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DEVELOPMENT ASSISTANCE

For the past five years, the DATA Report has monitored the development assistance commitments made by the G8 and other donors in 2005. Those quantitative targets – while not sufficient to reach the MDGs – served as a critical benchmark to help assess progress on development commitments and donor efforts towards them. This year’s development assistance chapter offers a final assessment of performance against the Gleneagles targets and pivots to monitor commitments towards 2015.

In 2005, each G7 country set a 2010 target for development assistance to sub-Saharan Africa. The momentum around Gleneagles helped pressure donors to clearly state their targets. Beyond 2010, some countries do not have commitments, and assessing the clarity and ambition of those that do exist is more challenging. Commitments made by members of the European Union extend to 2015, but they are not clear on the proportion intended for sub-Saharan Africa, the region furthest from achieving the MDGs. Commitments by the three non-EU G7 members (Canada, Japan and the US) have either expired or have been surpassed before their due date (in the case of Japan).

Development assistance from emerging economies has become an increasingly important source of finance for sub-Saharan Africa over the past five years. While the diversification of the donor community is a welcome development, it brings some new challenges in accountability. For example, most new donors do not monitor their aid flows in a systematic way or report their ODA data to the DAC. As a result, this chapter does not monitor development assistance from countries that are not members of the DAC; profiles of G20 countries that are not DAC members are included in the country progress section of this report.

DEVELOPMENT ASSISTANCE PROGRESS 2009–10

Between 2009 and 2010, global development assistance increased by 6% to reach a total of \$125.064 billion. Growth in development assistance to sub-Saharan Africa slightly outpaced growth in global development assistance, which was 7% between 2009 and 2010 (reaching a total of \$39.677 billion). Collectively, in 2010 the G7 increased their spending both globally and to sub-Saharan Africa. The largest increases for sub-Saharan Africa came from Japan, the UK and the US.

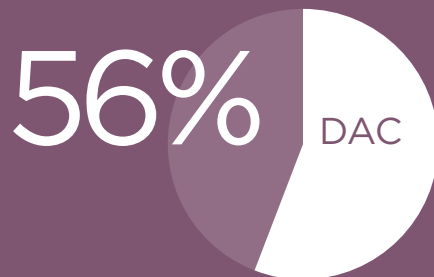
It is important to note that these increases reflect budget decisions made prior to the austerity measures introduced in many donor budgets for 2010 and 2011. Increases or decreases in development assistance may not be captured in ODA flows (which measure actual disbursements) for one to two years after a budget decision, because of the time it takes to design programmes and disburse money. As austerity budgets begin impacting ODA disbursements in 2012 and beyond, reaching commitments will become more unlikely for many donors.

FIGURE 1

G7 ODA TO SUB-SAHARAN AFRICA, 2009–10 (\$ MILLIONS, 2010 PRICES)

	2009 ODA	2010 ODA	2009–10 volume change	2009–10 % change
CANADA	1,569	1,884	315	20.1%
FRANCE	4,405	4,205	-200	-4.5%
GERMANY	3,351	3,432	82	2.4%
ITALY	1,079	1,200	121	11.2%
JAPAN	2,549	3,346	797	31.3%
UK	4,084	5,059	975	23.9%
US	8,879	9,550	671	7.6%
G7	25,915	28,676	2,761	10.7%
EU15	21,675	22,546	871	4.0%
DAC	36,941	39,677	2,736	7.4%

% OF GLENEAGLES PROMISE DELIVERED BY 2010



HISTORIC INCREASES 2000-10

Since 2000, development assistance to sub-Saharan Africa has increased by \$19.628 billion, compared with a decrease of \$1.800 billion between 1990 and 2000. G7 donors were responsible for 80% of this increase (or \$15.625 billion). The EU (including four G7 members) as a group also played a critical role, providing \$9.540 billion, or 49%, of the total increase to the region since 2000.

Increases to sub-Saharan Africa accelerated in the five years after Gleneagles. Of total donor increases since 2000, 63% (or \$12.444 billion) were delivered after 2005. For G7 countries, the rate of increase was even more marked: more than two-thirds (68% or \$10.68 billion) of the increases in G7 development assistance to sub-Saharan Africa over the past decade were made between 2005 and 2010.

FINAL GLENEAGLES ASSESSMENT

Total development assistance for sub-Saharan Africa reached \$39.7 billion in 2010, representing an increase of \$13.5 billion¹ over 2004 levels, or 56% of the \$24.1 billion increase promised by all DAC donors in 2005.² The G7 delivered 61% of the \$18.2 billion increase they committed to sub-Saharan Africa, while the EU15 countries (including four G7 members) delivered only 35% of their committed increases.

Progress by individual donors has been mixed. Among the G7, one country came very close to delivering on its ambitious commitment; three countries exceeded their more modest commitments; while the remainder delivered varying levels on more ambitious commitments.

■ **THE UK** made an ambitious commitment at Gleneagles and came very close to fully delivering on it. The UK increased its development assistance to sub-Saharan Africa by \$2.550 billion from 2004 to 2010, meeting 86% of its Gleneagles commitment.

■ **THE US** exceeded its relatively modest commitment. In total, the US increased its development assistance to sub-Saharan Africa by \$4.282 billion from 2004 to 2010, meeting 121% of its commitment.

■ **CANADA** also exceeded a modest commitment. It increased its development assistance to sub-Saharan Africa by \$779 million from 2004 to 2010. In total, it met 197% of its Gleneagles commitment. 62% of Canada's global increases in development assistance between 2004 and 2010 were allocated to sub-Saharan Africa, the second highest proportion among the G7.

