

THE DATA REPORT 2011

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2011 MARKS A NEW BEGINNING FOR THE DATA REPORT.

As ONE's flagship policy product, for the past five years the DATA Report has provided an annual update on the delivery of the historic 2005 Gleneagles commitments to sub-Saharan Africa. In 2010, the year the commitments were due, the DATA Report offered a final verdict on Gleneagles and an analysis of the lessons learned.

2010 was a year of reflection. 2011 is a year to look ahead.

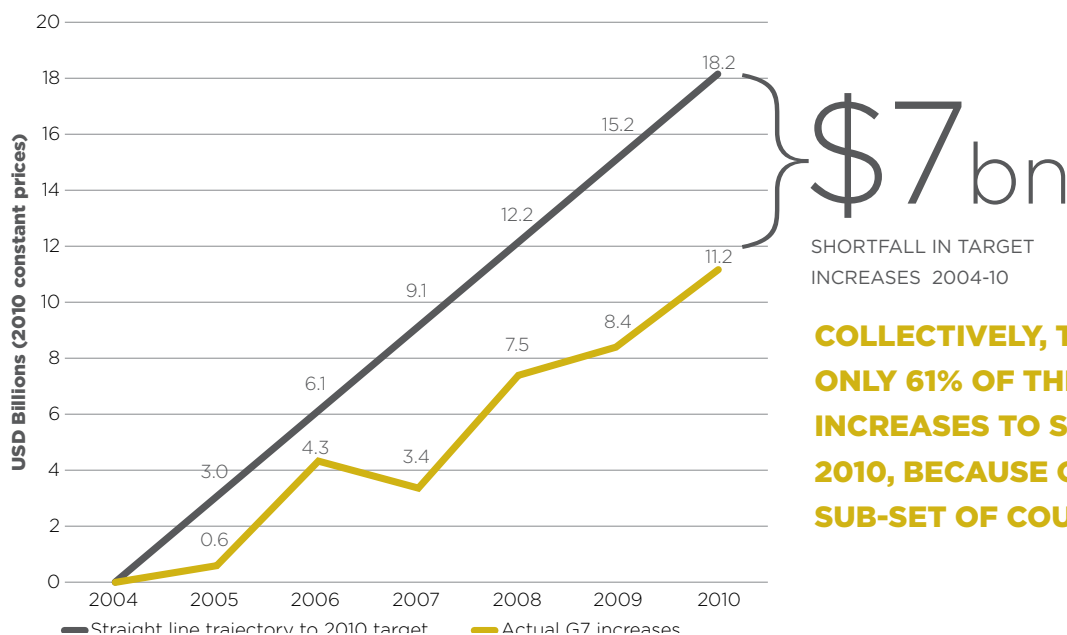
By many accounts, the outlook for sub-Saharan Africa is a promising one. In 2011, economies in the region are projected to reach their highest growth rate in four years thanks to high commodity prices and increased investment. At the same time, unprecedented increases in development assistance and investments by national governments have helped achieve dramatic results in primary educa-

tion enrolment and the fight against malaria, HIV/AIDS and infant mortality. A handful of sub-Saharan African countries are demonstrating that development assistance, when matched with better governance, increased domestic resources and economic growth, can help create change on a macro scale.

Yet the final five years to reach the MDGs could be the most difficult. The sub-Saharan African countries furthest off track are among the world's poorest and most fragile, where prospects of creating jobs, sending children to school, providing maternal care and delivering vaccinations, bed nets and HIV/AIDS treatment will prove most difficult to realise.

For all countries, these next five years also fall during a time of unprecedented global austerity. The outlook for development assistance in many donor budgets is bleak, with some countries planning to cut or flatline investments in effective programmes that are now having an impact in the world's poorest countries.

