joint missions and participate in joint policy dialogue at national sector tables.

Key Findings and Lessons Learned

- G8 political leadership and financial support, has helped to maintain international focus on education, particularly basic education.
- The G8 has played an important role in establishing the current international education architecture, and demonstrated its role as a catalyser of action by promoting the establishment of the Education for All Fast Track Initiative. Today, the G8 is using its leadership role to promote reform of the FTI to improve its effectiveness.
- FTI was created as an instrument to help low-income countries close four gaps: finance, policy, capacity and data. It continues to be important to improve global capacity to identify and track specific education-related gaps or emerging issues, including the four gap areas above. Given insufficiencies in data availability, the impact of the FTI on education-related results has been difficult to accurately quantify. A more robust monitoring and evaluation strategy, with attention to results would be helpful and the ongoing FTI reform process will be crucial in this regard.

Chapter 2: Reporting on G8 Commitments

2.7: GOVERNANCE

Highlights

- G8 Leaders have recognized the importance of helping developing country partners build good governance and tackle corruption with a view towards promoting sustainable development and economic growth.
- Most G8 countries have in place many of the legislative measures necessary to ensure the implementation of international conventions on countering corruption and bribery, although further action is needed to fully enact and enforce necessary domestic legislation, particularly on transnational bribery.
- The G8 has recognized the importance of linking anti-corruption measures with its overall framework of support for good governance, including supporting developing countries' efforts to improve the rule of law, parliamentary oversight, civil society engagement and constructive state-society relations.
- Since the 2003 Evian Summit, the G8 has been working to promote the Extractive Industries Transparency Initiative (EITI) to increase transparency of payments and revenues in the extractive sector.

Overview

Good governance is crucial to the reduction of violent conflicts, instability and poverty and the strengthening of democratic values and human rights. As a result, governance has become a key concept in the international development debate and policy agenda. Among other things, good governance ensures the most efficient utilization of already scarce resources in the read promotion of development, enhancing participation, responsibility and democratic accountability, strengthening state-society relations and has the potential to lift people out of poverty.

Historically, weak governance has caused serious problems in some regions of Africa. African Leaders have responded by placing good governance as a central component of the New Partnership for Africa's Development (NEPAD), which is aimed at promoting sustainable development and addressing poverty. Many countries are making important strides to improve

governance but continue to face capacity constraints. Corruption has a negative impact on the equal distribution of resources and on equal access to public services and thus on poverty.

G8 Leadership and Results

The G8 has brought high-level attention to the importance of supporting good governance initiatives, with particular focus on strengthening the rule of law, parliamentary oversight, civil society engagement and constructive state-society relations. G8 Leaders have also committed to take action and improve transparency at the national and international levels through implementation of international commitments and support for measures to investigate and prosecute corruption. The G8 has also called on the international community to join in developing effective public-private partnerships and multi-stakeholder dialogues on combating transnational bribery and other forms of corruption.

Key Commitments

- Support anti-corruption measures, including through:
 - working towards the ratification and effective implementation of the UN Convention Against Corruption;
 - providing enhanced capacity building assistance for developing countries;
 - rigorously enforcing laws against the bribery of foreign public officials;
 - establishing mechanisms for the recovery of assets, including the proceeds of corruption; and
 - tackling corruption in the extractive sector, including through support for the Extractive Industries Transparency Initiative.
- Support Africa's efforts to improve governance, including through strengthening the African Peer Review Mechanism and implementing the G8 Action Plan for Good Financial Governance in Africa.

How has the G8 delivered on its commitments?

Supporting Good Governance: The African Peer Review Mechanism

In July 2002, the African Union issued a Declaration on Democracy, Political, Economic and Corporate Governance, in which NEPAD members undertook, inter alia, to renew efforts to enforce the rule of law, improve the equality and freedom of all citizens and promote democratic political processes. The African Peer Review Mechanism (APRM) was established to promote adherence to and fulfillment of these

commitments through an ongoing process of peer and self-assessment.

A trust fund mechanism, managed by an APRM Panel, was established to promote and coordinate support for the process. Although the majority of its funding is from African countries, the G8 has provided political and financial support to assist African countries to conduct APRM self-assessments and design national action plans for progress.

G8 members support a number of pan-African institutions aimed at improving transparency, democracy and good governance, such as the African Union's Convention on Preventing and Combating Corruption and the African Union Charter on Democracy, Elections and Governance.

The APRM has begun to chart a new course for improving governance systems, and is now a well-established component in Africa's governance architecture. Thirty African Union countries have signed up to the APRM, representing over three quarters of the population of Africa, 16 of these countries have taken concrete steps to initiate the review process, and 12 have completed it. In many countries, the review process has catalyzed domestic debate around strengths and weaknesses in good governance, transparency, and accountability.

Supporting Good Financial Governance in Africa

At the Heiligendamm Summit, G8 Leaders committed to a holistic approach to improving financial governance with the adoption of the G8 Action Plan for Good Financial Governance in Africa. The plan outlined ten priority areas for action aimed at ensuring the legitimate, transparent, accountable, efficient and effective mobilization and use of state resources. In other fora, the G8 has pursued the implementation of the Action Plan with support to ongoing efforts by the African Development Bank (AfDB) and the

United Nations Economic Commission for Africa (UNECA) to promote a pan-African debate on Good Financial Governance. That debate is aimed at advancing progress towards the adoption by African Finance Ministers of a Declaration on improving public financial management and accountability.

Supporting Anti-Corruption

Corruption is a threat to good governance as well as global security and stability, open markets and free trade, economic prosperity and the rule of law. For example, the African Union estimates that corruption is costing the continent nearly \$150 billion a year, and the African Development Bank estimates that it leads to a loss of around 50 percent of domestic tax revenues, significantly curtailing the ability of African governments to fund public and social services.⁵¹

The G8 has pursued a range of policies in line with commitments to fight corruption, improve transparency and accountability and provide assistance to partner countries to support the implementation of international standards against corruption.

Supporting the United Nations Convention against Corruption

Over the years, a number of international frameworks have been

designed to combat corruption. One of the most important is the United Nations Convention against Corruption (UNCAC), notable both for the wide scope of its provisions (ranging from prevention and law enforcement to international cooperation and asset recover) and for the number of countries which have ratified it. All G8 members have signed the UNCAC and all but two have ratified it.

The entering into force of UNCAC was an important milestone, but challenges remain – particularly the capacity of developing countries to fully implement and enforce the Convention. G8 members participate actively in the UNCAC Working Groups, including discussions on enhancing cooperation to foster the recovery of proceeds of corruption. In December 2009, G8 members supported the decision to develop the Convention's peer review process and they continue to promote efforts to ensure that the mechanism is effective, transparent and inclusive in practice.

Enforcing laws against bribery of foreign public officials

Widespread bribery in international trade and investment has harmful repercussions, distorting competition and undermining development. In 1999, efforts to prevent bribery gathered momentum with the entry into force of the Convention on Combating

G8 Action: Supporting good governance in Africa

- France is working to promote judicial accountability, transparency and budgetary effectiveness through technical assistance programs in 26 African countries.
- Germany is helping several APRM member countries to organize self-assessments and develop effective mechanisms for implementing and monitoring national action plans.
- Through its 2008 Yokohama Action Plan, Japan is working to help African countries to implement national action plans, build capacity in legal systems, promote financial control and strengthen economic governance.

Bribery of Foreign Public Officials in International Business Transactions. This Convention requires Parties to criminalize the bribery of foreign public officials in order to obtain business deals. All G8 members have ratified or plan to accede to the Convention.⁵² Enforcement, however, remains uneven across the G8.

Government-backed export credit agencies provide billions of dollars in loans and loan guarantees annually to finance exports for projects around the world. It is important that these agencies do not provide support to export contracts that are tainted by bribery. G8 members have put in place measures and policies to ensure that their export credit agencies operate in accordance with the provisions of the OECD Recommendations on Bribery and Officially Supported Export Credits.

Recovering Assets and Proceeds of Corruption

The theft of public assets from developing countries is a serious problem. Corrupt money associated with bribes received by public officials in developing countries, not to mention proceeds for misappropriation and other forms of corruption, is estimated at \$20 billion to \$40 billion per year—a figure equivalent to 20 to 40 percent of flows of official development assistance (ODA).⁵³

In 2004, G8 Justice and Home Affairs Ministers committed to recovering the proceeds of corruption. A summary of G8 efforts to recover stolen assets is contained in the “Statement on Fighting High-Level Corruption,” issued at the St. Petersburg Summit. In addition, several G8 members support the Stolen Asset Recovery (StAR) initiative, which has been launched jointly by the UN Office on Drugs and Crime (UNODC) and the World Bank Group (WBG). The development pay-off to the StAR initiative is expected to be significant particularly through reducing the

G8 Action: Building Anti-Corruption Capacity

- Canada is helping to train African parliamentarians and civil society on anti-corruption measures through the African Parliamentarians’ Network against Corruption (APNAC).
- Germany is supporting developing countries in implementing UNCAC, and is funding 70 projects aimed at reforming and building the capacity of the public sector, including sector initiatives, for example, in the areas of justice, political corruption, water, and extractive industries.
- Italy has implemented a number of projects with aims ranging from strengthening legal practices for infrastructure development to training judges and public prosecutors in fighting corruption.
- Japan provides the staffing and funding needs for the UN Asia and Far East Institute for the Prevention of Crime and the Treatment of Offenders, which provides training for criminal justice practitioners from developing countries.
- Since 2005, Russia has provided \$5 million annually to support the International Training Center for Anti-Money Laundering and Countering the Financing of Terrorism, designed to build developing country capacity.
- The UK has supported anti-corruption commissions in Malawi, Zambia and Sierra Leone; enhanced investigation and prosecution in Nigeria and Tanzania and parliamentary oversight and civil society engagement in Ghana, Bangladesh and Kenya.
- France has designed and implemented projects which support partner countries to implement UNCAC and national anti-corruption policies by training civil servants, judges, policemen and Financial Intelligence Unit (FIU) members.
- In 2009, the US provided over \$1 billion in anti-corruption and related good governance assistance aimed at promoting transparency, accountability and participation in government institutions and public processes at all levels.
- In 2008, the EC committed €1.4 billion for improving governance and supporting economic and institutional reforms in developing countries, contributing notably to preventing corruption, as well as to enforcing anti-corruption legislation.

opportunities for illicit financial flows and thereby the incentives to engage in corruption. Even a portion of recovered assets could provide much-needed funding for social programs or badly needed infrastructure. Every \$100 million recovered could fund full immunizations for 4 million children or provide water connections for some 250,000 households.⁵⁴

Some G8 members have returned significant amounts of proceeds from corruption. However, differences in legal systems across jurisdictions where the theft occurs, where the money is stored, as well as money laundering present formidable challenges to asset recovery. Nevertheless, G8 members continue to work to build the capacity of partner countries to recover assets by providing

G8 Country	Domestic action against bribery of foreign officials
Canada	1 prosecution resulting in a conviction in 2005
France	25 cases initiated since 2000
Germany	60 cases in 2008, 6 of which resulted in conviction
Italy	11 cases prosecuted since 2001
Japan	7 successful prosecutions
UK	24 investigations, 6 criminal or civil sanctions and 5 ongoing prosecutions
U.S.	More than 150 ongoing investigations, with 19 cases resolved in 2009. Total corporate criminal penalties have exceeded \$400 million in 2010 and over \$1.5 billion since 2005

G8 Action: Support to Enhanced Transparency

- Canada has committed \$2.65 million to the MDTF and provides additional support to the Extractive Industries Transparency Initiative Secretariat.
- Germany works to strengthen partner capacity to implement EITI in a range of countries. For example, the German Technical Cooperation supports the Democratic Republic of Congo, Ghana, Sierra Leone and Liberia, and has contributed \$1.33 million to the MDTF.
- France has provided financial support to build local civil society capacity on EITI issues in Niger, and committed \$1.6 million to the MDTF.
- The UK has spent over \$13.5 million for EITI programs since 2005.
- The U.S. has contributed \$6 million to date to the MDTF. In addition, U.S. bilateral support includes a wide range of public sector programming in resource rich countries that supports EITI principles, including public financial management, procurement reform, legislative oversight, justice sector reform, budget transparency, expenditure tracking and access to information.

technical assistance, support for investigations and legal advice.

