



Wishful Thinking:

The G8 and the Africa Action Plan a year on

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Executive Summary

A year ago the leaders of the G8 countries (Canada, France, Germany, Italy, Japan, Russia, UK and USA) endorsed a plan of action to help Africa. The Africa Action Plan was a statement of their responsibility towards the continent.

While the plan called for reforms and efforts by African governments themselves, the G8 leaders asserted their commitment to addressing humanitarian needs and “the core issues of human dignity and development.”

However, instead of major efforts and long-term engagement by the international community, over the past year we have seen only sporadic efforts to help Africa. Attention has already shifted to Iraq.

On the themes the plan addresses, there has been less action since last year’s G8 summit than there was before. Even the most hopeful development – the first increase in aid to Africa for over a decade – is arguably a result of the earlier Monterrey conference.

All other themes have seen major disappointments. Efforts on peace and security for Africa have been dwarfed by the money and energy going into the Iraq war. The debt relief initiative for heavily indebted poor countries has been rescued in theory but not in practice. G8 leadership on two crucial multilateral initiatives – the education Fast Track Initiative and the Global Fund to Fight Aids, TB and Malaria – has evaporated, with only the US and Italy showing enthusiasm for the Global Fund.

The most astonishing failure, however, is in the area of trade negotiations. Action on the two most important issues for Africa – agriculture and access to cheap drugs for AIDS – has been actively blocked by some European states and the USA respectively. This is the scandal that makes a mockery of last year’s summit resolutions.

Rather than a deepening of the commitment to multilateralism, the last year has seen the world moving towards unilateral actions, or actions by small coalitions. A few countries have made some efforts on Africa at a bilateral level, such as the UK on aid and conflict, France on untying aid, the US on

HIV/AIDS. But these do not represent a collective commitment by the G8 to meet a mutual responsibility.

The signs are that this responsibility is now being shirked. Africa is slipping down the agenda for this year’s summit in Evian. Some G8 countries want to see responsibility for the Africa agenda handed over to the World Bank, or the OECD’s Development Assistance Committee.

What needs to be done

What is needed is not another action plan. What is needed is real progress on the commitments made many times by G8 governments.

ActionAid calls on the G8 governments collectively

- to give a full and accurate account of progress on the Africa Action Plan every year, and
- to institute a mechanism to review performance by G8 countries in responding to the crisis in Africa

ActionAid also calls on the G8 countries collectively and individually to meet its responsibilities by action. The most urgent needs are for:

- France and Germany to drop opposition to reducing the European Union’s agricultural subsidies
- USA to drop opposition to agreement on trade-related intellectual property rights (TRIPS) and drugs, and to untie and continue to increase aid to Africa
- UK to demonstrate commitment to the Global Fund and the Fast Track Initiative, and stop pressing for new issues to be included at the World Trade Organisation ministerial
- Italy to take real steps to increase and untie aid to Africa
- Japan, EU and US to commit to substantially reducing their domestic agricultural support.

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“We want the African people to prosper. It is not charity. It is an investment. But we have to give them a chance to compete.”

Canadian Prime Minister Jean Chrétien, who hosted the G8 summit last year.

“We need, all of us, to move with speed to implement these decisions that have been taken.”

South African president Thabo Mbeki at the G8 summit last year.

Introduction

A year ago in Kananaskis, Canada, the G8 leaders endorsed a plan of action to help Africa. That summit marked the halfway point for the achievement of the Millennium Development Goals, which all governments have signed up to. For Africa, progress towards the MDGs was stalled and way behind schedule. One in three children are malnourished in sub-Saharan Africa; around 30 million people are living with HIV/AIDS and almost half the population on the continent is living on less than US\$1 a day. As the Africa Action Plan (AAP) text put it, “the case for action is compelling”. The plan was a response to what Tony Blair in 2001 called the “scar on the conscience of the world”.

The AAP was at one level a response to a proposal for economic and political change from African leaders themselves – the New Economic Partnership for Africa’s Development (NEPAD). It was also, more importantly, a statement of the responsibility of the G8 countries towards that part of humanity left mired in deep poverty.

The ambition of the plan was that no country in Africa committed to reducing poverty should be allowed to fail from want of support from the leaders of the international community. And while the plan called for reforms and efforts by African governments themselves, the G8 leaders asserted that “as a matter of strong principle, our commitment to respond to situations of humanitarian needs remains universal...so too is our commitment to addressing the core issues of human dignity and development.”

The AAP itself was short on specific commitments. Furthermore, few of the G8 governments are publishing a systematic account of what they are doing to implement the AAP. While the UK is publishing a report and Germany is reporting to its parliament, Italy is not publishing anything, and Russia is producing only an internal report.