■ **JAPAN** also delivered in excess of its more modest bilateral commitment. It increased bilateral development assistance by \$1.098 billion to sub-Saharan Africa from 2004 to 2010, meeting 126% of its Gleneagles commitment. 140% of Japan's global increases in development assistance between 2004 and 2010 were allocated to the region, the highest proportion among the G7.

■ **FRANCE**, this year's G8 and G20 host, delivered only partially on a more ambitious commitment. France delivered a total increase of \$1.086 billion from 2004 to 2010, meeting 45% of its Gleneagles pledge.

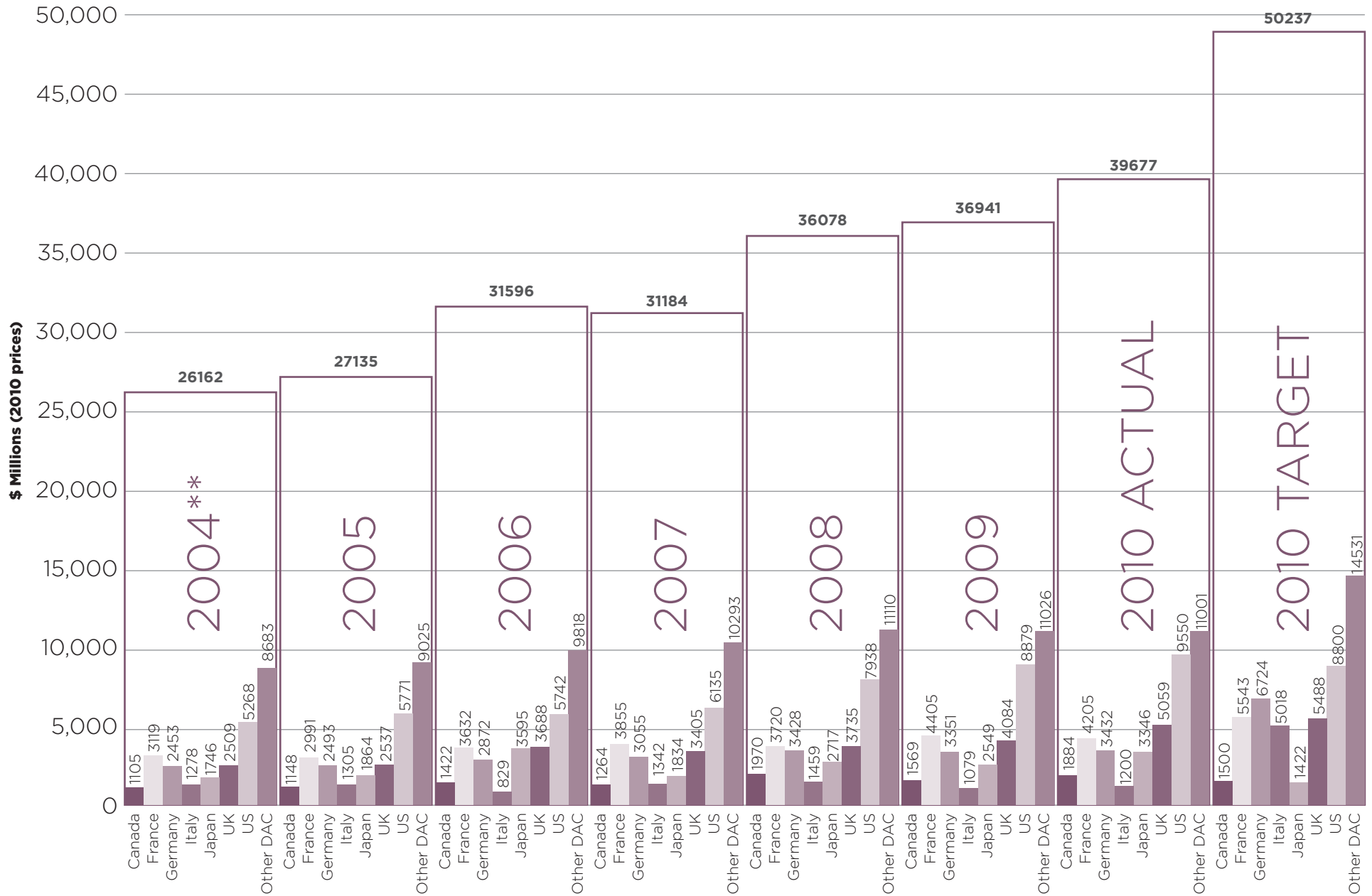
■ In earlier years, **GERMANY** delivered significant increases towards meeting its ambitious development assistance commitments, but has nearly flatlined increases in recent years, including in 2010. Total increases from 2004 to 2010 reached \$979 million, meaning that Germany delivered only 23% of its Gleneagles commitment. Only 18% of its global increases in development assistance between 2004 and 2010 were allocated to sub-Saharan Africa, the second lowest proportion among the G7.

■ **ITALY** is the only G7 country to decrease development assistance to sub-Saharan Africa since Gleneagles. Between 2004 and 2010, its ODA to the region dropped by \$78 million, meaning that it delivered -2% of its commitment.

■ **THE EU15** countries (including four G7 members) committed to increase development assistance to sub-Saharan Africa by \$18.902 billion between 2004 and 2010. With a \$6.541 billion increase, the EU delivered only 35% of its committed increases to the region. Nearly 40% of the increase came from the UK. However, it is critical to note that several members of the EU are consistent high performers. Four in particular – Denmark, Luxembourg, the Netherlands and Sweden – maintained their target ODA/GNI ratios of 0.7% or above. Only Denmark and Luxembourg have met the official EU target for sub-Saharan Africa.