Enhancing Transparency in the Extractive Sector

Given the reliance of many developing countries upon revenues from natural resources, tackling corruption in the extractive sector is particularly important. Increasing transparency for the transfer of payments in this sector is

a critical first step towards improving accountability and governance, especially in resource rich countries. Improved transparency can reduce opportunities for corruption, promote oversight and increase the amount of funds available for government spending in priority areas.

The G8 has pursued a transparency agenda through, among other channels,

strong political and financial support for the Extractive Industries Transparency Initiative (EITI). Created in 2002, the EITI supports improved governance in resource-rich countries through enhancing transparency in financial transactions between governments and companies within the extractive industries. In 2004, a Multi-Donor Trust Fund (MDTF) was created, designed to broaden support for countries that have endorsed or expressed interest in the EITI principles. As of December 31, 2009, G8 member contributions to the fund exceeded \$16 million, representing 65 percent of total contributions.⁵⁵

The EITI has been working to establish itself as a global standard for increasing transparency of payments and public sector revenues in oil, gas and mining. Implementation at the country level remains a challenge. While 31 countries (22 of which are African) are EITI candidate countries, only two countries thus far have been designated EITI compliant.

Key Findings and Lessons Learned

- The APRM represents a highly innovative and important step towards enhancing African efforts to strengthen governance.
- Tackling corruption in the framework of a broader good governance agenda remains an ongoing challenge. Success will depend on concerted action from all players under international and domestic anti-corruption frameworks. Increasing ratification of the UNCAC by partner governments has helped to broaden global dialogue on development to include corruption, but implementing the Convention remains a challenge for many countries. A robust implementation review under the Convention, incorporating transparency and inclusiveness in the process, is an objective supported by the G8.

- The Convention on Combating Bribery of Foreign Public Officials is an important tool in fighting bribery. However, effective enforcement of its provisions by all G8 members is required. A new permanent monitoring process, starting in 2010, is an opportunity for G8 members to assess their efforts in this regard.
- While there is clearly positive momentum and support for the recovery of stolen assets, the challenges are immense. Individually, G8 countries have undertaken a range of activities in support of developing countries' efforts to recover stolen assets. Recent initiatives such as StAR provide opportunities for further strengthening of international cooperation.
- EITI has enjoyed strong G8 support and has highlighted the importance of greater transparency for country revenues in the extractive industry sector, but implementation has been slow in many candidate countries.
- While this report does seek to evaluate all the G8 commitments related to democratic governance and corruption, continued efforts by G8 members to follow up on other commitments made – such as the denial of safe haven for public officials found guilty of corruption – remain essential.

Chapter 2: Reporting on G8 Commitments

2.8: PEACE AND SECURITY

Highlights

- G8 has played a pivotal role in strengthening peacekeeping and peacekeeping capacity, particularly in Africa, including through the provision of financial, technical and training support.
- G8 has surpassed its commitment to train 75,000 troops by 2010 and has provided capacity building for civilian and police experts for peace support operations.
- Significant challenges remain, including: continuing to strengthen AU and its members states' peacekeeping capacities; establishing sustainable mechanisms for funding peace operations; and the lack of controls over the transfer of small arms and light weapons.

Overview

The international community is rightly concerned about the challenge of making progress towards achieving the MDGs in fragile states and those suffering from violent conflict. About 35 countries considered fragile in 1979 were still fragile in 2009 and the gap between these and developing countries has been widening since the 1970s.⁵⁶ 23 of the 25 countries with the highest risk of instability in 2010 are in Africa, up from 19 in 2008.⁵⁷ Long-running conflicts continue to cause immense human suffering, and instability and state fragility remain major problems in some regions, even if not across the continent as a whole.

The spill-over effects from these countries – violent conflict, instability, organized crime, involuntary migration, human trafficking and deteriorating public health – resonate widely beyond the development community – and without strong international engagement, these countries will continue to fall behind. In recent years, the challenges with regard to conflict prevention, peacekeeping, peace-building and post-conflict relief and reconstruction have grown significantly. No one country or organization can

meet all of these needs, but the clearer our picture of the requirements, the more effectively that G8 and other countries and actors can target collaborative efforts.

G8 Leadership and Results

The G8 has increased attention and recognition of the interdependence between development and security for the effective prevention of violent conflict and poverty reduction. The Sea Island Summit pledge to train and, where appropriate, equip 75,000 troops was a clear demonstration of G8 commitment. The G8 has recognized that overcoming conflict requires a strategic vision, sustained commitment and an integrated approach, from peacekeeping to post-conflict stabilization and peace-building, involving, as necessary, military, police, judicial and other civilian components that are fully inter-operable and possess a common mandate and objectives. The G8 has also grown to recognize that it is crucial to strengthen the capacity of both governments and communities through development assistance to realize long-term peace and stability and to prevent the recurrence of conflict. The G8 has therefore placed

Key Commitments

- Assist to build the global architecture for peace and security, including through promoting a whole-of-government approach and strengthening the UN system.
- Train and where appropriate equip 75,000 troops by 2010 to take part in peace support operations around the world, with a sustained focus on Africa.
- Support Africa's efforts to develop its capacity to undertake peace support operations and peace-building activities, including: support to the African Standby Force, increasing contributions to the training of Formed Police Units, and building civilian, police and maritime security capacity.
- Build peace operations capabilities in other regions by 2010.
- Assist efforts to counter the illicit trafficking of Small Arms and Light Weapons (SALW) and the illicit trade in natural resources.
- Allocate grant financing for reconstruction needs, including the Disarmament, Demobilization and Reintegration (DDR) into civilian society of former combatants.
- Address the global drivers of conflict and insecurity, including the role of 'conflict resources' such as oil, diamonds, minerals, timber and other scarce resources.

emphasis upon civilian and police capacity building and reintegration programs, and is also working to address the recovery and improvement of social capital, the economic development of fragile states and better governance.

How has the G8 delivered on its commitments?

Support to Peace Support Operations (PSOs)

Empirical examination suggests that UN peacekeeping expenditures significantly reduce the risk of renewed war.⁵⁸ G8 countries continue to support peacekeeping missions throughout the world, both through their role as UN members and through the provision of significant multilateral, for example through the European Union, and bilateral assistance. Much of this support is provided by strengthening African-led peacekeeping efforts. G8 countries have supported a number of AU PSOs, including the AU Mission in Somalia (AMISOM), the AU Mission in Sudan (AMIS) and the MICROPAX Mission in the Central African Republic.

At the Sea Island Summit, the G8 recognized a key capabilities gap in logistical support for peace support operations that often prevents timely intervention in crises, and committed to establish a transportation and logistics support arrangement. G8 members, along with other donors, have provided funding for the transportation and logistics aspects of AMIS and AMISOM. Transportation and logistics support has also been provided to UN contingents, including the equipping and transportation for Formed Police Units. A U.S. led Transportation and Logistics Support Arrangement (TLSA) was established in 2007 as a virtual coordination mechanism for donors and peace support operations partners, and has to date circulated two requests for AMISOM deployment support. Existing coordination mechanisms have also

G8 Action: Peacekeeper Training

- France is working to build regional brigades of the African Standby Force. 7,300 soldiers from more than 30 sub-Saharan African countries have been trained so far, over 4,000 of whom are due to participate in PSOs.
- Japan's support to nine training centres in Africa has helped train about 1,200 personnel to date.
- In 2005-2009, Russia trained 226 UN peacekeepers and military observers, including representatives from African countries.
- The UK has bilaterally trained over 14,000 African troops for PSOs since the 2003 commitment was made. Additionally, its Military Advisory Team in the Czech Republic has trained around 10,800 students from around 30 countries to develop their capability to participate effectively in PSOs.
- Italy supports regional peacekeeping training centres, especially in Africa, through the development of relevant course material.
- The United States, via its Global Peace Operations Initiative (GPOI) program, has trained or enabled the training of nearly 110,489 peacekeepers from 107 countries and supported 28 national and regional training centers.

operated successfully both at the UN via donor contact groups and with the AU in Addis Ababa.

Peacekeeper Training

Collectively, G8 countries have trained approximately 130,000 peacekeepers, surpassing the original Sea Island commitment by a wide margin. G8 countries have provided equipment for military units and facilitated the deployment of over 70,000 personnel to 20 peace support operations around the world. G8 countries also provide substantial support to a vast network of international peacekeeping training centres – several of which are based in Africa, such as the Kofi Annan International Peacekeeping Training Centre (KAIPTC) in Ghana.

Peacebuilding through the UN Peacebuilding Commission

G8 countries have been central in enhancing the effectiveness of the Peacebuilding Commission (PBC),

which helps countries manage the transition from conflict and peacekeeping to sustainable development. All four countries on the Commission's agenda are African: Burundi, Central African Republic, Guinea-Bissau, and Sierra Leone. G8 countries have played a central role in improving the capacity and efficacy of the PBC. Japan, as Chair of the Commission in 2008, created better linkages with international financial institutions and regional organizations, while the 2010 chair, Germany, is seeking to develop the PBC into a platform for strategic policy coordination and mutual accountability. Canada, as the chair of the Sierra Leone country configuration, has emphasized national ownership of peacebuilding by aligning international activities behind the government's peacebuilding and poverty reduction strategy. G8 countries have contributed \$124 million to the Peacebuilding Fund, which supports political dialogue, strengthens national

capacities, stimulates economic revitalization and re-establishes essential administrative services.

Civilian and Police Capacity Building

Many G8 members have provided training to help build the capacity of civilian and police forces, reflecting the G8's recognition of the growing importance of the non-military component in peacekeeping and peacebuilding efforts. Many G8 countries adopt a "train the trainer" approach, which is a valuable means of achieving African ownership of efforts to improve regional peacekeeping capacity. To underpin support to PSO training, G8 countries support training programs in: planning and management; human rights; protection of civilians; prevention of sexual and gender-based violence; Disarmament, Demobilization and Reintegration (DDR); health support; and de-mining and disaster response. In addition, many G8 partners have begun to develop and increase their own capacity for deploying civilian experts to conflict-affected countries.

African Peace and Security Architecture

G8 countries are working to support the African Peace and Security Architecture (APSA), including through the provision of financial assistance, capacity building and national expertise. Several G8 members specifically provide technical support to the AU Commission and the Department for Peace and Security as well as the Regional Economic Communities. The most comprehensive projects in this field are implemented by the EU. Several G8 members also support the establishment of early warning systems at the African Union (AU) and regional level, while the United States is working to develop the AU's communications systems. Several G8 members have provided long-term and short-term technical and financial assistance,

G8 Action: Capacity Building

- Canada has been one of the key leaders on police capacity building programs and through the Pearson Peacekeeping Centre is active in some 15 African countries.
- France, Japan and the EU support Cameroon's International School for Security Forces (EIFORCES) project, which is designed to train 6 Formed Police Units per year.
- Italy's Centre of Excellence for Stability Police Units (COESPU), with U.S. support, has trained over 2,675 police officers from 29 countries, half of which are from Africa. Furthermore, Italy is finalizing a dedicated project to train and equip a Somali Formed Police Unit.
- Japan has been delivering training courses to develop civilian capacity in Asia, and since 2005 has provided retraining for more than 14,000 police officers in the Democratic Republic of Congo, in collaboration with the UN.
- Since 2005, Russia's training centre in Domodedovo has trained nearly 200 civilian police officers from 41 countries, mostly from Africa.
- The UK has established its Stabilisation Unit, which oversees a 1,000-strong cadre of civilian experts.
- The U.S. has also deployed four mobile training teams (MTTs) to police contributing countries, to train civilian police officers and FPUs.
- Germany continuously supports pre-deployment training of African mission staff, including police officers, at the KAIPTC in Accra, Ghana, on civilian topics such as human rights and gender issues.