However, the AAP did lay out eight priority areas where progress was needed: peace and security; aid effectiveness; fostering trade and economic growth; debt relief; promoting education; confronting HIV/AIDS, increasing agricultural productivity; and improving water provision.

In these areas of the action plan there is a need for major and long-term engagement. Instead we have seen only sporadic efforts over the past year, and now Iraq is pushing Africa off the agenda.

This report recalls the main commitments of the AAP and examines what, if anything, the G8 nations have done in the intervening year to fulfil their responsibility towards Africa. Its structure broadly follows that of the action plan, though not point-for-point.

Table 1
Components of the G8’s Africa Action Plan

1	promoting peace and security
2	strengthening institutions and governance
3	fostering trade, investment, economic growth and sustainable development
4	implementing debt relief
5	expanding knowledge: improving and promoting education and expanding digital opportunities
6	improving health and confronting HIV/AIDS
7	increasing agricultural productivity
8	improving water resource management

On Aid:

What the G8 Africa Action Plan said:

- By 2006, aid will increase by US\$12 billion per year – reaffirming the Monterrey commitment. Up to half of the new aid could go to African nations that govern justly, invest in their own people and promote economic freedom.
- Aid to the Least Developed Countries to be untied as recommended by the OECD Development Assistance Committee (DAC).

What G8 countries have done:

Table 2

G7 aid as a proportion of national income

	2001	2002
Canada	0.22	0.28
France	0.32	0.36
Germany	0.27	0.27
Italy	0.15	0.20
Japan	0.23	0.23
UK	0.32	0.30
USA	0.11	0.12
Average	0.23	0.25

Source OECD/DAC 2003

Canada has increased aid by 31% since 2001, with at least half promised to Africa, and a further commitment made to double aid by 2010. In June 2002, the Canada Fund for Africa was established with US\$360 million specifically to fund HIV/AIDS, peace and security and good governance. Canada also reiterated her commitment to untying aid in New Canadian Initiatives for Africa.

The **European Commission**, despite prioritising Eastern Europe since the fall of the Berlin Wall, remains the single biggest donor to Africa, with its

current allocation fixed until 2007. In November 2002, the Commission adopted a proposal to substantially untie community aid and recommended member states to follow suit.

France increased aid by 15.3% in 2002. The percentage of increase going to Africa is not known but France does allocate a significant amount to Africa: in 2000-2001, US\$1.5 billion (35%) went to sub-Saharan Africa. Even so, there has been a nearly 5% decrease in aid given to sub-Saharan Africa since 1990. However, France is committed to give 0.5% of GNI by 2007 and 0.7% by 2012.

By February 2002, before the G8 launched their Africa Action Plan, France had already taken some steps to untie its aid: all project aid and technical co-operation was untied to all countries (prior to this 66.6% was untied and 24.3% partially untied – excluding technical assistance which, in 2001, made up nearly 32% of all French aid).

Germany only gave a tiny increase of 0.4% in aid between 2001 and 2002 (aid represents 0.27% of GNI). What proportion of that increase went to Africa is not known but US\$1.15 billion was promised to Africa in 2002/2003 of which US\$126 million will directly support NEPAD. There were no new initiatives for increasing aid nor was aid untied.

According to figures released at the DAC meeting of April 2003, **Italy** increased its aid by 31% in 2002. Much of this, however, was debt relief. Half of Italian aid already goes to Africa.

The repeated pledge to meet the 0.33% of GNI target by 2006 would require an additional US\$4.6 billion on top of the present spending of US\$1.9 billion. Italy is committed to the OECD recommendations on untying aid and, “consequently, as of January 2002, all Italian ODA is untied”. Nevertheless, Italy continues to seek a return for Italian business on its aid ‘investment’.

Japan's aid remained almost static between 2001 and 2002, at 0.23% of GNI. There have been no new initiatives to increase or untie aid.

The **Russian Federation** made no additional aid commitments.

The **United Kingdom** pledged an extra US\$2.4 billion in July 2002, to increase total aid from US\$5.4 to 7.8 billion a year (or 0.4% of GNI) by 2006. The UK also stated it would increase bilateral support to sub-Saharan Africa to US\$1.6 billion per annum by 2006 (in real terms an increase of 30-40%). Aid was untied in April 2001 (before the G8 AAP) but information as to its impact is not so far available.

In January 2003, the UK Treasury proposed the establishment of the International Finance Facility (IFF) – a temporary facility which would increase global aid with immediate effect by 'borrowing from the future' (ie borrowing from the private sector against future governmental aid payments) – and the idea is being vigorously marketed by the UK government both inside and outside the G8.