FIGURE 2

DEVELOPMENT ASSISTANCE TO SUB-SAHARAN AFRICA SINCE GLENEAGLES (\$ MILLIONS, 2010 PRICES)



□ Total

*Japan's Commitment was only to increase bilateral ODA to Sub-Saharan Africa. This chart assumes a 2009 flatlined multilateral ODA for the 2010 target.

**Because multilateral disbursements can spike from year to year, ONE uses the average multilateral disbursements for 2004 and 2005 to establish a baseline for progress by each donor.

FIGURE 3

HAVE THE G7 ACHIEVED THEIR ODA COMMITMENTS TO SUB-SAHARAN AFRICA? (\$ MILLIONS, 2010 PRICES)

	2004 ODA	2010 ACTUAL ODA	TOTAL CHANGE 2004-10	2010 TARGET	SHORTFALL	% OF 2010 TARGET INCREASES MET
CANADA	1,105	1,884	779	1,500		197%
FRANCE	3,119	4,205	1,086	5,543	-1,338	45%
GERMANY	2,453	3,432	979	6,724	-3,292	23%
ITALY	1,278	1,200	-78	5,018	-3,818	-2%
JAPAN (BILATERAL)	547	1,645	1,098	1,422		126%
UK	2,509	5,059	2,550	5,488	-429	86%
US	5,268	9,550	4,282	8,800		121%
G7	17,479	28,676	11,197	35,706	-7,030	61%
EU 15	16,005	22,546	6,541	34,907	-12,361	35%
DAC	26,162	39,677	13,515	50,237	-10,560	56%

The totals for G7 and DAC include Japan's multilateral contributions (i.e. Total Japanese aid)

FIGURE 4

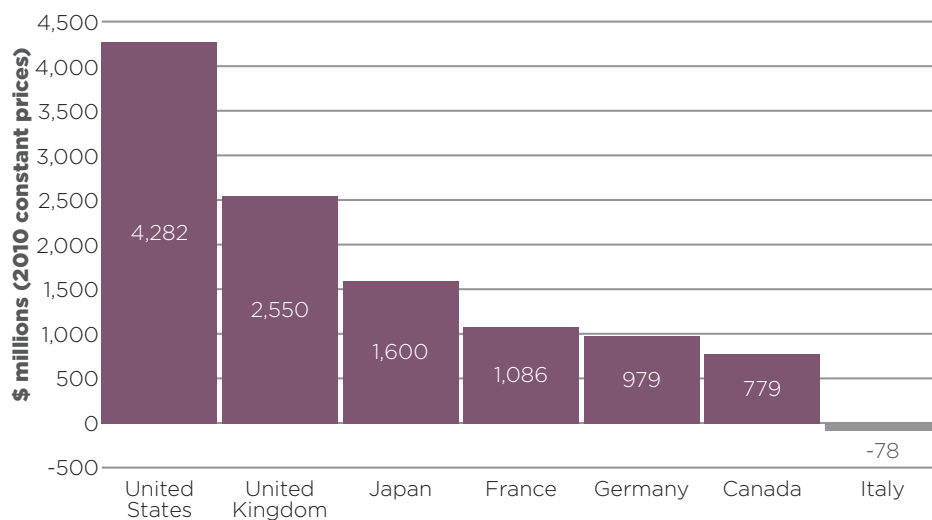
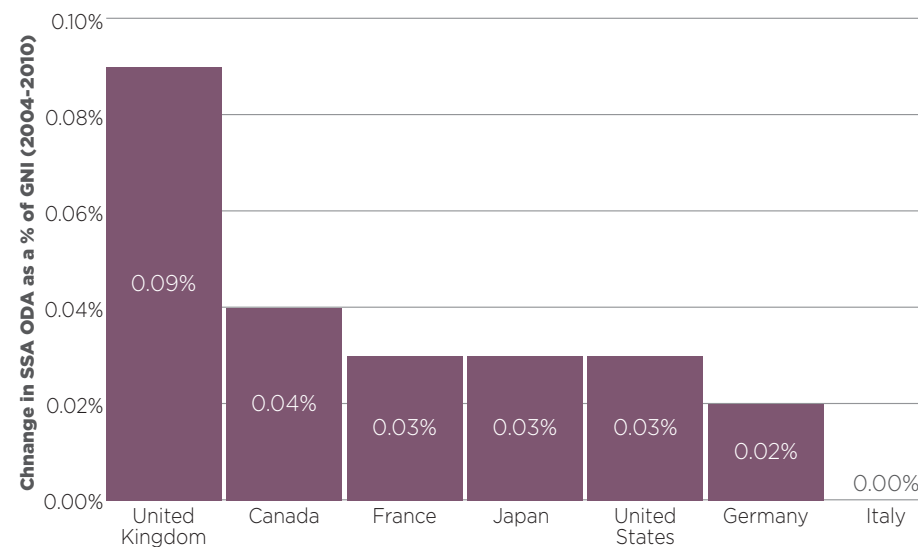
DONORS RANKED ACCORDING TO SSA ODA VOLUME INCREASES 2004-10

FIGURE 5

DONORS RANKED ACCORDING TO SSA ODA/GNI RATIO INCREASES 2004-10

TRENDS IN DEVELOPMENT ASSISTANCE 2004-10

FOCUS ON SUB-SAHARAN AFRICA

The Gleneagles commitments on development assistance placed special emphasis on scaling up resources to sub-Saharan Africa. The region was, and still is, furthest behind on its path to meeting the MDGs. Of the commitments established in 2005, roughly half of the total increases were designated for the region.