G8 Action: African Peace and Security Architecture (APSA)

Germany provides capacity development for the African Union-Peace and Security Department (PSD) (staff training, organizational development), infrastructure (a new building for AU PSD), financial and operational support to the ASF Police Component and the AU Border Programme; Germany specifically supports civilian components of the APSA (early warning, civilian components of the African Standby Force).

including through the provision of national experts, to the AU Panel of the Wise, the African Standby Forces, Continental Early Warning system and peacekeeping mission headquarters.

While much has been accomplished in the development of the African Peace and Security Architecture with G8 financial and technical assistance,

ensuring the sustainability of the advances made requires African and G8 diligence. This issue is being addressed between the Africa and G8 countries through a shift in focus of programming to ensure sustainability, and close coordination through the G8++ Africa Clearinghouse Meeting mechanism.

Maritime security

The G8 takes a regional approach to maritime security, with interventions largely focused in the Gulf of Aden. The AU and its members have started to focus increasingly on maritime security, but it remains a challenge requiring the development of a strategic framework to guide the work of the AU, sub-regional organizations, the International Maritime Organization and member states.

Given its fragile security situation, Somalia receives a significant amount of G8 support. The G8's approach to maritime security is designed to strengthen and coordinate donor interventions, and all G8 countries play active roles in the Contact Group on Piracy off the Coast of Somalia (CGPCS). G8 members have provided more than \$15 million to the two multi-donor trust funds, created to address piracy off the coast of Somalia and in the Gulf of Aden.

Aside from these piracy-focused efforts, several G8 countries are working to build African maritime security capacity more broadly, including through the provision of equipment, maintenance, expertise, training and long-lasting infrastructure.

Small Arms and Light Weapons

G8 countries have provided significant funds to bilateral and regional assistance programs designed to enhance the capacities of the AU and sub regional organizations to combat the unauthorized proliferation and misuse of illicit small arms and light weapons (SALW). Several G8 members have also supported African countries through the provision of national expertise and support to SALW workshops and training seminars.

Some progress on SALW has been made. For example, in 2006 ECOWAS member states adopted a treaty banning transfers of SALW except under formal agreement between parties. In addition, State Parties to the Nairobi

G8 Action: Maritime Security

- Italy is working to strengthen the vessel traffic management system in Yemen. This support aims to address other high priority maritime threats like illegal fishing, narcotics and arms trafficking, illegal migration, trafficking in persons and other criminal activity.
- The U.S. is working to enhance maritime domain awareness through the provision of equipment, spare parts and training to West, Central, South, and East African countries. Additionally, Africa Partnership Station (APS), an international initiative developed by the U.S., helps to build skills, expertise, and professionalism of African maritime forces.
- Japan has contributed \$13.6 million to the IMO Djibouti Code Trust Fund (Multi-donor trust fund – Japan initiated).

G8 Action: Reducing Weapons

- From 2005-2009, U.S. support helped to destroy about 250,000 SALW and 434 man-portable air defense systems in nine countries.
- Japan, the UK and the U.S. have provided funding to help the Regional Centre on Small Arms (RECSA) to improve accountability and controls over state stockpiles of SALW in the Great Lakes Region and the Horn of Africa.
- Germany has supported the East African Community to develop a regional strategy against proliferation and illicit arms trade.

Protocol have started to mark state-owned SALW using machines provided by the Regional Centre on Small Arms (RECSA).

However, the illicit trafficking of SALWs continues to have a negative impact on security and development. Ongoing challenges include SALW used in one conflict being re-used in another; a growing illicit SALW manufacturing industry in some states in Africa; and continued violation of UN arms embargoes. The implementation of the UN Programme of Action to Combat the Illicit Trade of Small Arms and Light Weapons and the International Tracing Instrument has been uneven. A number of countries still do not have laws controlling the production, brokering and export of small arms, while others

fail to enforce existing laws or comply with regional small arms treaty obligations. Still other states are hesitant to dispose of surplus, obsolete and/or unsecured SALW even with offers of assistance from donors.

Disarmament, Demobilization, and Reintegration (DDR) and Reconstruction

A range of G8 support has been given to support the disarmament, demobilization and reintegration of former combatants in Africa. Several G8 countries have made significant financial contributions, totaling over \$72 million⁵⁹, to the World Bank's Multi-country Demobilization and Reintegration Program (MDRP), which operated from 2002 to 2009 to support

G8 Action: Disarmament, Demobilization and Reintegration

- UK, Canada, Germany, France and Italy have contributed US\$72 million to the World Bank led DDR programme which demobilized 279,263 ex-combatants in 7 countries of the Great Lakes.
- Germany provided financial support to the World Bank Multi-Country Demobilization and Reintegration Program, to UNHCR regional reintegration programs as well as to DDR programs of Burundi, DR Congo, Southern Sudan and Rwanda with a special focus on reintegration.
- In the Democratic Republic of Congo, the U.S. has provided financial support for the UNDP-implemented “Ituri DDR-Reintegration” project, which put 3,572 ex-combatants through a high-intensity manual labor program and provided over 2,000 ex-combatants and community members with sustainable civic and vocational training and reintegration kits.

G8 Action: Conflict Resources

- Canada assisted the United Nations in the creation of an information database that will contribute to the implementation of UN Security Council sanctions, including bans on minerals from conflict zones.
- Germany and Canada are contributing to the efforts of the International Conference on the Great Lakes Region (ICGLR) to develop a regional mechanism for the certification of natural resources.

the reintegration of ex-combatants in the Great Lakes region of Central Africa. G8 countries have also undertaken a variety of bilateral training activities, such as vocational or agricultural training designed to reintegrate ex-servicemen into society.

A major area of reconstruction engagement by the G8 has been in supporting post-conflict security sector reform (SSR), a vital process for supporting countries as they seek to improve conflict and crime management capacity, extend state services, including provision of justice, and end the need for international peacekeepers.

Conflict Resources

G8 countries continue to support the efforts to break the link between natural resources and conflict. All G8 countries participate actively in the Kimberley Process Certification Scheme for rough diamonds. While the Kimberley Process has helped deprive criminals and non-state armed groups from easy access to capital by routing rough diamonds through official channels, cases of illicitly-traded diamonds that circumvent the Process continue to be

identified. The narrow mandate of the Kimberley Process means that it does not have the ability to address situations of state-sanctioned smuggling or human rights abuses committed in the context of diamond production.

Key Findings and Lessons Learned

- Civil conflicts are on the decrease and G8 investments in peacekeeping have clearly helped to contribute to this decline.
- Although the costs of the AU-led peacekeeping missions have been largely funded by development partners, finding a means to provide reliable and sustainable funding remains a challenge.
- While G8 countries have met their commitments for training and equipping troops and police, it has been difficult to quantify progress given the lack of indicators for success, and only limited coordination between donors on training activities. As a result, donors have had to work to reduce training waste, i.e., to avoid situations where trainees do not deploy or use their

acquired skills, or undertake duplicate training from other donors. Partner countries and training centres have made progress in tracking students and their post-training activities.

- The G8 has played a key role in building the peace and security capacity of African countries. It remains important to use development assistance to continue to strengthen the capacity of governments and local communities to prevent and resolve conflict. Building the capacity of the AU Peace and Security Directorate remains a particularly cost-effective means of building regional peacekeeping capacity.
- Experience has shown that programming support for transportation and logistics can be very effective when coordinated and delivered on a case-by-case basis as was done successfully for AU operations in Darfur (AMIS) and Somalia (AMISOM) through close cooperation with the AU and through

donor contact groups. Similarly, excellent support for the UN Darfur operation was coordinated through established networks and permanent missions at the UN. The lesson is that while donor coordination is always critical, it is seldom necessary for the G8, or its individual partners, to establish new mechanisms which duplicate or parallel existing networks.

- The G8's role in training and equipping troops and police has had a major impact on the ability of developing countries (particularly in Africa) to engage in domestic and regional peacekeeping efforts. However, lack of clarity regarding training definitions and indicators for success means that it is difficult to apply a consistent methodology to the tracking of this commitment. Future commitments in peace and security should give more detailed guidance on what is required, tied where possible to expected results.
- Despite significant efforts to counter the role of conflict resources and the illegal transfer of small arms and light weapons, these two issues continue to play a major role in fuelling conflicts across Africa. Further efforts to strengthen donor coordination in these areas should be a priority.

Chapter 2: Reporting on G8 Commitments

2.9: ENVIRONMENT AND ENERGY

Highlights

- Historical G8 commitments on climate change must be viewed in the context of evolving international policy which is now captured under the Copenhagen Accord.
- Although some progress has been made in the conservation and sustainable use of biodiversity, the internationally-agreed 2010 biodiversity target will not be met.
- The G8 has kept forest issues high on the international agenda through its support for efforts to reduce carbon emissions from deforestation and forest degradation, promoting sustainable forest management and taking action to address illegal logging.
- G8 leadership is making a difference in increasing donor support for programs and initiatives aimed at improving the availability and access in developing countries to energy services.

Overview

The impacts of climate change on development, biodiversity conservation and ecosystem services, water and food security, agricultural output, forests, health and sanitation, are of concern for developing countries and in particular for Least Developed Countries and Small Island Developing States. This vulnerability is made worse by the fact that these countries are often heavily dependent on rain-fed agriculture, natural resources and ecosystem services, and therefore are more exposed to the impacts from climate change.

Development is the most effective way of building resilience to climate change. The core challenges of building effective states, functioning governments, stronger economies, delivery of good quality essential public services and fairer societies are all essential for climate resilience. However, for developing countries the mobilization of significant resources, both public and private, to implement adaptation strategies can be a significant challenge. The lack of

resources for climate change adaptation will make it more difficult for developing countries to achieve their poverty eradication and sustainable development objectives.

G8 Leadership and Results

Climate change has been a top priority at G8 Summits for a number of years. That agenda both influences and is influenced by the broader international negotiations and action under the United Nations Framework Convention on Climate Change (UNFCCC). G8 leadership on climate change has helped to shape international climate change policy and G8 communiqués contribute to developing constructive global solutions.

In advance of the climate change negotiations in Copenhagen in December 2009, the G8 reaffirmed its commitment to the UNFCCC negotiations. Leaders sent an important signal to the global community of their strong desire for the successful conclusion of a global, wide-ranging and ambitious post-2012 agreement on climate change, one that would involve

Key Commitments

- Address the need for financing for climate change adaptation in developing countries.
- Increase efforts for the conservation, protection and sustainable use of biological diversity to achieve the globally agreed goal of significantly reducing the rate of loss of biodiversity by 2010.
- Promote sustainable forest management globally and enhance cooperation with partner countries to combat illegal logging and associated trade.
- Help address the long term challenge of facilitating access to energy by the poorest populations.

all countries, consistent with the principle of common but differentiated responsibilities and respective capabilities. G8 Leaders called upon all parties to the UNFCCC and the Kyoto Protocol to ensure that the negotiations in Copenhagen produced a coherent and environmentally effective global agreement.

How has the G8 delivered on its commitments?

Climate Change Financing⁶⁰

At the L'Aquila Summit, the G8 made a number of wide ranging commitments related to adaptation in developing countries, that included assisting developing countries in integrating adaptation efforts into national development plans and policies, strengthening knowledge networks for

adaptation and support for research and capacity building related to vulnerability and impact assessments, as well as planning and implementation of adaptation measures, and addressing the need for financing for adaptation through appropriate bilateral and multilateral mechanisms.