The **United States** announced the Millennium Challenge Account (MCA) at the Monterrey Financing for Development Conference in early 2002. The MCA will distribute up to US\$5 billion over five years to countries that meet strict criteria for good governance, sound macroeconomic policies, and policies supporting economic freedom. It is not clear, however, what proportion of this new aid package will go to Africa. Total US aid to Africa in 2003 shows an increase over the previous year of US\$112.8 million and, for the first time exceeds US\$1 billion.

There have been no discernible efforts to untie aid in accordance with the DAC agreement. Rather, tied aid remains part of official policy.

What ActionAid says:

Several G8 countries – notably Canada, France, Italy, the UK and USA – increased their aid to Africa in 2002-2003. This is part of a wider change, as 2002 saw a 5% increase in total aid from OECD countries, the first increase following a decade of decline in aid flows. France and the EC also followed the UK's lead in making significant moves towards untying their aid.

While welcome, these changes need to be put into proportion. Most countries had already announced aid increases before the G8 summit, at the Monterrey Financing for Development Conference in March. Even with the increases, average aid as a proportion of national income in G7 countries was still only 0.25% in 2002, way down from the 1960s, and even further from the UN target of 0.7%, which was reiterated at Monterrey. Monterrey also established a shortfall of approximately US\$50 billion a year in resources needed to meet the Millennium Development Goals, with an estimate of US\$20-25 billion a year needed for Africa. In this light, the most significant development is the proposal from the UK Chancellor, Gordon Brown, for an International Finance Facility to bring forward sufficient resources to meet the Monterrey aspirations. Finally, while the moves in Europe to untie aid are important, there is an urgent need for the other big players, the USA and Japan, to follow suit.

On Peace and Security:

What the G8 Africa Action Plan said:

- More support will be given to bring, and maintain, peace in the Democratic Republic of Congo, Sudan, Angola and Sierra Leone within 2003.
- Technical and financial assistance, as well as diplomatic pressure, will be given to develop African peace-keeping initiatives, stop illegal arms trading and exploitation – legal and illegal – of natural resources.

What G8 countries have done:

Table 3

Personnel committed as peace keepers, military observers, civilian police etc.

	Total	Additional since AAP
Canada	26	0
France	35	0
Germany	16	16
Japan	0	0
Russia	191	12

Canada committed US\$2.9 million from the Canada Fund for Africa to strengthen the African Union’s conflict resolution mechanisms, and a further US\$1.62 million (to be given over three years) to the Sierra Leone Special Court. Diplomatically, Canada supported the peace process in Sudan and the Democratic Republic of Congo.

The **European Commission** funded peace and security efforts in Burundi, Côte d’Ivoire, DRC, Sudan and Somalia, and pledged US\$14 million in April 2003 to back peace initiatives by the newly formed African Union, at the same time announcing support to rebuild Sudan.

France was involved in diplomatic peace efforts in Côte d’Ivoire, Angola and the Democratic Republic of Congo, as well as continuing to contribute personnel to various UN peacekeeping missions since June 2002.

Germany only supports the UN peacekeeping mission in Sierra Leone.

Italy feels that maintenance of peace and security rests primarily with the African countries but has taken part in UN peace missions in Eritrea and Congo as well as being involved in peace negotiations in Sudan.

Japan gave US\$3.09 million to the UN Fund for Human Security to help reintegration of former soldiers in Sierra Leone. It has commissioned a study into possible support from Japan to Angola. No contribution, either diplomatic or in personnel, was made to peacekeeping missions.

The **Russian Federation** was a member of the Troika of Angolan Settlement Observer Countries during the end of armed conflict in Angola in November 2002. Russia has offered training for UN military observers and civilian policemen.

The **United Kingdom** made specific commitments in the UK Implementation Plan on continuing support for African-led peace negotiations for the DRC, Sudan and Angola. The UK added to diplomatic pressure prior to a ceasefire agreement signed in Burundi at the end of 2002. This broke down, but there have very recently been renewed moves towards peace. Financial support was given for other activities including the African Union observer mission, and the UK has continued to lead on establishing long-term capacity for an African peacekeeping force. The UK held an international conference with over 60 countries on arms export controls with the objective of agreeing international criteria governing arms exports. The USA and Russia have been sceptical of the value of such international controls.

The **United States** supplemented its existing initiative to build an African peacebuilding force of 12,000 soldiers, with an African Contingency Operation Training and Assistance (ACOTA) established in late July 2002. ACOTA focuses not just on training soldiers but also on developing African peacekeeping trainers, and has begun training of troops from Ghana and Senegal with possible expansion to South Africa and Nigeria. The budget for ACOTA is around US\$10-15 million a year. Other US funding for conflict prevention and democracy work is set to increase substantially in 2003 to US\$68 million.