DAC donors increased global development assistance by \$37.794 billion between 2004 and 2010, from \$87.27 billion to \$125.064 billion; 36% of those increases were directed to sub-Saharan Africa.

As a group, the G7 out-performed other groups of donors (driven particularly by the US and Japan), with 43% (\$11.197 billion) of their global increases going to sub-Saharan Africa between 2004 and 2010. This compared with just 28% for the EU15 and 36% for DAC countries overall. Given the EU's specific Gleneagles commitment to the region, its poor performance is of particularly concerning and needs to be addressed in future development assistance allocations. During the period 2004-10, Japan and Canada directed the largest proportions of their increases to sub-Saharan Africa (140% and 62% respectively) and Italy the smallest (14%).

The annual proportion of total global ODA directed to sub-Saharan Africa rose only marginally between 2004 and 2009, from 28% to 29%. The proportion of G7 ODA to the region increased from 27% in 2004 to 30% in 2009.³

FIGURE 6

PROPORTION OF G7 ODA DIRECTED TO SUB-SAHARAN AFRICA, 2004-10

(\$ MILLIONS, 2010 PRICES)

	SUB-SAHARAN AFRICA			GLOBAL			% OF INCREASE DIRECTED TO SSA
	2004	2010	CHANGE BETWEEN 2004 AND 2010	2004	2010	CHANGE BETWEEN 2004 AND 2010	
G7	17,479	28,676	11,197	60,871	86,777	25,906	43%
EU15	16,005	22,546	6,541	43,534	66,640	23,107	28%
DAC	26,162	39,677	13,515	87,270	125,064	37,794	36%

IMPACT OF DEBT CANCELLATION ON MONITORING TRENDS IN ODA

ONE has always excluded bilateral debt relief from its analysis of ODA flows (see methodology section for more details). Although debt cancellation is a critical resource for low-income countries and has enabled tremendous development progress over the past decade, including debt relief in ODA flows overstates the annual resources available for development financing and, because of the erratic nature of debt relief, skews actual ODA trends. ONE's final 2004–10 analysis demonstrates that excluding debt relief has made trends in development assistance much more visible. With debt relief now declining to more modest levels, donors should exclude these volumes when monitoring their own progress and making future ODA commitments.

SECTOR-ORIENTED DEVELOPMENT ASSISTANCE

In an annex to the Gleneagles Communiqué, the G8 and their partners committed to help achieve a set of development outcomes by 2010. These included universal access to HIV/AIDS treatment, universal access to primary education and making trade 'work for Africa'. Although many of these commitments were vague, difficult to monitor and ultimately not achieved, they marked an important shift in the development agenda by tying resource commitments to intended outcomes.

The Gleneagles summit took place during the height of the public's attention to the HIV/AIDS crisis. Much of the increases in development assistance following Gleneagles was driven by a focus on global health, specifically on fighting infectious diseases such as HIV/AIDS and malaria. More recently, development partners have increased investments in health systems, food security and agricultural development. Two of the major sectoral commitments that extend beyond 2010 (which ONE will be monitoring in upcoming reports) were recently agreed and are described here.

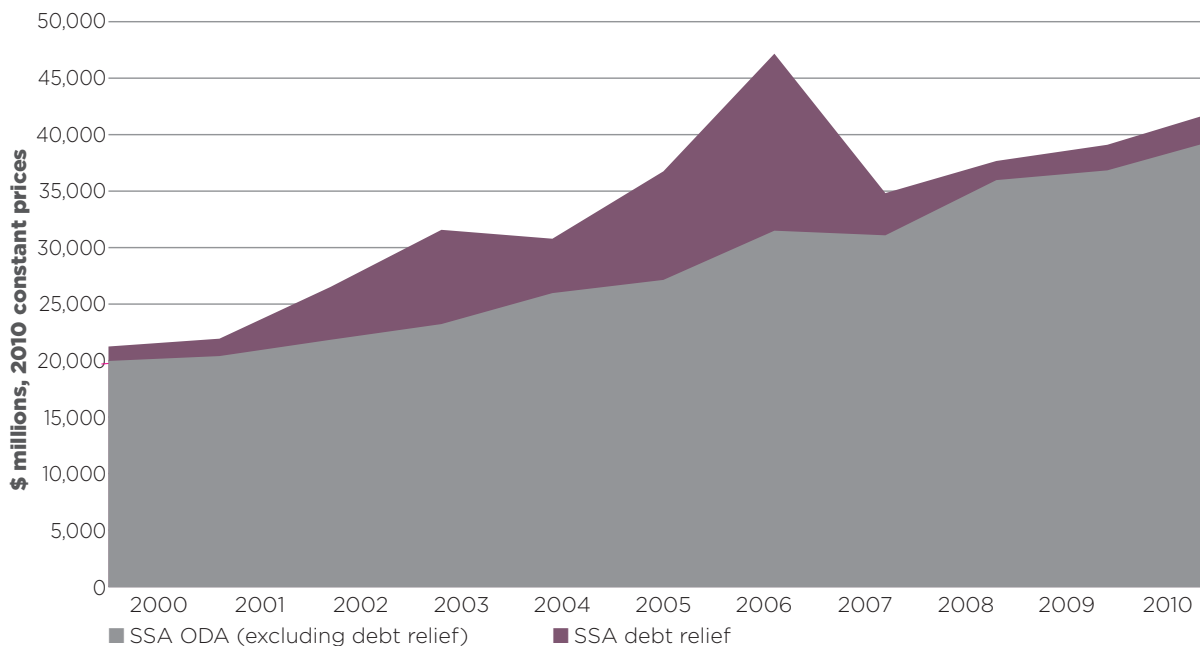
L'AQUILA FOOD SECURITY INITIATIVE: In 2009, world leaders met in L'Aquila, Italy and agreed the Joint Declaration on Global Food Security, referred to as the L'Aquila Food Security Initiative (AFSI). 40 government heads and international organisations committed to providing \$20 billion over three years to help farmers in poor countries boost productivity, signalling a new focus on sustainable agricultural investment that was previously absent from G8 communiqués.