Five months after the L'Aquila Summit the international community came together at the United Nations Climate Change Conference and reached agreement on the Copenhagen Accord. The Copenhagen Accord commits developed countries to provide funding approaching \$30 billion for the 2010-2012 period with a balanced allocation between adaptation and mitigation. Moreover, and in the context of meaningful activities and transparency on implementation by developing economies and others, developed countries agreed to a goal of mobilizing jointly \$100 billion per year by 2020 from both public and private sources. G8 members have responded to these international commitments through a variety of approaches that include bilateral and multilateral support. Although still in the immediate aftermath of Copenhagen this report will highlight some of those efforts and approaches, in particular concerning adaptation, in the context of international climate change commitments.

Least Developed Countries Fund (LDCF) was created to help the Least Developed Countries (LDCs) prepare their National Adaptation Programmes of Action (NAPA), which identify urgent and immediate adaptation needs. The fund also supports institutional capacity building and other activities.

As of September 30, 2009, total pledges and contributions to the LDCF were approximately \$180 million, with G8 members over \$100 million, or approximately 56 percent of the total. As at December 2009, the UNFCCC estimated the full cost of full implementation of the NAPAs to be

\$1.9 billion. As of March 2010, 44 LDCs have officially submitted their NAPA under the Least Developed Countries Fund.

Special Climate Change Fund (SCCF) includes funding windows for adaptation and technology transfer. The priority is placed on adaptation, supporting developing countries,

particularly the most vulnerable, to become climate resilient by promoting immediate and longer-term adaptation measures in development policies, plans, programs and projects. G8 members, (Canada, Germany, Italy and the United Kingdom) contributions to the SCCF exceed \$50 million.

G8 Action: Examples of Financing Adaptation

- France has strengthened the integration of adaptation into its development actions, with the amount invested reaching more than \$580 million in 2009 and more than \$1 billion for all climate related actions.
- From 2006 to 2008, Italy has contributed over \$101 million to bilateral cooperation for adaptation to climate change projects and programs.
- The United Kingdom is providing \$136 million to help the Government of Bangladesh fund its response to climate change and committed to invest \$155 million in climate research.
- The United States has provided bilateral contributions of \$202 million in fiscal years 2005 to 2009, is providing \$448 million in fiscal year 2010 contributions to promote climate adaptation in developing countries and has requested \$624 million for fiscal year 2011.
- Russia has provided \$68 million for adaptation programs.
- Germany provided bilateral contributions of \$330 million in 2009. Since 2005, Germany has committed a total of \$153 million to multilateral funds for adaptation, including \$55 million to LDCF, \$28 million to SCCF and \$70 million to PPCR. Germany intends to contribute € 10 million to the Kyoto Protocol adaptation fund.
- Canada has disbursed \$100 million to the Pilot Program for Climate Resilience.
- In 2009, Japan announced a scaling up of its support under the "Hatoyama Initiative" to assist developing countries taking mitigation and adaptation measures. Financial assistance, totaling 1.75 trillion Yen (approximately \$15 billion) by 2012, will be provided through public and private sources with public finance comprising approximately 1.3 trillion Yen (about \$11 billion).
- In the period 2005-2009, the EU aid portfolio climate change adaptation interventions added up to €730 million. The Global Climate Change Alliance (GCCA) is the EU flagship initiative in support of Least Developed Countries and Small Island Developing States' efforts for climate adaptation, disaster risk reduction, emissions reduction from deforestation and enhanced participation in the carbon market. In the period 2008-2010, through the GCCA the EU has provided €135 million to increase financial cooperation.

G8 Action: Climate Change Development Policies and Programs

- Germany started a process of introducing guidelines to take into account climate change in development cooperation at project as well as at the strategic level. Furthermore, Germany launched the International Climate Initiative for mitigation, adaptation and REDD projects in developing countries.
- Recent climate change adaptation projects supported by the United States have assisted community-based drought preparedness planning in Cambodia, East Timor and Vietnam.
- In 2007, Italy launched a Cooperation Program on climate change mitigation and adaptation with Small Island Developing States.
- The European Union's support of the Global Climate Change Alliance assists Least Developed Countries and Small Island Developing States through improved dialogue on climate change so to achieve a comprehensive and ambitious post-2012 climate regime.
- The United Kingdom assisted Bangladesh to develop a 10-year Climate Change Strategy and Action Plan (CCSAP) building on the National Adaptation Programme of Action (NAPA). This example of a multi-donor trust fund to finance activities under the country-led Climate Change Strategy shows promise in ensuring national coordination and ownership of the adaptation agenda.

As of February 2010, the fund has mobilized voluntary contributions of \$110 million for the adaptation program and \$19 million for the Technology Transfer program, for a total of \$129 million.

Pilot Program for Climate Resilience (PPCR) has as a primary objective the mainstreaming of climate resilience in development planning. Nine countries, including two from Africa and two regions (Caribbean and Pacific) have been chosen for the pilot program. The pilot programs and projects implemented under the PPCR are country-led, build on National Adaptation Programs of Action (NAPA) and other relevant country studies and strategies. They are strategically aligned with other donor-funded activities to provide financing for projects that will produce experience and knowledge useful to designing scaled-up

adaptation measures. To date, close to \$1 billion has been committed to the fund by G8 members. A number of G8 members are also playing an active role in the governance structure of the fund.

Biodiversity

Poverty and biodiversity are intimately linked. The poor, especially in rural areas, depend on biodiversity for food, fuel, shelter, medicines and for their livelihoods. Biodiversity provides the critical 'ecosystem services' including air and water purification, soil conservation, disease control and reduced vulnerability to natural disasters such as floods, droughts and landslides on which long-term growth and development depend. Biodiversity loss can cause and exacerbate poverty and vulnerability, and likewise, poverty can contribute to pressure on biodiversity.

The 2010 Biodiversity Target

In 2002, Parties to the Convention on Biological Diversity committed to a 2010 target for "a significant reduction of the current rate of biodiversity loss at the global, regional and national levels as a contribution to poverty alleviation and to the benefit of all life on earth". This target was subsequently endorsed by leaders at the World Summit on Sustainable Development, held in Johannesburg in 2002.

At Heiligendamn, Hokkaido -Toyako and again at the L'Aquila Summit, G8 Leaders have reiterated their commitment to increase efforts to achieve the internationally agreed target of substantially reducing the rate of loss of biodiversity by 2010, and also committed to promote a co-benefits approach that will lead conservation and sustainable use of biodiversity as well as a reduction of greenhouse gas emissions. This target has helped to stimulate action to safeguard biodiversity, including the mobilization of financial resources and mechanisms for research, monitoring and scientific assessment of biodiversity. However, although some progress has been made towards achieving the international biodiversity target, it will not be met in 2010.

Sustainable Forest Management

In 1998, the G8 launched its Action Programme on Forests which focused attention on five issues, namely: monitoring and assessing; development of national forest programs to promote sustainable forest management; establishing protected areas; involving the private sector; and addressing illegal logging. Although the Action Programme was completed in 2002, G8 members committed to keep

forest-related issues at a high level on the domestic and international agenda.

The 2008 G8 Forest Experts Report provided an overview on actions by G8 members aimed at promoting sustainable forest management and addressing illegal logging. A copy of the 2008 G8 Forest Experts' Report on Illegal Logging is available electronically on the Muskoka Accountability Report CD.⁶¹

Subsequent Summits have reinforced the commitment of the G8 to address challenges facing the world's forests through a variety of approaches, including promoting sustainable forest management globally, engaging in international and regional forest initiatives and implementing measures to address illegal logging.

Access to Energy Services

Energy is central to sustainable economic growth and poverty reduction efforts. Developing countries need to expand access to clean and reliable energy if they are to increase productivity, enhance competitiveness and achieve economic growth, all of which will help to reduce poverty and improve the welfare of their citizens. Energy is intrinsically linked to progress towards the MDGs and without major improvement in the quality and quantity of energy services in developing countries, those goals will not be met. Modern energy services, including those from renewable energy sources, will facilitate adaptation against climate change in developing countries.

Africa has the lowest electrification rate of all the regions at 26 percent of households, meaning that as many as 547 million people are without access to electricity. The lack of reliable energy services and the high-cost have become a drag on economic growth and competitiveness in regions of Africa. The World Bank estimates that redressing Africa's power deficit could boost economic growth by 1.9 percentage points.⁶²

G8 Action: Biodiversity Challenge

- In 2008, France and Madagascar signed a Debt-for-Nature Swap agreement allocating €13 million to the endowment of the Foundation for Protected Areas and Biodiversity. This innovative mechanism helps to ensure the sustainability of income for biodiversity conservation.
- Germany has increased its commitments in the biodiversity sector to a total of \$236 million in 2009. From 2009 to 2012, Germany will provide in total an additional €500 million, and from 2013 onwards, an annual €500 million will be made available.
- Japan has identified conservation of natural environment as one priority area in its ODA policy on environment. In 2008, \$878 million of Japan's ODA is biodiversity-related.
- The U.S. has provided through country, regional and global programs over \$1 billion in biodiversity conservation over the past five years in about 60 countries.
- Under the European Union's Environment Thematic Programme, around €30 million has been made available in the period 2007-2010 to address specific biodiversity issues. A new € 20 million capacity building program for protected areas and with a access/benefit sharing focus will be operational as of 2011.

A challenge in scaling-up energy access will be in mobilizing the necessary financing. The investment needs are large and public resources are limited. Financing from all donors will be necessary to complement and leverage private finance and public resources. The G8 have responded to these challenges with a series of commitments aimed at both increasing the level of donor assistance and the transfer of technology to improve energy efficiency and savings.

G8 members have provided financial, technical and policy support to developing countries to address their energy challenges. At Gleneagles, G8+5 Leaders asked the World Bank to take a leadership role in creating a new framework for clean energy and development, including investment and financing. This Framework is built around three pillars, namely: energy for development and energy access for the poor; speeding the transition to a low-carbon economy; and helping

developing countries adapt to climate risks. The G8 has consistently supported loans from the multilateral development banks and their concessional arms aimed at sustaining the framework.

G8 leadership is making a difference. For example, donor assistance for the African power sector had averaged around \$500 million per year. Following the Gleneagles Summit, commitments rose to an average of \$1.5 billion a year, reaching \$2.3 billion in 2007.⁶³ Although this increase is important, more needs to be done in relation to the significant needs and challenges. Today, the effects from the global financial and economic crisis pose additional challenges to mobilizing financing for energy infrastructure, especially for projects with perceived higher risk or higher costs.

G8 Action: Promoting Sustainable Forest Management

Forest Partnerships: G8 members are working in partnership with interested governments, stakeholders, including the private sector, and local communities to energize and reinforce forest networks.

- The United Kingdom, United States, Germany, Italy and Japan, together with a number of developing countries, organizations and communities have been working through the Global Partnership on Forest Landscape Restoration to promote the role of forests in restoring degraded landscapes for the benefit of both people and nature.
- Canada, through its African Model Forest Initiative (AMFI), is supporting the development of Model Forests in the African Mediterranean region (Morocco, Algeria and Tunisia).
- From 2007 to 2009, Italy supported the Amazon Keystone Initiative in Brazil.
- The Asia Forest Partnership (AFP) was launched by Japan and Indonesia in 2002 to promote sustainable forest management in Asia and the Pacific region. The AFP consists of twenty governments, eight international organizations and seventeen other organizations including civil society. Japan, France, the United Kingdom, United States, and the European Union, have supported the AFP since its establishment. The AFP focuses on reducing forest loss and degradation and enhancing forest cover and combating illegal logging and associated trade.

The Congo Basin Forest Partnership (CBFP): The CBFP was launched in 2002 as a non-binding multi-stakeholder partnership designed to enhance the sustainable management of the Congo Basin ecosystem. Today more than forty governments, including Canada, France, Germany, Japan, United States, United Kingdom and the European Commission, international organizations, private sector and civil society representatives work to promote the conservation and sustainable management of forests through initiatives that include implementing land management planning, strengthening forest-related civil and government institutions and engaging forest dependent communities in decisions that affect their land.