What ActionAid says:

The G8 countries have made some efforts to resolve the long standing and very bloody conflicts in Africa, although more central roles have been taken by governments in the continent, such as South Africa. With Angola already moving towards peace in 2002, the main problems were Sudan, DRC and Burundi, with conflict erupting since the AAP in Côte d'Ivoire. In addition to support to African Union capacity and some diplomatic engagement, the G8 countries are also involved in wider anti-conflict activities, through the UN and the Kimberley Process initiative on conflict diamonds.

Outcomes on the ground, however, have been mixed. Angola remains peaceful. Sudan's peace talks grind on without resolution while conflict continues there and in northern Uganda. In DRC the fragile Pretoria Agreement process moves forward slowly, but instability in eastern DRC remains at high levels.

Civil war has broken out in Côte d'Ivoire. Parts of Africa are still awash with small arms and prospects of international control still remain elusive, with resistance to multilateral efforts coming from Russia and the US.

Of course, ending conflicts is not simple, and there is no direct relationship between diplomatic effort and peaceful outcomes. However, what is clear is that engagement must be major and sustained for progress to be made. While the AAP should have made 2002-03 the year that the spotlight was on Africa, in fact it is clear that foreign policy priorities have once again been elsewhere as the USA and the UK have shifted the world's attention to Iraq. Having been in fashion for a brief time, Africa looks to be slipping off the G8 agenda again already.

On Debt Relief:

What the G8 Africa Action Plan said:

We will fund our share of the shortfall in the Heavily Indebted Poor Countries (HIPC) Initiative, recognising that this will be up to US\$1 billion.

What G8 countries have done:

By October 2002, the shortfall was calculated to be US\$850 million and pledges to that total had been made by 18 OECD countries (almost US\$600 million of it from G8 countries – the biggest amounts from the **USA, UK** and **Germany**). However, by the end of January 2003, only US\$39 million had actually been paid into the HIPC Trust Fund – none of it from G8 countries.

Table 4

G8 Donor Pledges to the HIPC Trust Fund, October 2002:
Status as of end of January 2003

	Indicated (nominal amounts in millions of US\$)	Paid-in
USA	150	-
Japan	56	-
Germany	98	-
UK	120	-
France	68	-
Italy	60	-
Canada	44	-
Russia	N/A	N/A
Total G8	596	0

Source International Development Association, please see www.worldbank.com for full explanatory notes.

In addition, the **European Commission** is considering a new contribution but, as this would be drawn from European Development Funds, the consent of the African Caribbean and Pacific (ACP) group of countries is needed and it is being drawn from an aid budget. **Italy** has also stated that, in view of the significant bilateral element, all HIPC countries, in line with International Financial Institution prescriptions, can expect to get 100% cancellation of debts.

And **Japan** from April 2003 will forgive debts owed to the Japan Bank for International Co-operation instead of providing grant aid for debt relief. The **United States** also proposes 100% U.S. bilateral debt reduction for the Democratic Republic of the Congo (at a cost of US\$300 million), which is expected to qualify for debt relief under the HIPC initiative in 2003.

What ActionAid says:

One of the few specific commitments made in the AAP by G8 leaders at Kananaskis was to bail out the inadequate but already leaky HIPC plan for debt relief, adrift by US\$1 billion because of falling commodity prices. The failure of G8 countries to match their pledges by action is highly disappointing. Even with its expansion in 1999, the HIPC Initiative on debt relief was entirely inadequate for supporting poverty eradication goals. Especially with the massive burden imposed by the AIDS epidemic, debt remains a deep problem for African economies.

On Education:

What the G8 Africa Action Plan said:

- Endorsed the Fast Track Initiative (FTI) to help, initially, eighteen countries advance towards education for all, and committed to a 'substantial increase' in aid for education

What G8 countries have done:

Canada pledged in November 2002 to double funding of basic education in Africa – to US\$72 million per year by 2005. This new funding is additional – from new and existing resources additional to the Canada Fund for Africa. Canada has committed additional funding to the FTI. It also committed US\$5 million over five years to the UNESCO Institute of Statistics.

The **European Commission** gave no significant increase in aid to education despite a call from the European Parliament in the 2001 budget to double its aid, but it is currently undergoing an exercise in the Africa, Caribbean and Pacific group of countries whereby dormant commitments (ie, money committed but never disbursed) would be identified and reallocated to the education sector in fast track countries.

France committed to additional funding for Niger and Burkina Faso. French bilateral debt cancellation under the HIPC initiative is being repackaged as FTI money in Guinea and Mauritania.