FIGURE 2
THE G7'S PROMISED VERSUS ACTUAL INCREASES, 2004-10



COLLECTIVELY, THE G7 DELIVERED ONLY 61% OF THEIR PROMISED INCREASES TO SUB-SAHARAN AFRICA BY 2010, BECAUSE OF SHORTFALLS FROM A SUB-SET OF COUNTRIES

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KEY FINDINGS

LOOKING BACK

THERE HAVE BEEN HISTORIC INCREASES IN DEVELOPMENT ASSISTANCE TO SUB-SAHARAN AFRICA OVER THE PAST TEN YEARS, ESPECIALLY IN THE FIVE YEARS SINCE GLENEAGLES

Since 2000, development assistance to sub-Saharan Africa has increased by \$19.628 billion, compared with a decrease of \$1.800 billion from 1990 to 2000. G7 and EU countries have played a critical role in this, delivering an additional \$15.625 billion and \$9.540 billion, respectively, to the region since 2000.

These increases accelerated in the five years after Gleneagles. Of total donor increases since 2000, 63% (or \$12.444 billion) was 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.

RESULTS SINCE 2000 ARE LIVING PROOF THAT INVESTMENTS IN DEVELOPMENT ARE WORKING

In partnership with African efforts, increased development assistance has helped achieve significant progress in countries across sub-Saharan Africa during the past decade.

Since 2000:

- The lives of nearly three-quarters of a million children have been saved through scaling up malaria interventions across 34 endemic countries in the region;¹
- 46.5 million more children started going to primary school in sub-Saharan Africa;²
- Nearly 4 million people in the region have gained access to life-preserving antiretroviral treatment for AIDS;³
- Agricultural production in 17 sub-Saharan African countries has increased by 50%.⁴

BECAUSE OF SHORTFALLS FROM A SUB-SET OF COUNTRIES, THE G7 DELIVERED ONLY 61% OF THEIR PROMISED INCREASES TO SUB-SAHARAN AFRICA BY 2010

The G7 increased their annual development assistance to sub-Saharan Africa by \$11.197 billion between 2004 and 2010, delivering 61% of the \$18.227 billion increases they promised in 2005. The increases delivered were largely a result of the US, Japan and Canada surpassing their targets and the UK nearly meeting its very ambitious commitment. Three countries—Italy, Germany and, to a lesser extent, France—were responsible for most of the G7's shortfall. Germany and Italy missed their targets by a combined \$7.11 billion, and France by \$1.34 billion.

The Gleneagles agreement placed a special emphasis on sub-Saharan Africa, the region furthest from achieving the MDGs: approximately half of all pledged increases in development assistance were committed to the region. This was reinforced by a specific EU commitment at Gleneagles to direct half of all development assistance increases to sub-Saharan Africa.

The final figures show that, as a group, the G7 outperformed other groups of donors (driven particularly by the US and Japan), with 43% of their global increases going to sub-Saharan Africa between 2004 and 2010. This compares with just 28% for the EU15 and 36% for the OECD Development Assistance Committee (DAC) countries overall. Given the EU's specific Gleneagles commitment to the region, its poor performance is particularly concerning and needs to be addressed in future development assistance allocations.

INDIVIDUALLY, SOME G7 EFFORTS TO MEET THEIR DEVELOPMENT ASSISTANCE TARGETS WERE COMMENDABLE, BUT OTHERS WERE CONDEMNABLE

Some G7 countries showed tremendous leadership in meeting their commitments to sub-Saharan Africa by 2010, while others fell short.

■ **THE UK** showed historic leadership over the five-year period, delivering 86% of its ambitious commitment to sub-Saharan Africa, with an increase of \$2.55 billion.

■ **THE US** also made historic increases in development assistance to the region, meeting 121% of its Gleneagles commitment, with an increase of \$4.28 billion.

■ **CANADA** and **JAPAN** met their relatively modest targets. Canada increased its development assistance to the region by \$779 million, delivering 197% of its committed increases. Japan met 126% of its bilateral target, delivering \$1.6 billion in total increases to the region between 2004 and 2010. Within the G7, Japan and Canada directed the largest proportions of their 2004–10 increases to sub-Saharan Africa (140% and 62% respectively).

■ **FRANCE** increased its development assistance by \$1.086 billion, 45% of the total increases it promised to deliver after its initial pledges were revised down in subsequent years.