- Since 2002 the United States, France, Germany and currently Canada have served as facilitators of the Congo Basin Forest Partnership.
- In 2008 the UK committed \$80 million to the Congo Basin Forest Fund for the period 2008-2011.
- In 2009, Canada, under the AMFI, developed a model forest program in the Congo Basin to support sustainable forest management.

Addressing Illegal Logging: Illegal logging and trading internationally cause environmental damage, promote corruption and undermine the rule of law and good governance in many timber producing developing countries. Governments lose billions of dollars in lost revenue, revenue that could be invested in economic development. Consumer countries contribute to the problem by allowing imports of timber and wood products without ensuring that they are legally sourced. Where this is a problem, G8 members are implementing measures aimed at excluding illegally logged timber from their markets.

- A number of G8 members have put in place legislative and voluntary systems to encourage the market for legal timber, including the European Union's current draft proposal for a new timber "Due Diligence Regulation."
- The United States has partnered with several developing countries to support forest sector reform, promote the development of effective laws and enforcement, strengthen forest-related institutions, and train thousands of forest managers. Through these and other instruments such as bilateral policy dialogues, MOUs, and forest-related elements of trade agreements with countries such as Indonesia, China, Brazil and Peru, the United States is working to combat illegal logging and associated trade. The 2008 amendment of the U.S. Lacey Act to prohibit import of forest products illegally harvested in other countries has strengthened the U.S. approach to this issue.
- The EU Forest Law Enforcement Governance and Trade (FLEGT) Action Plan, addresses illegal logging and promotes sustainable forestry. Within this context, the EU has entered partnership Agreements with three countries (Ghana, Congo and Cameroon) and is under negotiations with seven others to improve governance while promoting trade in legal timber. In the period 2007-2009, the EU provided €59 million for FLEGT related operations. An amount of €37 million is anticipated for 2010-2013.
- Japan has been cooperating in combating illegal logging with various countries, for example, Indonesia in the development and implementation of timber traceability technology and Malaysia through bilateral expert meetings on sustainable forest management. In addition Japan has contributed \$78 million in the past decade for the implementation of International Tropical Timber Organization projects for sustainable forest management such as addressing illegal logging.

G8 Action: Access to Energy Services

- Since 2005, Canada has funded ten projects worth \$75 million related to electricity development, energy poverty and access in Latin America and the Caribbean.
- Germany supports energy projects, with yearly disbursements increasing from \$174 million in 2005 to \$572 million in 2008, to provide sustainable energy solutions, especially for poor populations without access to energy in about 50 partner countries.
- Between 2005 and 2008, France has contributed over \$220 million to energy access programs, notably in Africa through support to rural electrification programs and grid extension projects. France has also committed to develop local energy resources in Africa, focusing on renewables, with emblematic projects such as the construction of a wind farm in Ethiopia and the extension of a geothermal power plant in Kenya.
- The United Kingdom supports both multilateral and bilateral initiatives to assist the development and deployment of low carbon energy solutions in developing countries, including a £40 million Bangladesh Rural Electrification Development Programme.
- The United States has a number of bilateral energy related programs in place, including a \$206 million program in Tanzania for transmission and rural electrification, and multilateral partnerships such as the Partnership for Clean Indoor Air, which seeks to make household energy use cleaner and, at the same time, more efficient. USAID has a budget of \$128 million in FY 2010 for clean energy under the Global Climate Change program.
- Russia contributed \$30 million to the launch in sub-Saharan Africa of the “Global Village Energy Partnership”.
- From 2005 to 2009, Italy, in addition to over \$65 million as soft loans, contributed over \$82 million to several initiatives aimed at developing local energy resources in developing countries.
- Japan’s bilateral assistance for energy supply has increased from \$125 million in 2005 to over \$1 billion in 2008 by which it actively supports developing countries through a number of projects such as the electrification in rural areas as well as the introduction of energy-saving technologies and renewable energy.
- The 2007 EU-Africa Energy Partnership addresses key issues in the field of energy including access to energy services and renewable energy and efficiency. Between 2005 and 2009, the European Union provided €420 million for co-funding energy access projects under the African, Caribbean and Pacific-EU (ACP-EU) Energy Facility.

Key Findings and Lessons Learned

- G8 commitments on climate change are not static. They evolve to reflect the changing global dialogue and consensus on climate change. G8 leadership on climate change has helped to influence global climate change policy. Ongoing leadership is required to ensure that international commitments are met.
- Although the G8 Action Programme on Forests ended in 2002, the G8 has remained engaged in advancing solutions to address global forest issues. A strong and visible role by G8 members in the Congo Basin Forest Partnership is helping African partners achieve their forest-related objectives. Action by G8 members on illegal logging show promise in encouraging markets for legal timber.
- G8 leadership is making a difference in increasing donor commitments and resources for the energy sector, notwithstanding the absence of set financial commitments.

G8 Results: Energy Access

- The first €220 million ACP-EU Energy Facility led to 74 energy access projects leveraging a total investment of €430 million, and provided energy services to around 7 million people. The 2nd Facility, replenished in 2009, is expected to reach 10 million beneficiaries.
- The Netherlands-German “Energising Development” programme promotes decentralising the supply of renewable energies to households and small-scale businesses. More than 6.1 million people have been provided with sustainable access to modern energy services in 21 countries. In the second phase, more than 9 million people are expected to benefit from sustainable access to modern energy services by 2015.
- Support by the UK to the Global Village Energy Partnership (GVEP) has provided business and technical training to over 450 entrepreneurs in East Africa – with the intention to increase this to 1800, to benefit 1.8 million people by 2013.

G8 Action: Energy Programs

The United Kingdom Department for International Development’s funding for the United Nations Development Programme and the United Nations Environment Programme’s Poverty and Environment Initiative is supporting projects in seventeen countries. The July 2009 evaluation identifies the benchmarks for progress and results:

- Increased awareness of poverty-environment issues: In most countries, a significantly increased understanding of poverty-environment linkages;
- Evidence on the contribution of environment to human wellbeing used for mainstreaming: In all countries, country-specific evidence has been collected and used to raise awareness and influence planning;
- Environmental sustainability included as a priority in the Poverty Reduction Strategy Papers (PRSP): In most countries, inclusion of environmental sustainability in the PRSP has been significantly improved;
- Poverty-environment indicators linked to national development planning: In most countries, poverty-environment indicators have been developed - further efforts need to include these in national monitoring;
- Increased budget allocations for poverty-environment measures: In a limited number of countries, budget allocations have increased; and
- Effective coordination and work with in-country donors: In all countries, the Poverty Environment Initiative coordinates work with in-country donors.

Chapter 3:

Conclusions and Recommendations for the Future of the G8 Accountability Process

Honouring commitments – past and present – is essential to strengthening the effectiveness of the G8. The work of the AWG and the release of this Report is an important step forward towards advancing this objective.

How has the G8 delivered?

The G8 has acted as a force for positive change, action and solutions aimed at addressing major global development challenges. Its multi-year commitments have helped to mobilize significant financial resources, spurred action by both G8 members and other partners and influenced the international development policy agenda.

Overall the story is positive, with the G8 making tangible progress in meeting key commitments. In some areas, the G8 can point to considerable success; in others, it has further to go to deliver fully on its promises. Mutual accountability between the G8 and its partners remains essential to achieving sustainable results.

Increases to Official Development Assistance (ODA). For the period 2004 and 2009, G8 ODA spending increased by \$24 billion. In 2009, G8 ODA spending was \$82.18 billion, representing almost 70 percent of the total ODA of all OECD-DAC bilateral donors. For their part, G8 Leaders at the L'Aquila Summit reaffirmed the importance of fulfilling their promises to increase development assistance.

Gleneagles Annex II National Commitments. In 2005, G8 members made national commitments to increase their international assistance, with commitments varying in size, ambition and target dates. Overall, G8 progress is positive, with some members meeting or surpassing their individual targets. Others continue to make progress towards their 2010 targets, and have reconfirmed their commitment to meet their 2015 goals.

G8 and Africa. From 2004 to 2008, G8 ODA to Africa expanded by over \$10 billion - an increase of 50%. In 2008, G8 ODA to Africa was \$30 billion. African development challenges remain daunting, but working with other partners, G8 development aid, debt relief, innovative financing mechanisms and other resources have contributed to progress on the ground.

Debt Relief. The cancelling of significant levels of debt owed by developing countries has helped to free up billions of dollars for those countries to invest. For 2005 to 2008, the G8 provided over \$54 billion in debt forgiveness. In the same period, the G8 provided \$11 billion towards the HIPC initiative. In spite of progress on debt relief, the accumulation of new debt by certain developing countries continues to pose serious challenges to sustainable economic development.

Economic Development. G8 has pursued policies aimed at stimulating sustainable economic development, including those that promote international trade, strengthen financial markets and encourage private investment in developing countries. This

has also included providing Aid for Trade⁶⁴ totaling \$14 billion, with over \$5 billion directed at Africa. The global economic crisis has had some adverse impact on these positive trends and it will be important to sustain the momentum towards the expansion of trade.

Health. The G8 is on track to meet their commitment to provide at least \$60 billion to fight infectious diseases and improve health systems by 2012. In 2008, health ODA disbursements by the G8 exceeded \$11 billion. The G8 is on track to surpass its 2010 commitment to provide 100 million insecticide-treated nets for malaria prevention. The G8 has helped to mobilize support for the Global Fund to Fight AIDS, Tuberculosis and Malaria, with contributions for the 2001 to 2009 period exceeding \$12 billion - 78 percent of all contributions to the fund.

Water and Sanitation. The 2003 G8 Water Action Plan, adopted at the Evian Summit, has helped to raise political awareness and stimulated policy reforms. G8 countries have backed their political commitment with aid to the sector reaching \$18 billion for the period 2003 to 2008. The 2009 L'Aquila G8 Africa Partnership on Water and Sanitation has helped to strengthen ongoing partnerships aimed at supporting efforts to address water and sanitation objectives in Africa.

Food Security. The L'Aquila Food Security Initiative (AFSI) has galvanized wide-ranging political support to address food security, including the commitment to mobilize \$20 billion from the G8 and other donors for sustainable agriculture development. Today, \$22 billion in pledges from the G8 and other donors has been identified, \$6 billion of which is incremental money beyond on-going commitments.

Education. Following the Kananaskis Summit, G8 efforts led to the creation of the Education for All-Fast Track Initiative - a global partnership designed to accelerate the achievement of goals and increase aid effectiveness in education. G8 actions have contributed to significant gains in education, including an increase in the number of students receiving primary and secondary education.

Peace and Security. Collectively, G8 countries have trained approximately 130,000 peacekeepers, surpassing the original Sea Island commitment of 75,000. G8 countries have provided equipment for military units and facilitated the deployment of over 70,000 personnel to 20 peace support operations around the world. G8 countries also provide substantial support to a network of international peacekeeping training centres - several of which are based in Africa.

Environment and Energy. Climate change has been a top priority at G8 Summits for a number of years. G8 leadership on climate change has helped to shape and advance the debate in the United Nations Framework Convention on Climate Change (UNFCCC) negotiating process and in the Major Economies Forum (MEF). Biodiversity, sustainable forest management and addressing energy poverty have all figured prominently on the G8 agenda over a number of years.

Conclusions and Recommendations

Improving Transparency in Reporting

G8 Leaders requested the Accountability Working Group (AWG) to consider ways to improve transparency in reporting, using a broader, comprehensive and consistent methodology. The AWG has identified a number of significant steps aimed at improving and standardizing reporting

by the G8. This includes using financial data from international organizations, like the OECD, to track and report on G8 commitments.

Crafting Commitments

G8 commitments are a product of the political process and reflect G8 agreement on a common approach to respond to major global issues. Commitments are also not static; they evolve to address new and changing circumstances and approaches. New global agreements may overtake historical G8 commitments, making reporting on the original commitment of limited value. In addition, given that G8 commitments are often multi-year initiatives, they must be assessed in a multi-year context. Regular review and assessment of commitments allows the G8 to reflect these realities and adjust its actions and reporting accordingly.