Germany promised additional funding (unspecified), while the **Russian Federation** promised nothing.

Italy confirmed participation in the Fast Track Initiative, and more recently has indicated that it will channel additional resources into Fast Track countries' sector plans. **Japan** launched the Basic Education for Growth Initiative (BEGIN) in June 2002, and stated that US\$2 billion of aid will be given to the education sector from 2002 to 2007. However, most of this will not be spent in Africa, and much of it is tied.

The **United Kingdom** made no specific commitment to financing the FTI, apart from providing ongoing programme and budget support to Fast Track countries where it already has a presence.

The **United States** has made no commitment to the FTI, concentrating rather on its five-year Africa Education Initiative, launched by President Bush in 2002, and other bilateral USAID-funded programmes.

What ActionAid says:

Earlier in 2002, before the G8 AAP appeared, major donors had approved a "Fast Track Initiative" for education at the Spring Meetings of the World Bank and IMF. The aim was to get the world's poorest countries on track towards the goal of getting every child into school by 2015. Of all continents, Africa is furthest from this goal. However, a year on, initial progress on the FTI risks being jeopardised by donor inaction. Ten countries have already come forward with carefully designed national plans, and eight more plans are expected by November 2003. Yet the donors have failed to respond with the resources needed to kick start the process. While approximately US\$800m is needed for the first ten plans, new pledges from Canada, France, Germany, the Netherlands and Norway amount to less than US\$300m over the next three years. Overall, G8 countries are committing a dismal US\$270m a year to basic education in Africa – less than the cost of holding the last G8 summit in Kananaskis – and less than 15% of the US\$2.1bn in additional aid the World Bank estimates is needed annually to reach the 2015 education goal in the region. The most recent meeting of the World Bank and IMF in April 2003 saw no further concrete movement. Education is one of the most basic development rights, and everyone agrees on its importance. But the G8 AAP has contributed virtually nothing towards education for all Africans.

On Health and HIV/AIDS:

What the G8 Africa Action Plan said:

- Will promote availability of an adequate supply of affordable life-saving medicines
- Continuing support for the Global Fund to Fight AIDS, Tuberculosis and Malaria
- Will provide sufficient resources to eliminate polio by 2005

What G8 countries have done:

Canada offered an extra US\$36 million for polio eradication at Kananaskis. Canada also paid US\$25 million to the Global Fund in 2002, pledged US\$25 million for 2003 (not yet paid in) and the same amount again for 2004. It is not clear if any of these payments/pledges are funded by the Canada Fund for Africa.

The **European Commission** spent US\$43 million on polio eradication efforts in Nigeria which, together with India, accounted for over 90% of confirmed cases in 2002. There were no plans to increase resources in 2003/4. The Commission also tabled a proposal on mandatory (rather than voluntary as proposed by the UK) differential pharmaceutical pricing and contributed US\$69 million from the 2002 budget to the Global Fund and US\$69 million from the European Development Fund (EDF). It plans a further contribution of US\$40 million from the 2003 budget plus more (unspecified) from the EDF.

France gave nothing extra for polio eradication but paid US\$53.8 million to the Global Fund annually in 2002 and 2003, and pledged the same again for 2004. It also proposed a Global Fund pledging conference for mid-2003.

Germany pledged, in 2002, approximately US\$8.3 million to polio eradication for the period 2002-2005. And it paid US\$12 million in 2002 to the Global Fund, and pledged US\$35 million in 2003 – not yet paid. A further US\$167.4 million has been pledged but without a timetable.

Italy paid US\$108.6 million to the Global Fund for 2001-2 (the highest contribution in Europe) and pledged a further US\$ 100 million for 2003, as yet not disbursed.

Japan pledged approximately US\$80.6 million in 2002 towards polio eradication for 2002-2005, and paid US\$80 million to the Global Fund in 2002, with a further US\$60 million pledged per year for 2003 and 2004, but not yet paid.

The **Russian Federation** gave nothing towards polio eradication but paid US\$1 million in 2002 to the Global Fund, with US\$4 million pledged for 2003 (US\$3 million of that not yet paid) and a further US\$5 million pledged per year for 2004, 2005 and 2006.

The **United Kingdom** recommended a voluntary approach to the pricing of medicines for HIV/AIDS, TB and malaria, applicable in sub-Saharan Africa and in all the least developed countries (LDCs). In 2001 the UK committed US\$200 million to the Global Fund over five years. It has paid instalments due to date but has made no further commitment. At Kananaskis the UK committed US\$25 million for polio eradication.

The **United States** was the only country out of 144 to block an agreement that would have allowed the LDCs to import generic medicines, wanting to restrict the agreement to a narrow range of diseases.