GLOBAL STRATEGY FOR WOMEN'S AND CHILDREN'S

HEALTH: On 22 September 2010, UN Secretary-General Ban Ki-moon announced a \$40 billion commitment to promote maternal and child health, aiming to accelerate progress towards MDGs 4 and 5 by saving the lives of 16 million women and children over the age of five years. Of the \$40 billion total, around \$27 billion was new money committed by governments, with \$8.6 billion coming from developing nations.

FIGURE 7

DECLINING IMPACT OF DEBT RELIEF ON ODA TO SUB-SAHARAN AFRICA



TOWARDS 2015: MEETING THE MILLENNIUM DEVELOPMENT GOALS

2010 marked a turning point for the development community and for advocacy efforts. Though only a few development assistance commitments expired last year, the cohesive benchmark of 2010 that tied donors together towards a common goal ended. While many donors have targets that extend beyond 2010 in line with the MDGs, the sense of collective accountability has diminished.

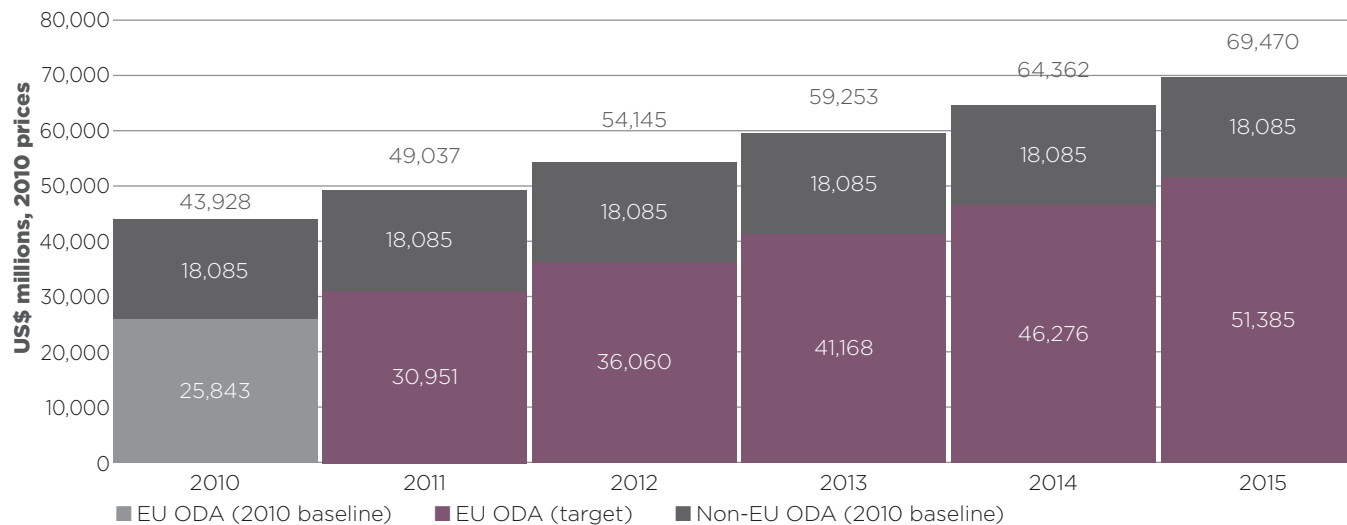
Simultaneously, the need for resources has increased. Though estimates vary widely, some experts predict that sub-Saharan Africa could require \$72 billion in development assistance annually to achieve the MDGs.⁴ However, it is important to note that this target is three years old and does not include increased costs associated with climate adaptation. Mobilising these resources will be exceptionally difficult given the constrained

economic climate and pressure for fiscal austerity across developed countries. This situation is not expected to change significantly; therefore, every effort to deliver development assistance commitments must be matched with efforts to improve effectiveness and strengthen partnerships.

While a new global compact with delineated financial commitments seems increasingly unlikely, clarity on individual commitments, provided in a manner that can be aggregated across donors, would be a critical step towards equipping countries with the information they need to build strategies to meet the MDGs. The TRACK Principles provide a blueprint for the type of commitments that ONE has found be easiest to monitor during the past five years; this approach was recently embraced by the DAC through the DAC Pledging Guidelines.

In addition, donors should scale up their support for mechanisms that are best able to deliver results, and continue the trend of outlining development outcomes alongside commitments on inputs.

FIGURE 8
ODA COMMITMENTS THROUGH TO 2015



The 2015 target for Africa is derived from two components.

■ Non-EU donors have not made new ODA commitments for the region. This graph assumes a minimum maintenance of 2010 levels for these donors. This does not represent an official target.

ONE calls for non-EU donors to set new development assistance targets and for all donors to clarify their 2015 goals for sub-Saharan Africa in accordance with the TRACK Principles.

■ The EU 15 target of 0.7% ODA/GNI allocates half of total global increases to the African continent. Indicative intermediate targets are based on a straight line trajectory between 2010 and 2015.