■ **GERMANY** delivered only 23% of its committed increases by the end of 2010, with an increase of \$979 million.

Among the G7, Germany also allocated the second lowest proportion of global development increases to sub-Saharan Africa (18%) between 2004 and 2010.

■ **ITALY'S** dismal performance continues to undermine the credibility of collective G7 and EU efforts in sub-Saharan Africa. Its development assistance to the region has declined by \$78 million since 2004. Italy should immediately produce the 'piano di rientro' (recovery plan) promised by President Silvio Berlusconi in 2009.

■ **THE EU** (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 one country, 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.

For all countries, these next five years also fall during a time of unprecedented global austerity. The outlook for development assistance in many donor budgets is bleak, with some countries planning to cut or flatline investments in effective programmes that are now having an impact in the world's poorest countries.

LOOKING FORWARD

CLEAR AND COLLECTIVE COMMITMENTS ARE NEEDED TO ENSURE ACCOUNTABILITY POST-GLENEAGLES

Gleneagles bound together a diverse set of development assistance commitments and established the G8 summit as an annual moment of accountability. There is evidence that this sense of shared responsibility has helped to enforce delivery: the G7 grouping performed better than the EU and DAC in meeting their targets to increase ODA (delivering 61%, as opposed to the EU's 35% and the DAC's 56%) and in prioritising sub-Saharan Africa (directing 43% of increases to the region, as opposed to the EU's 28% and the DAC's 36%).

In a time of austere budgets and competing global priorities, accountability to development commitments is more critical than ever. In the years ahead, collective accountability will be more difficult to enforce without a comprehensive target or an annual global moment to evaluate progress.

One shared pledge that extends beyond 2010 is the EU's commitment to reach 0.7% ODA/GNI by 2015. 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 to focus on 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 focus on poverty alleviation that development assistance has achieved during the past decade.

Commitments by the three non-EU G7 members have expired or have been surpassed early (in the case of Japan). Canada and Japan lack ambitious new commitments, and the US has sectoral targets but no comprehensive plan to increase development assistance to sub-Saharan Africa. A number of donors which are not members of the G8 or EU (such as Australia and South Korea) or which do not report to the DAC (such as China and South Africa) have development assistance commitments as well. Amidst this increasingly diverse and challenging

landscape, it is critical that all development partners embrace the DAC's new recommendation on 'good pledging practice' and ONE's TRACK Principles. The TRACK Principles call for all donor pledges to be Transparent, Results-oriented, clear about the degree of Additionality and Conditionality, and audited by an independent mechanism to ensure that promises are being Kept.

INNOVATIVE FINANCING CAN HELP MOBILISE THE RESOURCES NEEDED TO ACHIEVE THE MDGS

There is a significant resource gap that needs to be filled in order to meet the MDGs, and development assistance flows could be increasingly unpredictable over the next five years. Development partners should pursue new opportunities to leverage innovative financing for development that is additional to their existing development assistance commitments. Innovative financing mechanisms raised an estimated \$57 billion for development between 2000 and 2008 (through both donor funds and local-currency bonds),⁵ using creative approaches ranging from the IFFIm's issuing of bonds to purchase vaccines, using an Advanced Market Commitment to spur the creation of a new pneumococcal vaccine, to mobilising resources from consumers to finance Global Fund programmes (via Product (RED)).

The G8 and G20 should identify opportunities to build on these successes in 2011. There are several innovative financing proposals that could garner support from a majority of G20 countries and raise significant new resources for development. For example, a combination of cutting remittance costs and issuing diaspora bonds could raise an additional \$6.65–\$12.3 billion for sub-Saharan Africa annually, and the proposed Financial Transaction Tax could raise \$128.4 billion if introduced in Europe (though the amount allocated to development would likely be much smaller). Windfall profits from gold sales by the International Monetary Fund could produce \$2.79 billion that could be directed towards low-income countries. Building on successful innovative health mechanisms (including launching a new AMC, expanding debt-for-health swaps and IDA buy-down efforts) could help generate \$7 billion for investments in global health.