So far, US monies paid to the Global Fund since 2001 amount to US\$275 million, with another US\$350 million pledged for 2003. In January 2003, President Bush asked Congress to approve a further US\$15 billion (over five years, to help address the three diseases globally between now and 2008), of which US\$1 billion would be committed to the Global Fund.

What ActionAid says:

Africa's overwhelming health problems are HIV/AIDS and malaria. Two areas of action are urgently needed by the international community. The first is ensuring that life-saving medicines, including anti-retrovirals (ARVs), are available at affordable prices to African countries. The second is supporting AIDS education and care within communities, which is supposed to come through the Global Fund. On both counts, progress since last year's summit has been glacially slow.

A decision was expected by the end of 2002 from the World Trade Organisation TRIPS (trade related aspects of intellectual property rights) Council on access to essential medicines for poor countries lacking the capacity to manufacture their own drugs. This deadline came and went without agreement, as did the WTO General Council meeting in March 2003. With the WTO dominated by the major powers, decisions effectively lie in G8 hands, and in this case failure to get agreement is entirely due to US intransigence. With GlaxoSmithKline announcing a price cut for least developed countries for its main ARV in early May 2003, it looks as if the pharmaceutical companies will act before the G8 governments do.

Meanwhile the main multilateral aid mechanism for health – the Global Fund to fight AIDS, TB and Malaria – is also stalled. Against estimated total needs of US\$11-15 billion a year for AIDS alone (UNAIDS), the Global Fund is hopelessly underfinanced. To date, the Global Fund has approved two rounds of proposals from over 85 countries with a total commitment of US\$1.5 billion – 60% of that to Africa. A call is out for a third round of proposals, to be submitted by the end of May 2003. The Global Fund estimates it will need a further US\$1.6 billion by October 2003. So far it has only received pledges for US\$200 million. The USA has been the major contributor to the fund, with the UK distinctly lukewarm; the only country that has met the contribution income targets is Italy. Crucially, given its original aims, the Fund has also failed to leverage any substantial money from the private sector.

G8 countries do, of course, also support efforts to fight HIV and care for people with AIDS through bilateral aid programmes. However, as recent ActionAid research shows, even progressive donors such as the UK's Department for International Development find it difficult to monitor and assess the level of resources going to HIV/AIDS.

On Water:

What the G8 Africa Action Plan said:

- Will give technical assistance to improve access to clean drinking water and sanitation projects.

What G8 countries have done:

Canada gave US\$36 million to improve water management and access to water and sanitation through the Global Water Partnership (it is not clear if this is funded by the Canada Fund for Africa).

The **European Commission** launched a European Union Water Fund for ACP countries in April 2002, which aims to finance sustainable water projects and activities in ACP countries as well as promoting initiatives, providing information, and building research and management capacity in ACP countries.

Italy supports the goals adopted at the World Summit on Sustainable Development (WSSD) in Johannesburg in September 2002, though no actual assistance was identified, nor was there any from **France, Germany, Japan, the United Kingdom** or the **Russian Federation**.

The **United States** announced a new USAID West Africa Water Initiative in August 2002. A US\$41 million public-private partnership between USAID and the Conrad N. Hilton Foundation, this will provide potable water and sanitation to rural villages in Ghana, Mali and Niger. USAID continues to support the Retail Water Development Project (RWDP) in South Africa, which gives training and technical assistance to improve access to cleaner, safer and abundant water.

What ActionAid says:

Basic water needs remain huge in Africa; provision of clean water and improved sanitation remains limited to relatively few people in towns and cities. Little new action has been taken in this area since last year's summit.

The big new idea in water provision was highlighted in the World Summit for Sustainable Development in September 2002 in Johannesburg. This summit hailed the prospect of public-private partnerships in the water sector radically expanding coverage and quality. The French, with one of the world's leading private water industries, have been enthusiastic about these developments. Moreover, leaked documents from the WTO negotiations on the General Agreement on Trade in Services shows that the EU is keen for various developing countries to open their water service sectors to international competition.

However, the rush of excitement following WSSD has worn off, and it is increasingly being recognised that in most African countries, private provision will only be able to meet a small part of total needs.

On Trade:

What the G8 Africa Action Plan said:

- Will provide greater market access for African products particularly through reduction of export subsidies and trade-distorting domestic support.

What G8 countries have done:

Canada stated that from 1 January 2003 it would extend duty-free and quota-free access to all imports “except dairy products, poultry and eggs” from 48 least developed countries, of which 34 are in Africa. Progress on dairy products, poultry and eggs is dependent on WTO negotiations.