DELIVERING DEVELOPMENT ASSISTANCE

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

The 2011 DATA Report monitors ODA in constant 2010 US dollars. This helps provide a universal reference point across donors. It also ensures that the full value committed to in Gleneagles is not eroded by inflation (pledged nominal increases by some donors notwithstanding). The figures in this report are also net of bilateral debt relief. While debt relief is immensely valuable and frees up funding that would otherwise go to debt service payments, the rules of counting bilateral debt cancellation as ODA (which are set by donors themselves) overstate both the value of the debt relief and what the donor has to pay to provide it. As pointed out in previous reports, debt relief can provide an artificial boost to ODA in some years.

There is a significant time lag in the reporting of ODA data. While this report can only evaluate preliminary 2010 ODA data, the budgets that will determine spending in 2011 and even 2012 will either have been agreed or are in the process of being agreed now. In order to assess donors' performances with the most current information, ONE recognises that the DATA Report should include development assistance actions taken in the current calendar year. Unfortunately, no source exists that evaluates donors' future spending plans with a standard methodology.

OVERVIEW OF COMMITMENTS

Figure 9 provides details on donors' development assistance commitments beyond 2010. The G7 and EU commitments can be summarized as follows.

- **EUROPEAN DONORS**, including the four EU G8 members, established their commitments in the lead-up to Gleneagles, and these targets extend to 2015.
- **CANADA'S** commitment was to meet a quantitative target and then maintain that level, although the duration of this commitment has not been specified.
- **THE US** set a quantitative target to double assistance by 2010, but since then has not made a new commitment to sub-Saharan Africa. Future commitments are focused on key sectoral areas including global health and food security.
- **JAPAN'S** commitment was modest as it focused only on bilateral increases, but it does extend through 2012.

One important point to note is that, although the EU has committed 50% of its increases to the African continent, the proportion of resources intended for sub-Saharan Africa is not defined (though there is a commitment to allocate 0.15% GNI for low-income countries, most of which are in sub-Saharan Africa). This shift of focus to the entire African continent means that North African countries of increasing geopolitical importance (such as Egypt, Tunisia and Libya) will now be grouped with sub-Saharan countries. ONE is concerned that the expansion of focus from sub-Saharan Africa to include North Africa may dilute the magnitude of the commitment and the focus on poverty alleviation.

MEETING COMMITMENTS BY 2015

Figure 8 provides the best aggregation of targets by 2015 that ONE can compile at this time, using quantitative targets for the EU commitments and assuming flatlined ODA for donors that do not have targets beyond 2010. ONE calls on all donors to clarify their commitments to sub-Saharan Africa so that an official 2015 target can be derived and monitored.

Taken one way, Figure 9 generates optimism. If all EU countries redouble their efforts to meet their 0.7% ODA/GNI commitments by 2015, development assistance to sub-Saharan Africa would reach \$69.4 billion in 2015, within reach of the estimated \$72 billion that is needed annually to support reaching the MDGs. If non-EU countries continued to increase their development assistance to sub-Saharan Africa at a rate comparable to the EU, then development assistance from all donors would reach levels as high as \$87 billion by 2015.

Given the poor performance of certain countries (such as Italy) during the past five years, as well as the recent introduction of austerity measures in many European countries, it is unclear whether the EU will reach 0.7% ODA/GNI by 2015. Achieving the global ODA target for 2015 will require the same growth rate registered by the DAC group in the post-Gleneagles period (assuming that non-EU donors flatline ODA to 2015). Achieving 2015 targets for Africa, however, will require accelerated growth — a 65% increase over 2010 levels, compared with a 44% growth rate since Gleneagles. This means that, within an overall scenario of continued growth, continuing the prioritisation of sub-Saharan Africa laid out at Gleneagles is more critical than ever.

Given these uncertainties, it is critical that development partners accelerate their efforts to enhance the impact of existing resources by pursuing a revitalised plan for increasing aid effectiveness and ensuring that new sources of financing, including innovative financing mechanisms, are maximised.

FIGURE 9

ODA COMMITMENTS BEYOND 2010

	Global	Africa
AUSTRALIA	Reach 0.5% ODA/ GNI by 2015/16; 0.15% for least developed countries (LDCs)	
CANADA	Cap the International Assistance Envelope (which includes ODA) at CAD\$5 billion annually for an undetermined length of time	
FRANCE	Reach 0.7% ODA/ GNI by 2015 as part of the 2005 EU commitment on development assistance	Direct 50% of the increases between actual ODA in 2004 and targeted global ODA in 2015 to the African continent
GERMANY	Reach 0.7% ODA/ GNI by 2015 as part of the 2005 EU commitment on development assistance	Direct 50% of the increases between actual ODA in 2004 and targeted global ODA in 2015 to the African continent
ITALY	Reach 0.7% ODA/ GNI by 2015 as part of the 2005 EU commitment on development assistance	Direct 50% of the increases between actual ODA in 2004 and targeted global ODA in 2015 to the African continent
JAPAN		Double aid to Africa by 2012
SOUTH KOREA	Reach 0.15% ODA/GNI by 2012; and 0.25% by 2015	Double aid to Africa by 2012 (from 2009 levels)
UNITED KINGDOM	The United Kingdom has committed to reach 0.7% ODA/ GNI by 2015 as part of the 2005 EU commitment on development assistance	Direct 50% of the increases between actual ODA in 2004 and targeted global ODA in 2015 to the African continent
UNITED STATES		
EU15	Reach 0.7% ODA/ GNI by 2015 as part of the 2005 EU commitment on development assistance	Direct 50% of the increases between actual ODA in 2004 and targeted global ODA in 2015 to the African continent

RESULTS
SINCE 2000

750,000

children are alive due
to malaria interventions
in Africa

4m

HIV+ Africans have
access to ARV treatment

46.5m

more children in school
in SSA

THE TRACK PRINCIPLES

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

IS IT TRANSPARENT?