The multi-faceted role played by the G8 is reflected in the breadth of its commitments. At one end of the continuum are aspirational commitments. Such commitments take many forms and include policy statements which have served to influence the global policy agenda, set G8 priorities and catalyze action. At the other end of the continuum, there are commitments meant to be tracked and measured in varying degrees. These, too, take many forms and are often expressed in G8 communiqués as defined financial contributions or focused programmatic interventions, sometimes over a specific time frame.

These various types of commitments can add value and have their place as G8 tools. Policy commitments in particular have served to demonstrate G8 leadership, signal G8 intentions and advance or shift global policy discussions in response to emerging challenges. However, the very nature of aspirational and policy commitments makes them difficult to track and report

on in any meaningful or quantifiable manner. When used appropriately, they can signal Leaders' intention to change the nature or direction of the international debate.

In contrast, commitments meant to be measured are more easily tracked if they are clear, time-bound and tied to expected results or desired outcomes. Focused commitments help to enhance the effective delivery of aid in that they are easier to translate into operational activity, and facilitate better coordination of joint responses amongst G8 donors. What is required is a sense of clarity as to what type of commitment is required to address a particular issue. Such clarity of purpose will help to ensure that future commitments will be easier to understand and, where appropriate, to track, assess and report on.

The 2009 L'Aquila Food Security Initiative (AFSI) represented a step-change in the way the G8 tracks and monitors the implementation of measurable commitments. By following up on the commitment with a clear and transparent process clarifying each country's pledge and identifying precisely what the money will be spent on, the AFSI will help the G8 to deliver upon and account for this commitment. Going forward, it will be important to build on the lessons learned from the AFSI process.

The findings in the this Report lead to a number of conclusions which would improve on the ability to track, monitor and report on progress in implementing G8 commitments which are intended to be measured and tracked and have a financial, resource or time-bound component. These include, but are not limited to:

- Clear, defined objectives;
- Time-bound, with a clear start and end date;
- Where financial, a defined base year;
- Results-oriented, based on outcomes identified by the G8;
- Indicators for measuring progress including output targets, where appropriate;
- Differentiation, where appropriate, between funds previously committed and incremental money that is beyond existing on-going commitments, and;
- Details on how and when the G8 will report on the commitment.

Accountability: Post Muskoka

At the L'Aquila Summit, in addition to this Report, Leaders called for "a full and comprehensive accountability mechanism by 2010 to monitor progress and strengthen the effectiveness of our actions".

This Report represents an important step in improving transparency in reporting and strengthening the legitimacy and effectiveness of the G8. However, to implement fully the L'Aquila accountability commitment and the mandate set by Leaders, namely to develop a comprehensive accountability mechanism, more work is required.

To be effective and credible, the G8 reporting needs to be multi-year. The AWG has been established on an ongoing basis, and as the principle means for assessing and reporting on progress in meeting G8 commitments year-to-year. The AWG is chaired by the Presidency and will continue to develop the G8 accountability framework. A comprehensive review will be produced every two to three years. During interim years, specific sectors (for example health or food security) or themes (mutual accountability) could be examined. In addition, future accountability reviews could consider if the mandate should be expanded beyond the current focus on development and development-related commitments.

ANNEX ONE

Terms of Reference for the G8 Accountability Senior Level Working Group

BACKGROUND

International cooperation to maintain its credibility and effectiveness must fulfil its commitments in a transparent manner. Accountability and transparency were key themes at the Toyako Summit, where, for the first time, the G8 reported on the implementation of past commitments.

The Italian Presidency, supported by other G8 partners, has taken this endeavour one step forward by proposing to develop a robust accountability methodology to track and monitor the implementation of commitments taken by Leaders. In L'Aquila the Leaders approved the first, preliminary, Accountability Report, based on inputs from G8 experts' groups.

The experience of these G8 experts' groups shows, however, that the accountability exercise can be challenging. For this reason, in L'Aquila the Leaders announced the creation of a senior-level G8 Accountability Working Group:

Paragraph 98 G8 Leaders Declaration: *To improve transparency and effectiveness we decide to strengthen our accountability with respect to G8 individual and collective commitments with regard **to development and development-related goals**. We have asked our experts to provide a preliminary report, attached as an annex, reviewing our achievements up to now. Furthermore, we have tasked a **senior level working group** to devise, in cooperation with relevant international organizations, a broader, comprehensive and consistent methodology for reporting with a focus on our activities in development and development-related areas and with **attention to results**. A report will be delivered in 2010 at the Muskoka Summit in Canada. We also ask for an international assessment, in 2010, on what is needed in order to achieve the MDGs.*

The incoming Canadian G8 Presidency has indicated that accountability will feature prominently and be a major deliverable of the 2010 G8 Summit.

OBJECTIVES OF THE G8 ACCOUNTABILITY EXERCISE

- Devise a broader, comprehensive and consistent methodology for reporting on G8 commitments with a focus on development and development-related areas and with attention to results (para. 98 of Leaders declaration);
- provide Leaders with the necessary information to make mid-course corrections as they deem appropriate (e.g. when analysis highlights that commitments need new, different, action or approach);
- improve communication on what the G8 and its members have delivered and provide the general public and civil society organisations in both G8 and partner countries with information about progress in the achievement of G8 commitments;
- enhance G8 ability to deliver, individually and collectively, on the multiple commitments made at each Summit, through better tracking of implementation;
- help Leaders in the design of measurable commitments and ensure continuity;
- finally, in this way, the G8 could better position itself to seek greater accountability from partner countries (mutual accountability).

OBJECTIVES FOR THE ACCOUNTABILITY WORKING GROUP

The aim of this exercise is to develop a comprehensive and consistent accountability report and framework across development and development-related areas. The Accountability Working Group (AWG) will:

Identify the most relevant development and development-related G8 commitments, since the Gleneagles Summit in 2005, and provide an annotated listing of those commitments to be reported on at the Muskoka Summit.

On the basis of the selected commitments, **provide a shared interpretation** of the meaning and scope **of specific mandates** implied and **identify indicators** for the commitments that the G8 will report on at the Muskoka Summit. This exercise will build on earlier work by G8 experts groups (e.g. reporting templates developed in health and food security) and draw on substantive input by sector specialists., in view of preparing the Accountability Report for the Summit.

Develop, in consultation with the OECD and other relevant Organisations with proven expertise in the production and processing of data (e.g. WHO, UNESCO...), **a shared reporting methodology** to identify, standardize and regularize G8 assessments of

progress towards meeting commitments. More precisely, the AWG will: Identify, the most appropriate data sources and statistical methodologies to assess inputs.

Discuss the feasibility and identify possible approaches to measuring and reporting on the impact of G8 commitments, not simply progress toward fulfilling the commitments. More precisely, the AWG could:

- Work with the OECD and relevant organizations, to identify ways of assessing outcomes related to G8 commitments.
- Select, where relevant, qualitative approaches such as narratives and examples to illustrate concrete outcomes derived from G8 commitments.

Prepare the G8 Accountability Report, identifying the most effective ways to compile and publish the results of the exercise.

The G8 2010 Accountability Report will illustrate, through quantitative and qualitative indicators, actions taken to fulfil a particular commitment among those identified by the AWG, the extent to which the commitment has been implemented and how (e.g. multilaterally or bilaterally, in partnership with stakeholders, such as private sector, etc.), and possibly the impact of the implemented commitments on meeting specific international development goals. The AWG might also decide to discuss, consulting with relevant International Organisation if necessary, the opportunity to meaningfully compare inputs and outcomes, in a broader sense, assessing, where possible, concrete impacts of G8 initiatives.

Make recommendations about how to institutionalize accountability practices going forward, after Muskoka, to maximize the transparency and concreteness of commitments, generate periodic reporting on progress, and facilitate communication between the G8, partner countries, and the general public about the progress of the G8 toward meetings its goals.

PROPOSED DEVELOPMENT AND DEVELOPMENT-RELATED AREAS

The AWG will identify and report to the FASS by February 2010 the development and development-related G8 commitments **since Gleneagles** that will be reported on at the Muskoka Summit. Development and development-related areas could include the following:

1) Financing for development and aid effectiveness

- International assistance/ODA volumes (e.g. Annex II to Gleneagles Africa statement)
- Aid effectiveness (Rome/Paris/Accra), building on input from relevant fora
- Mobilisation of other sources of financing (Monterrey/Doha and Whole of country approach).

2) Initiatives to support International Development Goals, including the MDGs

- Promoting global food security and agriculture
- Promoting sustainable access to water and sanitation
- Advancing towards education for all
- Promoting global health
- Promoting environmental sustainability (forests, biodiversity, etc.), building on input from relevant fora
- Strengthening capacities and coordination mechanisms for peace, security, and state-building (e.g. commitments to train and equip troops).

3) Strengthening governance and the private sector for economic growth and other capacity building initiatives

- Promoting good governance (including through promotion of responsible business conduct/CSR, EITI and other transparency and anti-corruption activities in developing countries).
- Strengthening economic growth (including through aid for trade, infrastructure, reduction of transaction costs for remittances).
- Other capacity building initiatives.

ESTABLISHMENT OF THE SENIOR LEVEL ACCOUNTABILITY WORKING GROUP (AWG)

- Each G8 member will identify a Senior Level Expert.
- The AWG membership is limited to G8 members. However, the Presidency will invite the OECD and possibly other relevant International Organizations to participate in the WG meetings as technical advisors.
- The AWG will define reporting methodologies and related templates drawing on G8 Country experts as required.
- On this basis, a first draft Report should be prepared according to modalities that the AWG will decide on the basis of indications provided by FASS.

ROADMAP AND TIMEFRAME

- G8 FASS discussed the draft TORs for the group, proposed amendments incorporated in this document and agreed to hold the first meeting of the AWG in Italy as soon as possible after the G8 Sherpa meeting (1-2 November).
- The meeting is **scheduled for 20 November in Rome**, at the Ministry of Foreign Affairs. Invitations to AWG participants sent on November 6th.
- Canada has offered to host a **second meeting of the AWG** in Ottawa, to build on the outcomes of the Rome meeting. The draft agenda and expected outcomes for this second meeting will be circulated in due course.
- **WG Preparatory Phase** (e.g. mapping of commitments, identification of reporting methodology, preparation of templates) to be concluded by February 2010.
- **Submission of country inputs** to G8 Presidency – tentative target is April 2010.
- **First Report** to be presented at the 2010 Muskoka Summit.