The **European Union** presented new proposals to the WTO on 27 January 2003 on terms for agricultural negotiations – but in effect these will still allow producers to sell at less than the cost of production and for exporters to dump low-priced products on to the world market, particularly developing countries. The European Commission has however proposed more radical reform to subsidies under the ‘Mid Term Review’ of the EU’s Common Agricultural Policy (CAP). The proposals have been opposed by a number of EU members (including France, Germany and Italy) and latest indications are that the proposals will be watered down.

France gave US\$1.2 million in 2002 to the WTO Doha Trust Fund to assist African countries with participating in the WTO agenda. France launched a new initiative on agriculture at the France-African Summit in February 2003. This included three proposals on which France wants the other G8 countries to open discussions:

- a** moratorium on export subsidies to Africa during the lifetime of WTO negotiations
- b** defend preferential treatment for Africa
- c** increase in prices for raw materials.

Germany pledged an additional US\$1.15 million to the WTO Doha Trust Fund in December 2002 because “trade-related capacity building is, in the view of Germany, an effective means for economic progress of developing countries.”

Japan made an examination of duty-free and quota-free treatment of LDC products in June 2002, with a view to allowing more LDC products to enter Japan without duty and quota restrictions from April 2003.

The **United Kingdom** has made pledges in the Implementation Plan. While there have been no tangible outcomes, it has supported radical CAP reform.

Italy has taken no actions.

The **Russian Federation** abolished customs duties and lifted quantitative restrictions on imports from LDCs, also renounced enquiries for the purpose of anti-dumping, compensation or special protective measures in imports from LDCs.

The **United States** has explored a bilateral free trade agreement with Morocco and a regional free trade agreement with the Southern African Customs Union which, if implemented, would demonstrate a commitment to reducing trade barriers. While the United States has discussed the trade proposal for agriculture in the WTO, showing an apparent effort to try to eliminate agriculture trade barriers, the US Farm Bill, which increases subsidies and other farm aid to US farmers by more than US\$170 billion over the next decade, is seen by the international community as a “step backwards” in agricultural reform.

On Trade:

What ActionAid says:

The central issue here was ensuring greater market access for African countries to Western markets, including phasing out of agricultural export subsidies and substantial reductions in trade-distorting domestic support (see Farmgate, ActionAid 2002, for a full analysis). The central mechanism was the Doha “development round” of trade talks at the WTO initiated in November 2001. However, these talks are now completely stalled. Agreement on market access and on agricultural subsidies was scheduled for the end of March 2003. This deadline has been missed, with the EU and Japan in particular being responsible for stalling progress. Negotiations are not likely to make any further progress until the WTO’s Ministerial Meeting in Cancun, Mexico in September 2003.

France is proposing a special trade deal for Africa outside of the Doha framework, but this would not end the dumping of subsidised products such as wheat and maize into African markets. Meanwhile the EU (with the UK as a key demandeur) seems set to make matters even worse, as it remains determined to overload a troubled agenda yet further by insisting on starting negotiations on new issues, such as investment and competition.

Conclusions

More plan than action

The Africa Action Plan has produced very little action, and made very little difference to ordinary Africans. All the major developments in the areas it addresses happened before the Plan was launched at last year's G8 summit, and many of them have actually stalled since. Even the most hopeful area – the first increase in aid going to Africa for over a decade – is arguably a result of the earlier Monterrey conference on Financing for Development held in March 2002.

All other areas have seen major disappointments. What efforts there have been on peace and security for Africa have been dwarfed by the money and energy going into the Iraq war, and getting sustainable peace in major African conflicts will require far more serious engagement by G8 countries. On debt relief, the entirely inadequate HIPC Initiative has been (almost) rescued in theory but in not in practice. Having set up the multilateral mechanisms of the education Fast Track Initiative and the Global Fund to fight AIDS, TB and Malaria – both areas central for Africa – G8 leadership is now largely lacking (with only the USA and Italy showing enthusiasm for the Global Fund).

The most astonishing failure to take action for Africa, however, is in the area of trade negotiations, with the two most important issues for Africa – agriculture and access to cheap drugs for AIDS – actively blocked by some European states and the USA respectively. This is the scandal that makes a mockery of last year's summit resolutions.

Wishful thinking by a disinterested G8

The Africa Action Plan shows many signs of wishful thinking on the part of the G8 countries, imagining that the problems of the continent could be solved through a brief period in the spotlight, a cosy chat with African leaders and a media flourish. But beneath the language of commitment, all the signs are that the G8 leaders are set to abandon the people of Africa once again.