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

IS IT RESULTS-ORIENTED?

Financial promises should link expenditure to real-world outcomes. In the context of ODA, these outcomes should be set by the recipient countries. A clear presentation of desired results will help the citizens of developing countries to hold

their governments – and the whole development sector – accountable for delivery of these results.

IS IT ADDITIONAL?

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

IS IT CONDITIONAL?

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

HOW WILL WE KNOW IT'S BEEN KEPT?

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

OVERVIEW OF MULTILATERAL MECHANISMS

In addition to bilateral assistance, donors contribute resources to a number of multilateral mechanisms. This section profiles a few of these organisations. Though this is not an exhaustive list, it includes the multilateral mechanisms that ONE believes have effectively prioritised sub-Saharan Africa and have had recent (or have upcoming) financing conferences.

INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA)

IDA is the concessional lending arm of the World Bank which provides low-interest loans and grants to the world's least developed countries. IDA works in 79 countries around the world, 39 of which are in sub-Saharan Africa. Over the past decade, it has helped save 13 million lives through supporting immunisations for more than 310 million children, improved access to water for more than 100 million people and supported the construction or rehabilitation of more than 100,000 kilometres of roads.

IDA is funded through replenishment rounds held every three years, during which donors pledge funds and review policies. The most recent replenishment (IDA 16) was completed in December 2010, and will fund IDA's activities from 2012 to 2015. At the meeting, donors pledged a record \$49.3 billion, the largest amount in IDA's history and an 18% increase from the IDA 15 replenishment. In order to receive the pledges, commitments have to be approved by donor governments. Key themes for IDA 16 include gender, climate change, fragile states and crisis response.

IDA is the largest external development financier in Africa. Since 1960, it has disbursed more than \$220 billion in support to low-income countries, half of which has gone to countries in sub-Saharan Africa. In 2010, global IDA commitments increased from \$14 billion to \$14.5 billion, and disbursements increased from \$9 billion to \$11.5 billion.⁵ \$7.2 billion, or 49%, of IDA commitments were directed to Africa in 2010. Also in 2010, a significant portion (\$5.3 billion) of global

IDA commitments funded infrastructure projects, an increase of 9% from 2009.

The World Bank predicts that at least five African countries will achieve middle-income status in the next ten years.⁶ IDA recipient countries are eligible for 'graduation' from IDA when they exceed a target per capita income guideline or when their creditworthiness allows them to receive assistance from the International Bank for Reconstruction and Development (IBRD). Owned and operated by member countries, the IBRD uses funds raised on global financial markets to promote sustainable development through loans, risk management and analytical and advisory services. The IBRD had its second consecutive record-breaking year in FY 2010, when lending increased to \$44.2 billion for 164 operations. In April 2010, the 186 countries that own the World Bank Group approved an \$86.2 billion General Capital Increase (GCI) and increased the voting power of developing countries by just over 3%.

The Bank estimates that the graduation of middle-income countries from IDA over the next 20 years could free up 40% of IDA resources for low-income countries. As a result, 73% of resources in IDA 21 would go to countries in sub-Saharan Africa, up from 52% in IDA 15.⁷

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

The African Development Bank Group consists of two parts: the African Development Bank (AfDB), which provides 'hard' lending to qualified countries, and the African Development Fund (ADF), which provides both low-interest loans and grants to the 38 least developed countries (LDCs) in Africa. The ADF, which is financed by 26 donors, supports infrastructure, governance and regional integration projects in countries across the continent.

The ADF is funded through replenishment rounds, during which donors commit funding for a three-year cycle. The ADF completed its twelfth replenishment (ADF-12) in 2010, with \$9.5 billion pledged for 2011–13, a 10.6% increase in donor contributions from the \$8.9 billion that was promised for 2008–10. The twelfth ADF replenishment was finalised in Tu-

nis in September 2010.⁸ ADF-12 will fund projects focused on priority areas, including infrastructure, governance, regional integration and fragile states, as well as integrating the cross-cutting issues of private sector development, climate change adaptation and mitigation, gender, food security and agricultural productivity.⁹

Between 1967 and 2009, the African Development Bank Group provided 3,417 loans and grants to 53 countries, worth a total of \$79.69 billion. As a part of measures taken to address the global financial crisis in 2009, the Governors, who represent the Group's shareholders, approved a GCI that tripled the Bank's capital resources to nearly \$100 billion. This substantial increase allows the AfDB to sustain a higher level of lending in response to overwhelming demand in all countries caused by the recent financial crisis.

The AfDB continues to implement reforms recommended by the Governor's Consultative Committee (GCC), including improving the Bank's risk management capacity, business processes, human resources and results management framework.

THE GLOBAL FUND TO FIGHT AIDS, TUBERCULOSIS AND MALARIA

The Global Fund to Fight AIDS, Tuberculosis and Malaria is the world's largest external health financier, providing two-thirds of all international financing to fight malaria and TB, as well as one-quarter of all financing used to fight HIV/AIDS since 2002. The Global Fund is an innovative partnership between governments, civil society, the private sector and affected communities that raises and distributes resources for country-driven programmes. By providing AIDS treatment for 3 million people, TB treatment for 7.7 million people and 160 million insecticide-treated bed nets to help fight malaria, programmes supported by the Fund have saved 6.5 million lives since 2002.

Since 2002, the Global Fund has committed a total of \$21.7 billion to support prevention, treatment and care programmes for AIDS, TB and malaria in 150 countries, of which \$13 billion has been disbursed to date. Every three years, the Fund holds a voluntary replenishment conference. In October 2010, it held its third replenishment and secured \$11.7 billion in pledges from donors for 2011–13. However, this fell short of the lowest scenario (\$13 billion) the Fund released outlining its estimated resource needs.