ANNEX TWO

List of Development and Development-Related Commitments

1. Aid and Aid Effectiveness	
Commitment	Summit, paragraph reference
1.1 Increasing Development Assistance	
Gleneagles Annex II Commitments	Gleneagles, 2005: Annex II
1.2 Aid Effectiveness	
We will implement and be monitored on all commitments we 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; increasing harmonisation and donor co-ordination, including more programme-based approaches	Gleneagles, 2005: Africa 32
We will focus aid on low income countries, which are committed to growth and poverty reduction, to democratic, accountable and transparent government, and to sound public financial management	Gleneagles, 2005: Africa 30
1.3 Debt Relief	
We will fund our share of the shortfall in the HIPC Initiative, recognizing that this shortfall will be up to US\$1 billion.	Kananaskis 2002: G8 Africa Action Plan, 4.2
The G8 has agreed a proposal to cancel 100 percent of outstanding debts of eligible HIPCs to the IMF, IDA and African Development Fund, and to provide additional resources to ensure that the financing capacity of the IFIs is not reduced	Gleneagles, 2005: Africa, 29
2. Economic Development	
Commitment	Summit, paragraph reference
2.1 Remittances	
We will work to achieve in particular the objective of a reduction of the global average costs of transferring remittances from the present 10 percent to 5 percent in 5 years through enhanced information, transparency, competition and cooperation with partners	L'Aquila, 2009: Responsible Leadership for a Sustainable Future 134
2.2 Trade and Development	
We acknowledge the importance of Aid for Trade as essential in helping many developing economies to benefit from trade. We expect spending on Aid for Trade to increase to \$4 billion, including through enhancing the Integrated Framework.	St. Petersburg, 2006: Statement on Trade 6
Working toward the objective of duty-free and quota-free access for all products originating from the Least Developed Countries (LDCs), including African LDCs, and, to this end, each examining how to facilitate the fuller and more effective use of existing market access arrangements.	Kananaskis 2002: G8 Africa Action Plan, 3.3

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List of Development and Development-Related Commitments

Support to regional integration and trade: The G8 are committed to working closely together in support of regional integration and trade in Africa. In this context, we will intensify our efforts to better support regional integration in a consistent manner and build synergies in our activities.	Heiligendamm 2007: Growth and Responsibility in Africa, 13
2.3 Infrastructure	
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.	Gleneagles 2005: Africa, 23a
2.4. Investment	
We welcome the initiative “Partnership for Making Finance Work for Africa” and the work underway with the World Bank and the African Development Bank to establish it. It will provide a platform for African expertise, institutions, the private sector, and donor resources for solid financial sector capacities in governments and the private sector, and provide a forum for peer learning.	Heiligendamm 2007: Growth and Responsibility in Africa, 32
Investment Climate Facility: 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.	Heiligendamm 2007: Growth and Responsibility in Africa, 28

3. Health

Commitment	Summit, paragraph reference
3.1 Health Financing and Strengthening Health Systems	
We will continue our efforts towards the goal of providing at least a projected U.S. \$ 60 billion to fight infectious diseases and improve health systems. (Reiterated in 2008 and 2009: We reaffirm our existing commitments, including the U.S. \$60 billion investment to fight infectious diseases and strengthen health systems by 2012.	Heiligendamm 2007: Growth and Responsibility in Africa 48, L’Aquila, 2009: Responsible Leadership for a Sustainable Future 125
Mobilizing support for the Global Fund to Fight AIDS, Tuberculosis, and Malaria	St. Petersburg 2006: Fight Against Infectious Disease, 2
Building on the valuable G8 Global HIV/AIDS vaccine enterprise, increasing direct investment and taking forward work on market incentives, as a complement to basic research, through such mechanisms as Public Private Partnerships and Advance Purchase Commitments to encourage the development of vaccines, microbicides and drugs for AIDS, malaria, tuberculosis and other neglected diseases.	Gleneagles 2005: Africa, 18 (e)
Supporting capacity building in the most vulnerable countries in disease-surveillance and early warning systems, including enhancement of diagnostic capacity and virus research	St.Petersburg, 2006: Fight Against Infectious Diseases, 13

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List of Development and Development-Related Commitments

The G8 members will work towards increasing health workforce coverage towards the WHO threshold of 2.3 health workers per 1000 people, initially in partnership with the African countries where we are currently engaged and that are experiencing a critical shortage of health workers	Hokkaido Toyako, 2008: Development and Africa 46(b)
3.2 Maternal Health and Child Health	
We will scale up efforts to reduce the gaps, in the area of maternal and child health care and voluntary family planning, an estimated U.S. \$ 1.5 billion	Heiligendamm 2007: Growth and Responsibility in Africa, 50
3.3. Fighting Infectious Diseases	
We must also increase our efforts in the fight against other preventable diseases... particularly by increasing the volume and quality of medical research on neglected diseases in developing countries	St.Petersburg 2006: Fight Against Infectious Disease, 31
3.4 HIV/AIDS	
Develop and implement a package for HIV prevention, treatment and care, with the aim of as close as possible to universal access to HIV/AIDS treatment for all who need it by 2010	Gleneagles 2005: Africa, 18d
We commit to counter any form of stigma, discrimination and human rights violation and to promote the rights of persons with disabilities and the elimination of travel restrictions on people living with HIV/AIDS	L'Aquila 2009: Responsible Leadership for a Sustainable Future, 123
3.5 Polio	
Supporting the Polio Eradication Initiative for the post eradication period in 2006-8 through continuing or increasing our own contributions toward the \$829 million target and mobilising the support of others.	Gleneagles 2005: Africa, 18 (f) (every summit)
3.6 Malaria	
Working with Africa countries to scale up action against malaria to reach 85 percent of the vulnerable populations with the key interventions that will save 600,000 children's lives a year by 2015 and reduce the drag on African economies	Gleneagles 2005: Africa 18(g), reiterated at St. Petersburg, 2006: Fight Against Infectious Diseases 34)
As part of fulfilling our past commitments on malaria, we 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	Hokkaido Toyako 2008: Development and Africa 46(d)
3.7 Tuberculosis	
Supporting the Global Plan to Stop TB, 2006-2015	St.Petersburg 2006: Fight Against Infectious Disease, 21
3.8 Measles	
Will work towards a steady decrease in the number of measles-related deaths, progress in halting the spread of measles, and its eventual elimination	St. Petersburg, 2006: Fight Against Infectious Diseases 29

ANNEX TWO

List of Development and Development-Related Commitments

4. Water and Sanitation

Commitment	Summit, paragraph reference
Implement the G8 water action plan agreed at Evian, including through increasing aid in this sector; maintaining political momentum and commitment on the water issue; and reinforcing co-ordination and monitoring mechanisms	Gleneagles 2005: Africa, 17 and L'Aquila 2009: Responsible Leadership for a Sustainable Future, 118)
Strengthen Africa-G8 partnership on water and sanitation (This part is not in the template)	L'Aquila 2009: Responsible Leadership for Sustainable Growth, 118

5. Food Security

Commitment	Summit, Paragraph reference
Increase investment for food security, including additional resources for food and development, by mobilizing, with other donors, U.S. \$20 billion over three years through the L'Aquila Food Security Initiative (AFSI)	(L'Aquila 2009: Joint Statement on Global Food Security, 12)
Support country-led and regional processes to reverse the decline in investment and improve food security.	Hokkaido Toyako 2008: Leaders' Statement on Global Food Security, 7
Support reform of international agricultural and food security architecture and establishment of a global partnership.	L'Aquila 2009: Leaders' Declaration, 113-114

6. Education

Commitment	Summit, Paragraph reference
The G8 will continue to work with partners and other donors to meet shortfalls in all FTI endorsed countries	Heiligendamm 2007: Growth and Responsibility in Africa, 38
We, along with other donors, are committed to a unified approach, mobilizing predictable bilateral and multilateral resources in order to fulfil the financial shortfall estimated by the FTI at \$1.2 billion over the coming 18 months	L'Aquila 2009: Responsible Leadership for Sustainable Growth, 128)

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List of Development and Development-Related Commitments

7. Governance	
Commitment	Summit, paragraph reference
Support the African Peer Review Mechanism (APRM) , countries that implement sound policies consistent with APRM recommendations and strengthen African institutions that are essential to improving good governance.	Heiligendamm (6-8) Gleneagles 14 (a)
Provide developing countries with enhanced anti-corruption capacity building assistance.	Heiligendamm 88, 90, 92
Reduce bribery by the private sector by rigorously enforcing laws against the bribery of foreign public officials	Gleneagles: Africa 14 (h)
Work towards ratification of the UN Convention Against Corruption and start discussions on mechanisms to ensure its effective implementation.	Kananaskis Gleneagles 14 (f)
Strengthen and increase support for the Extractive Industries Transparency Initiative, including through financial and technical measures	Heiligendamm 11 & 87, Gleneagles 14 (d) St. Petersburg 3
Acting effectively in the UN and in other fora to combat the role played by 'conflict resources' such as oil, diamonds and timber, and other scarce natural resources, in starting and fuelling conflicts	Gleneagles 10(e)
Actively promote corporate social responsibility standards	Heligendamm 24
Work to establish effective mechanisms within our own administrations for the recovery of assets, including those stolen through corruption	

8. Peace and Security	
Commitment	Summit, paragraph reference
Develop regional centres of excellence for military and civilian aspects of conflict and peace support	Kananaskis, Africa Action Plan L'Aquila 129; Heligendamm (40,42) Sea Island 2004: 9
Support maritime security capacity development in Africa	
Development of a transportation and logistics support arrangement for peace operations	
Provide financial and other support to the AU Directorate for Peace and Security	Heiligendamm (40)
Strengthen the civilian and police capabilities of the African Standby Forces	Heiligendamm (40,42)

ANNEX TWO

List of Development and Development-Related Commitments

Train, and where appropriate equip, some 75,000 troops by 2010, to take part in peace support operations worldwide with a sustained focus on Africa	Sea Island, 2004: 9 Gleneagles 8
Increase the G8 contribution to the training of formed police units for use in peace operations	Hokkaido Toyako, 2008: 71 (b)
Build peace operations capabilities in other regions by 2010	Sea Island, 2004: 9
Improve the effectiveness of transfer controls over small arms and light weapons.	Gleneagles 10 (f) Kananaskis, Africa Action Plan
Allocate grant financing for reconstruction needs, including the disarmament, demobilization and reintegration (DDR) into civilian society of former combatants	Gleneagles, 2005, Africa: 116

9. Environment and Energy

Commitment	Summit, paragraph reference
Address the need for financing for adaptation through appropriate bilateral and multilateral mechanisms	L'Aquila, 2009: 76 (d)
Increase efforts for the protection and sustainable use of biological diversity to achieve the goal of significantly reducing the rate of loss of biodiversity by 2010	Heiligendamm, 2007: 61
Promote international cooperation in the area of sustainable forest management, the trade in illegally harvested timber and forest fires	St.Petersburg, 2006: 36
We will help vulnerable countries overcome the macroeconomic shocks related to energy prices, and the longer term challenge of facilitating access to energy for the poorest populations.	St Petersburg, 2006: 44
Facilitate development of local energy resources and technology transfer in the areas of energy efficiency, energy saving, renewable energy to contribute to poverty reduction and long-term energy sustainability in developing countries.	St. Petersburg, 2006: 49, 50 (Global energy security)

ANNEX THREE

Methodological Notes

Reporting on Official Development Assistance (ODA)

The methodology employed in this Report consists of the following principles:

- Unless otherwise specified, disbursement financial data are used in reporting. A disbursement takes place when the funds are actually spent against a committed budget amount;
- Unless otherwise stated, financial data is expressed in United States dollars using the currency conversion rate provided by the OECD DCD for annual ODA reporting, at the exchange rate prevailing in the year of the flow (i.e. in current dollars);
- Reporting is on a calendar year basis; and
- Quantitative progress on specific sector commitments has been reported upon up to 2008, given that disaggregated data on ODA by sector for 2009 will be available only by the end of 2010 due to OECD reporting timelines (aggregated ODA data is available for 2009).

Financial Data: The OECD's Development Cooperation Directorate (DCD) was asked to provide Official Development Assistance (ODA) data, according to the above methodology.

In order to provide the most complete picture possible of the total ODA effort the donor makes, data for DAC members' imputed multilateral aid have been compiled. These imputed multilateral contributions are added to the bilateral country figures in the table. The OECD's methodology for calculating sectoral imputed multilateral aid is available at:

http://www.oecd.org/document/28/0,3343,en_2649_34447_44089692_1_1_1_1,00.html

Unless otherwise stated, data provided by the OECD includes both bilateral assistance and imputed contributions to multilateral organizations, categorized by sector according to the creditor reporting system (CRS) codes.

In order to avoid double-counting, it is not possible to sum individual G8 countries and the corresponding figure for the European Commission (EC), since part of the EC aid outflow is imputed to the multilateral contributions of the European G8 countries. Figures for the EC are therefore reported as memo items in aggregated tables.

Russia is not a member of the OECD Development Assistance Committee (DAC) and the OECD DAC does not track Russian ODA investments. Financial information was provided by Russia from their national systems, in accordance with the above methodology, and, unless otherwise noted, is included, as appropriate, in the Report's financial tables and graphs.