In many of the areas of the Africa Action Plan, the G8 has led in setting up multilateral mechanisms or funds. But rather than a deepening of the commitment to multilateralism, the last year has seen the world moving towards unilateral actions, or actions by small coalitions. A few countries have made some efforts on Africa at a bilateral level, such as the UK on aid and conflict, France on untying aid, Italy on debt, the USA on HIV/AIDS. But these do not represent a collective commitment by the G8 to meet a mutual responsibility.

Most tellingly, the signs are that that responsibility is now being shirked. Africa is slipping down the agenda for this year's summit in Evian. Instead of a full day, Africa will now get just a half a day's discussion, to make way for Iraq. Some G8 countries want to see responsibility for the Africa agenda handed over to the World Bank, or the OECD's Development Assistance Committee.

And of course the big contrast is between the effort towards Africa, and the resources committed to Iraq. Iraq has been the major preoccupation in foreign policy terms not just for the USA and Britain, but also for France, Germany and Russia. While the G8 could barely scrape together pledges of half a billion dollars for debt relief, the USA and the UK spent US\$23 billion in four weeks of war.

What needs to be done

Africa remains as much a "scar on the conscience of the world" as it was this time last year. Yet what is needed is not another action plan. What is needed is real progress on the commitments made many times by G8 governments in the past.

And progress needs to be measured. ActionAid found that the G8 countries have made no proactive efforts collectively to report publicly on their progress on the AAP. That is why we have published this report. But this should not have to happen.

ActionAid calls on the G8 governments collectively

- to give a full and accurate account of progress on the Africa Action Plan every year, and
- to institute a mechanism to review performance by G8 countries in responding to the crisis in Africa

ActionAid also calls on the G8 countries collectively and individually to meet its responsibilities by action. The most urgent needs are for:

- France and Germany to drop opposition to reducing the European Union's agricultural subsidies
- USA to drop opposition to agreement on trade-related intellectual property rights (TRIPS) and drugs, and to untie and continue to increase aid to Africa
- UK to demonstrate commitment to the Global Fund and the Fast Track Initiative, and stop pressing for new issues to be included at the World Trade Organisation ministerial
- Italy to take real steps to increase and untie aid to Africa
- Japan, EU and US to commit to substantially reducing their domestic agricultural support.

G8 High points and low points

Canada

High point increased aid by 31% and allocated half of extra to Africa

Low point has not delivered its pledge to the HIPC Trust Fund

France

High point gives the highest proportion of GNI as aid (0.36%), of all G8 countries

Low point obstructive role in reducing EU agricultural support

Germany

High point world's third largest aid donor in volume terms

Low point obstructive role in reducing EU agricultural support

Italy

High point only country in 2003 to have given its fair share to the Global Fund

Low point claimed increase in aid volumes is mostly the result of debt relief agreements

Japan

High point world's second largest aid donor in volume terms

Low point high domestic support to agriculture

The Russian Federation

High point only country to lift customs duties and quantitative restrictions on imports from LDCs

Low point no new aid pledged or given

The United Kingdom

High point major peacekeeping role in Sierra Leone and diplomatic efforts on Sudan, DRC and Burundi and proposer of IFF

Low point lukewarm on education Fast Track Initiative and the Global Fund

The United States

High point major contributor to the Global Fund and peacekeeping training

Low point only country to block agreement that would have allowed the least developed countries to import generic medicines

The ActionAid Alliance is a network of non-governmental development organisations working together to promote structural changes to eradicate injustice and poverty in the world. ActionAid Alliance's members are ActionAid (UK), ActionAid Hellas (Greece), ActionAid Ireland (Ireland), Aide et Action (France), Ayuda en Acción (Spain) and Azione Aiuto (Italy). ActionAid Alliance's members have the regular and active support of more than 600,000 European Union citizens, and its programmes reach over 9 million people in more than 40 countries in Africa, Asia, Latin America and the Caribbean.

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Notes

- 1** The Group of Seven largest economies in the world – the USA, Japan, Germany, UK, France, Italy and Canada, in descending order – is an informal grouping whose leaders come together annually to discuss issues of shared interest. In addition, G7 finance ministers meet three times a year on a different calendar. In recent years Russia has joined the group for some of its discussions (it does not participate in the finance ministers' meetings), creating a G8. When Russia sits at the table, it is also joined by the European Commission, which has an ambiguous 'half member' status. There is no G8 institution. The annual leaders' summit is hosted and organised by the rotating chair of the group, which switches at the beginning of the calendar year. The chair for 2003 is France.
- 2** Money amounts have been converted to US dollars and rounded, using rates prevailing in May 2003. One US dollar is roughly equivalent to 0.87 euro, 0.62 UK pounds, 1.39 Canadian dollars, or 5.68 French francs. Francs are assumed to have been converted to euros in January 2002.



Cover Photo: Laurence Watts, ActionAid
P1395/05/03