The logo for ONE, consisting of the word "ONE" in white capital letters inside a dark grey circle.

IN A TIME OF CONSTRAINED RESOURCES, THE EFFECTIVENESS OF EACH DOLLAR IS EVEN MORE CRITICAL

A lack of updated data hinders a comprehensive assessment of progress towards the commitments made at the 2005 and 2008 High Level Forums on Aid Effectiveness in Paris and Accra. However, the latest available data show that G7 countries lag far behind in meeting their targets. Progress on using country systems and coordinating division of labour to avoid fragmentation has been especially slow. Although G7 donors have nearly met their 2001 commitments to untie aid to Heavily Indebted Poor Countries (HIPC), there is still a considerable amount of tied assistance both in policy and practice. Also concerning is the increasing proportion of loans within ODA (from 8.4% in 2005 to 13.6% in 2009), especially because many low-income countries are still facing unsustainable debt burdens despite large amounts of debt relief provided through HIPC and the Multilateral Debt Relief Initiative (MDRI).

One positive trend is the effort by some donors (notably the UK, US and Canada) to identify the results they intend to achieve through their development investments. These results-oriented commitments are helping to prioritise a focus on impact (instead of inputs) and are encouraging innovative new programme designs to maximise results. These commitments will require the same level of clarity and accountability as ODA pledges, as well as robust monitoring and evaluation that put the citizens of developing countries more in the driving seat of development processes.

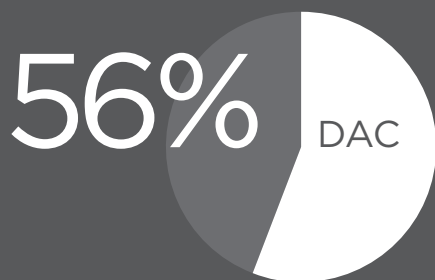
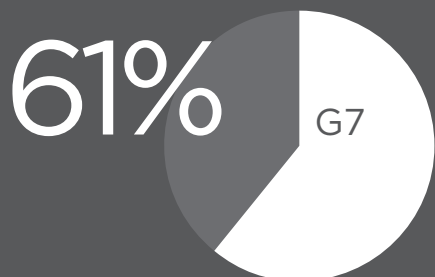
At the Fourth High Level Forum in Busan in November this year, countries should set clear standards for monitoring and evaluating results, and should increase their efforts to pursue greater transparency of development assistance flows and of developing country budgets and statistics. They should also work with non-DAC donors and other actors to ensure broad participation in aid effectiveness standards and commitments.

NEW PARTNERSHIPS MUST BE BUILT ON TRANSPARENCY AND ACCOUNTABILITY

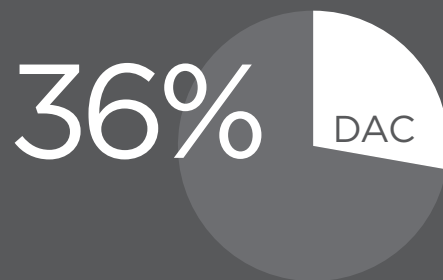
Over the past ten years, Africa's partnerships with the BRICS (Brazil, Russia, India and China), other emerging economies and the private sector have grown tremendously. Though the main impact on Africa will be through increased trade and investment, and changes in global governance standards (such as transparency of extractive industries), the role of emerging economies as donors is becoming increasingly important. Countries such as Brazil, India, China, Saudi Arabia and Russia have been steadily increasing their bilateral aid in recent years, as well as their contributions to multilateral mechanisms and initiatives. Many countries are working to improve their statistical capacity and to build effective aid agencies (specifically through the DAC's Enhanced Engagement initiative).

These burgeoning relationships represent new resources for African countries, as well as opportunities to share knowledge and build a critical new dialogue among countries. Improved transparency and compliance with global development assistance standards will help strengthen and sustain these new partnerships. Non-DAC donors should work with the DAC and other partners to set a timeline to start reporting their ODA figures. Two G20 countries (Saudi Arabia and Turkey) have already started reporting. Non-DAC donors should also work with African countries to establish shared guidelines and objectives for their comprehensive aid, trade and investment partnerships, as well as set clear development commitments and continue to participate in global forums on aid effectiveness.