The Report also presents ODA data from all donors, which are bilateral donor members of the OECD's DAC. For 2009, financial figures include the Republic of Korea.

The OECD has provided ODA data in the following areas: overall ODA, ODA to Africa, ODA provided through general budget support (GBS), ODA to low-income countries, debt relief, aid for trade, health, water and sanitation, and education.

OECD-CRS purpose codes used in this Report:

Aid for trade sectors: 33110 to 33181, 21010 to 21081, 22010 to 22040, 23010 to 23082, 24010 to 24081, 25010 to 25020, 31110 to 31195, 31210 to 31291, 32110 to 32182, 32210 to 32268, and 33210.

Health: 12110 to 12191, 12220 to 12281, and 13010 to 13081.

Water and sanitation: 14010 to 14081

Education: 11110 to 11182, 11220 to 11240, 11320 to 11330, and 11420 to 11430.

Additional information on CRS purpose codes is available at:

http://www.oecd.org/document/21/0,3343,en_2649_34447_1914325_1_1_1_1,00.html

Other financial data: Additional financial information was obtained directly from multilateral initiatives and global partnerships, including the Global Polio Eradication Initiative, the Global Fund and the Education for All Fast Track Initiative. Although these investments are generally considered ODA-eligible and, as such, are also reported in the data provided by the OECD, these amounts provide detailed information of G8 institutional investments. However, because of double counting these amounts should not be summed with the OECD data.

Comparison with the 2009 G8 Expert Reports

Because of differences in methodologies the ODA data in this Report is not comparable to the financial data contained in the 2009 G8 sector expert reports and the 2009 Preliminary Accountability Report.

ENDNOTES

Executive Summary

- ¹ OECD DAC Creditor Reporting System (2009). Global ODA is equal to ODA from all OECD-DAC bilateral donors.
- ² WHO/UNAIDS/UNICEF (2009):, Towards Universal Access: Scaling up priority HIV/AIDS Interventions in the Health Sector Available at: <http://www.who.int/hiv/pub/2009progressreport/en/index.html>
- ³ World Bank (2010): HIPC At-a-Glance Guide
- ⁴ Global Fund (2010). Global Fund 2010 Innovation and Impact. Available at http://www.theglobalfund.org/documents/replenishment/2010/Global_Fund_2010_Innovation_and_Impact_en.pdf
- ⁵ WHO (2005). Maternal Health in 2005. Available at http://www.who.int/whosis/mme_2005.pdf; Hogan, M. C.; Foreman, K. J; Naghavi M. et al. (2010). Maternal Mortality for 181 Countries, 1980-2008: A Systematic Analysis of Progress towards Millennium Development Goal 5. In The Lancet. Available at [http://www.thelancet.com/journals/lancet/article/PIIS0140-6736\(10\)60518-1/fulltext?_eventId=login](http://www.thelancet.com/journals/lancet/article/PIIS0140-6736(10)60518-1/fulltext?_eventId=login)
- ⁶ UN (2009) United Nations Millennium Development Report 2009

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- ⁷ World Bank (2010) World Development Indicators Report
- ⁸ Paragraph 98 L'Aquila Leaders Communiqué
- ⁹ Accountability Working Group Terms of Reference, see Annex One

Chapter 2: Reporting on G8 Commitments

- ¹⁰ See Annex Two for full list of the 56 development-related commitments

2.1 Aid and Aid Effectiveness

- ¹¹ OECD DAC Creditor Reporting System (2009). Global ODA is equal to ODA from all OECD-DAC bilateral donors.
- ¹² Data is based on OECD criteria for low income countries (LICs).
- ¹³ L'Aquila Summit 2009 G8 Leaders' Communiqué, paragraph 102
- ¹⁴ Untied aid is aid that is procured through open international competition (e.g. international competitive bidding). By contrast, tied aid is aid where procurement is restricted to suppliers from the donor country offering that aid." OECD (2008): DAC Recommendation on Untying Aid Available at <http://www.oecd.org/dataoecd/61/43/41707972.pdf>
- ¹⁵ USAID/Zambia Assistance to Strengthen Ministry of Education Support to Community Schools, May 2008 http://pdf.usaid.gov/pdf_docs/PDACN014.pdf
- ¹⁶ Available at: <http://www.dfid.gov.uk/Documents/publications/evaluation/evsum-cnty-pgm-eval-et-apr09.pdf>

2.2 Economic Development

- ¹⁷ US Department of Commerce (2008). 'Doing Business In Kenya 2008: A Country Commercial Guide for US Companies'.
- ¹⁸ World Trade Organization.(2008). 'International Trade Statistics 2008'.
- ¹⁹ World Bank (2008). 'Global Economic Prospects 2009'

2.3 Health

- ²⁰ UNDP (2010), 'What Will It Take to Achieve the Millennium Development Goals?'
- ²¹ The Lancet, Source: The Lancet, Volume 375, Issue 9726, Pages 1609 - 1623, 8 May 2010, Pages 1609 - 1623, 8 May 2010
- ²² OECD DAC (2009) Creditor Reporting System
- ²³ Italy anticipated in 2007 the disbursement of its 2008 contribution to Global Fund. This explains the imbalance between 2007 and 2008.
- ²⁴ Apparent decline is overwhelmingly accounted for through foreign exchange fluctuations.
- ²⁵ Global Fund, "Pledges and Contributions" Available at <http://www.theglobalfund.org/en/resources/?lang=en>

- ²⁶ The US contribution to the Global Fund is subject to certain U.S. legislative restrictions, including that, during 2004-2013, no U.S. government contribution may cause the total amount of U.S. government funds contributed to exceed 33percent of total contributions. Furthermore, at the donor's discretion, up to 5 percent of this funding may be applied in the form of direct bilateral technical assistance to activities related to Global Fund grant implementation, and the contribution to the Global Fund reduced correspondingly.
- ²⁷ Available at: <http://www.vaccineamc.org/>
- ²⁸ Available at: <http://www.gavialliance.org>
- ²⁹ WHO (2009) UNICEF Estimates and Projections
- ³⁰ Available at: <http://www.annals.org/content/150/10/688.full>
- ³¹ WHO, UNICEF, UNAIDS (2009). Towards universal access: scaling up priority HIV/AIDS interventions in the health sector. p.55. http://www.who.int/entity/hiv/pub/tuapr_2009_en.pdf
- ³² UNDP (2009). 'What Will It Take to Achieve the Millennium Development Goals?'
- ³³ UK 14.6 million, U.S. 16.7 million, Japan 1.7 million
- ³⁴ UNDP (2009). 'What Will It Take to Achieve the Millennium Development Goals?'
- ³⁵ WHO
- ³⁶ Pan American Health Organization (PAHO)

2.4 Water and Sanitation

- ³⁷ Summary by the Co-Chairs of the High Level Meeting on Sanitation and Water for All: A Global Framework for Action, April 23rd 2010
- ³⁸ UNICEF (2009)
- ³⁹ Summary by the Co-Chairs of the High Level Meeting on Sanitation and Water for All: A Global Framework for Action, April 23rd 2010
- ⁴⁰ G8 Water Experts Group Report (2009). Progress Report on the implementation of the G8 Water Action Plan
- ⁴¹ The OECD-DAC defines aid to water supply and sanitation as including water resources policy, planning and programs, water legislation and management, water resources development, water resources protection, water supply and use, sanitation (including solid waste management) and education and training in water supply and sanitation. The table includes disbursements in the following CRS-Codes 14010, 14015, 14020, 14030, 14040, 14050 and 14081. Because the AWG decided to adopt a consistent methodology for reporting, including using OECD-DAC definitions to minimize double counting, the financial data in this report is not comparable with the financial data contained in the 2009 G8 Water Experts Group Report. That report included additional financial data on flood prevention and control (CRS-Code 41050), water productivity (CRS-Code 23065) and agricultural water resources (CRS-Code 311140).

2.5 Food Security

- ⁴² Declaration of the World Food Summit on Food Security, Rome, 16-18 November 2009. Five Rome Principles for Sustainable Global Food Security: Principle 1: Invest in country-owned plans, aimed at channeling resources to well designed and results-based programs and partnerships; Principle 2: Foster strategic coordination at national, regional and global level to improve governance, promote better allocation of resources, avoid duplication of efforts and identify response-gaps; Principle 3: Strive for a comprehensive twin-track approach to food security that consists of: 1) direct action to immediately tackle hunger for the most vulnerable and 2) medium and long-term sustainable agricultural, food security, nutrition and rural development programs to eliminate the root causes of hunger and poverty, including through the progressive realization of the right to adequate food; Principle 4: Ensure a strong role for the multilateral system by sustained improvements in efficiency, responsiveness, coordination and effectiveness of multilateral institutions; Principle 5: Ensure sustained and substantial commitment by all partners to investment in agriculture and food security and nutrition, with provision of necessary resources in a timely and reliable fashion, aimed at multi-year plans and programs.

2.6 Education

- ⁴³ UNESCO (2010). EFA Global Monitoring Report 'Reaching the Marginalized'
- ⁴⁴ UNESCO (2010). EFA Monitoring Report, 'Reaching the Marginalized'
- ⁴⁵ UNDP (2010). 'What Will It Take To Achieve The Millennium Development Goals?'
- ⁴⁶ Education for All Fast Track Initiative (2009) Annual Report

⁴⁷ Education for All Fast Track Initiative (2009) Annual Report

⁴⁸ A portion of the rise in G8 resources is as a result of an increase in the number of FTI-endorsed countries

⁴⁹ There are some differences with respect to the 2009 experts' report released at the L'Aquila Summit, because only disbursement data has been included and the method to compute aid to FTI-endorsed countries has been revised. In the 2009 report, the ODA for education going to FTI countries was computed using the same group of 36 countries for each year. However, as the number of FTI-endorsed countries has increased every year since 2002 (from 7 to 36) the 2009 report over-estimated the flow of ODA to FTI countries. The 2010 report improves accuracy by ensuring that data is based only on the beneficiary countries that were endorsed in a specific year.

⁵⁰ FTI Secretariat

2.7 Governance

⁵¹ Africa Progress Panel (2009). An Agenda for Progress at a Time of Global Crisis, A Call for African Leadership. Annual Report of the Africa Progress Panel

⁵² Russia informed the OECD in 2009 of its readiness to accede to the Convention.

⁵³ Stolen Asset Recovery (StAR) Initiative (2008). Challenges, Opportunities, and Action Plan".

⁵⁴ Stolen Asset Recovery (StAR) Initiative (2008). Challenges, Opportunities, and Action Plan".

⁵⁵ Australia, Belgium, Canada, EC, Finland, France, Germany, The Netherlands, Norway, Spain, Switzerland, United Kingdom, and USA are all contributors to the EITI Multi-Donor Trust Fund as of April 2010.

2.8 Peace and Security

⁵⁶ OECD (2009). Ensuring Fragile States Are Not Left Behind

⁵⁷ University of Maryland's Centre for International development and Conflict Management report (2010) "Peace and Conflict", p.12

⁵⁸ University of Maryland's Centre for International development and Conflict Management report (2010) "Peace and Conflict 2010", p.72-73

⁵⁹ According to World Bank figures, a total of US \$72,262,839 for G8 countries: UK \$35 million; France \$2,078,600; Germany \$13,994,288; Italy \$1,714,050; Canada \$19,475,901

2.9 Environment and Energy

⁶⁰ This report only examines G8 climate change development-related commitments and does not address post-Copenhagen commitments.

⁶¹ See also : <http://g8.gc.ca/about/past-summits/summit-documents-2008/illegal-logging/>

⁶² World Bank (2009). Africa Energy Poverty, G8 Energy Ministers Meeting

⁶³ World Bank (2009). Africa Energy Poverty, G8 Energy Ministers Meeting

Chapter 3 Conclusions and Recommendations for the Future of the Accountability Process

⁶⁴ See Chapter 2.1 for an explanation of Aid for Trade vs. Trade-Related Assistance.