Without additional pledges, the Global Fund will be unable to scale up programming. Donors need to continue to expand their support for the Fund, which continues to prove itself an effective mechanism to address three deadly epidemics and contribute to stronger health systems in the process. The Global Fund will also have to work hard to maximise the impact of its grant funds, focusing on the most effective tools and the most at-risk populations. Countries benefiting from the Fund's resources also have a responsibility to use the money wisely, to redouble efforts to eliminate corruption and to increase their own financial and political commitments to fighting AIDS, TB and malaria and improving health for all. The Global Fund board is set to approve a new strategy at the end of 2011, and that is a key opportunity to put this all together into a coherent plan for making the Global Fund an even better and more effective partner.

The Global Fund consistently undergoes self-evaluation to identify ways to use its investments more effectively. It recently announced that it will take additional measures to reinforce financial safeguards and enhance its capacity to prevent and detect fraud and misuse of funds. Additionally, it is organising a panel of experts to review its systems and ensure that its approaches to fraud prevention remain among the strongest in the world. Its board continues to examine how its investments can have positive impacts on broader issues of maternal and child health, but at this time the Fund remains committed specifically to work around AIDS, TB and malaria.

GAVI

The Global Alliance for Vaccines and Immunisation (GAVI) was created in 2000 to complement and strengthen existing immunisation programmes. GAVI plays a critical role in increasing access to under-utilised vaccines and currently funds immunisation programmes for new and under-utilised vaccines in 72 of the poorest countries in the world. By pooling demand, it can help to drive down the cost of vaccines for developing nations. GAVI also plays a critical role in incentivising the development of new vaccines for the developing world and separately working to strengthen health systems in developing countries. Since its launch in 2000, GAVI and its partners have averted an estimated 5.4 million deaths and have supported the immunisation of more than 288 million

children. With GAVI's help, global immunisation coverage for three doses of the diphtheria-tetanus-pertussis vaccine (DTP3) rose from just over 65% in 2000 to almost 80% in 2009.

Between 2011 and 2015, GAVI aims to disburse \$6.8 billion to poor countries to support immunisation plans. Of this amount, \$3.1 billion has already been promised by donors, which means that GAVI's funding gap for 2011–15 is \$3.7 billion. Nearly half of the \$6.8 billion to be disbursed will be used to roll out two new vaccines for rotavirus and pneumococcal disease to fight strains of the two biggest disease killers of children: diarrhoea and pneumonia.

In June 2011, leaders will gather in London for GAVI's first resource pledging conference. If given sufficient resources, GAVI will be equipped to make significant advances towards reducing child mortality by immunising 90 million children with the pneumococcal vaccine (to fight pneumonia), 53 million children with the rotavirus vaccine (to fight diarrhoea) and 230 million children against the five deadly diseases covered by a single shot of pentavalent vaccine. With these vaccines, GAVI expects to reach 243 million children and save the lives of 3.9 million children by 2015.

THE GLOBAL AGRICULTURE AND FOOD SECURITY PROGRAMME (GAFSP)

The Global Agriculture and Food Security Programme (GAFSP) is a multilateral trust fund designed to quickly finance resource gaps in developing countries' national food security and agricultural development plans. The GAFSP was launched in 2010 in an effort to fulfil commitments made at the 2009 L'Aquila G8 summit, where 12 donor countries and the European Commission committed to principles of aid effectiveness in this sector and to \$22 billion for global food security and agricultural development programmes. The US estimates that the L'Aquila Food Security Initiative will increase the incomes of 40 million people and will prevent stunting in 10 million children.

Upon a call for proposals, potential recipient governments develop proposals and submit them to the GAFSP steering committee. A Technical Advisory Committee then reviews the proposals, and the Steering Committee makes the final funding decisions at its next meeting. Thus far, funding decisions have been limited more by resource constraints than by a lack of good proposals.

Seven donors – Australia, Canada, Ireland, Korea, Spain, the US and the Bill & Melinda Gates Foundation – have made pledges to GAFSP. Less than one-third – \$321 million of \$914 million – of these pledges have been received. Notably, Korea and Ireland have not contributed any of their pledges, and the US shows the largest gap between pledge and contribution amount, thus far contributing only \$67 million of its \$475 million pledge. Due to this lack of promised financing, the GAFSP was able to finance only three of the 21 country proposals it received in November 2011, at a total value of \$97 million. In January 2011, the GAFSP's Technical Advisory Committee recommended a set of proposals to the Steering Committee for funding when donors fulfil their commitments.

The GAFSP is a critical component of the global plan to improve food security and stimulate broad-based economic growth in the world's poorest countries. Thus, it is of urgent importance that donors which have made pledges to the GAFSP deliver on their commitments, both to implement these high-quality proposals and to leverage additional financing from donors that have not yet made pledges. GAFSP donor contributions are expected through to 2013 and implementation is expected through to 2019.

In terms of governance and structure, the Fund has several innovative features, including mechanisms to ensure that it is transparent in choosing proposals to fund. Its Steering Committee, which has the final say on which proposals get funded, is made up of representatives from both donor countries and potential recipient countries, while international organisations and Southern and Northern civil society organisations provide advice to the Technical Advisory Committee. While most funding is channelled through the public sector, there is also a 'private sector window', through which private firms and financial institutions doing business in eligible countries can submit proposals for funding in the form of loans, credit guarantees or equity. This window works just like the public window and has the benefit of stimulating not only smallholder farming but also larger agribusinesses.

% OF GLOBAL ODA INCREASES TO SSA 2004-10