% OF GLENEAGLES PROMISE DELIVERED BY 2010



% OF GLOBAL ODA INCREASES TO SSA 2004-10



VISIT THE DATA REPORT 2011 ONLINE AT ONE.ORG/DATA FOR ADDITIONAL CONTENT:

- Dynamic, interactive data showing G7 financial commitments to sub-Saharan Africa
- Summary analysis for individual countries' progress
- Full downloadable reports in Adobe Acrobat, including chapters on development assistance, innovative finance, and aid effectiveness
- Blogs, press releases, and media contacts for reposting and reference
- A reference list of acronyms for key terms and institutions when referencing international development
- Graphs and images to use for your blog or article

NOTABLE QUOTES

Jamie Drummond, Executive Director of ONE, on key findings from the DATA report 2011:

“Unfortunately it comes as no surprise that Prime Minister Berlusconi has yet again abjectly failed to deliver on his promises—and we continue to call for Italy to be at least temporarily removed from the G8 for this reason.”

“But it’s worrying that President Sarkozy and France are so far behind in a year when so much is expected of them as hosts of the G8 and G20, and at a time when African development, peace and democracy is at the top of the global agenda.”

“It is also hugely disappointing that Germany—which has weathered the economic storm so well—has performed so badly on its development promises.”

“Germany, Italy, and France must urgently get back on track by setting out clear timetables to meet the promises they made to give 0.7% of their national incomes as overseas aid by 2015. At the same time, non-European G8 countries like the US, Canada and Japan should set new, ambitious commitments for aid to sub-Saharan Africa.”

“We welcome the momentum on innovative finance for development at the G20, even though there are some questions over whether President Sarkozy’s new focus on this area is in part an attempt to divert attention away from France’s failure to meet its fair share of Europe’s aid targets. That is why we are calling for real and measurable progress to be made before the end of 2011.”

“It is also vital that this work does not distract from concrete commitments to increase core aid programmes, such as investments in agriculture to help families feed themselves, and childhood vaccines which can cheaply prevent debilitating or deadly diseases.”

“Taxpayers in donor nations as well as citizens in developing nations are absolutely right to demand clear results from aid flows. So the increased focus on aid quality is hugely welcome, especially as we can now see the amazing results of smarter aid programmes like GAVI and the Global Fund in terms of lives saved and improved health. But there is a mixed performance on aid quality, with all donors needing to up their game.”

“It is also essential that new donors take steps to begin reporting their aid flows to the OECD’s Development Assistance Committee. This will increase transparency and allow the citizens of the recipient countries to keep track of the money their government is receiving.”

ABOUT THE 2011 DATA REPORT

This year's DATA Report is the first in a series of ONE policy publications in 2011. Subsequent reports will focus on transparency and accountability; domestic resource mobilisation; and inclusive, sustainable economic growth.

ONE believes that the founding objective of the DATA Report—to hold donors accountable to their commitments to increase the quality and quantity of their development assistance—remains as critical as ever. This year's report maintains a focus on development assistance commitments, along with sections on improving aid effectiveness and leveraging innovative financing for development.

ABOUT ONE

ONE is a grassroots advocacy and campaigning organization dedicated to the fight against extreme poverty and preventable disease, particularly in Africa.

Backed by more than 2 million people around the world, ONE achieves change through advocacy. We raise public awareness about the crisis of extreme poverty and we press political leaders around the world to support effective programs that are delivering real results measured in lives saved and communities stabilized.

ONE works in close partnership with African leaders, entrepreneurs and activists to support sustainable development and economic growth by Africans, for Africans. We support African efforts to demand greater democracy, accountability and transparency, because we believe good governance and an active civil society are essential to development.

ONE is not a grant-making organization and we do not solicit funding from the general public. As we have always said, at ONE 'we're not asking for your money, we're asking for your voice.'

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