

DEVELOPMENT ASSISTANCE

INCREASED DEVELOPMENT ASSISTANCE

PARAGRAPH 25: 'A substantial increase in official development assistance, in addition to other resources, is required in order to achieve the internationally agreed development goals and objectives, including those contained in the Millennium Declaration (the Millennium Goals) by 2015, as we agreed at Monterrey in 2002. Fulfilling this commitment is needed in order to consolidate and build on recent progress in Africa, to stimulate the growth that will increase other resources and to enable African and other poor countries over time to reduce their aid dependency.'

PARAGRAPH 27: 'The commitments of the G8 and other donors will lead to an increase in official development assistance to Africa of \$25 billion a year by 2010, more than doubling aid to Africa compared to 2004'

INNOVATIVE FINANCING

ANNEX II: 'A group of the countries above firmly believe that innovative financing mechanisms can help deliver and bring forward the financing needed to achieve the Millennium Development Goals. They will continue to consider the International Financing Facility (IFF), a pilot IFF for immunisation and a solidarity contribution on plane tickets to finance development projects, in particular in the health sector, and to finance the IFF. A working group will consider the implementation of these mechanisms.'

IMPROVED QUALITY OF ASSISTANCE

PARAGRAPH 32: 'We need to support sound development strategies with better aid, to ensure it is used most effectively. We will implement and be monitored on all commitments we made in the Paris Declaration on aid effectiveness, including enhancing efforts to untie aid; disbursing aid in a timely and predictable fashion, through partner country systems where possible; increasing harmonisation and donor co-ordination, including through more programme-based approaches.'

UPDATING THE COMMITMENT

At St. Petersburg in 2006, in the G8 Summit Update on Africa (16 July 2006), the G8 made no new commitments on the volume of development assistance, but reiterated their 2005 commitments and provided a status report on delivery. DATA believes that this annual status report on G8 promises and the Millennium Development Goals should be a standing feature of G8 summits until 2015.

The 2006 Communiqué noted that G8 donors were 'working hard to deliver on our substantial aid commitments which, with those of other donors, will lead to an increase in Official Development Assistance (ODA) to Africa of \$25 billion a year by 2010, out of an OECD estimated \$50 billion worldwide aid.'

It also included information regarding progress against their goals: "The OECD estimates that ODA from Development Assistance Committee members rose 31% to \$107 billion in 2005, 75% of which was from G8 members. Recognising that private resources dwarf public flows and can have a considerable positive impact on development, we are taking steps to help African countries to mobilise the full range of development finance, as agreed in the Monterrey Consensus. ...We are working on the implementation of the March 2005 Paris Declaration on Aid Effectiveness to ensure delivery of effective and efficient aid resources to Africa and other developing countries and have started to conduct a survey on monitoring the implementation of the Paris Declaration.' ¹

In addition, the generalised commitment to progress on innovative finance made in 2005 was given more specificity in 2006. Canada, the UK and Italy announced themselves ready to support the Advanced Market Commitment on new vaccines; France announced its launch of an air ticket solidarity levy to finance the UNITAID drug-purchase facility; and France, Italy and the UK announced specific commitments to IFFIm.

INTERPRETING THE COMMITMENT

The commitment at the G8 summit in 2005 was twofold:

- First, the G8 committed, in collaboration with other DAC donors, to mobilise an additional \$25 billion in

development assistance for sub-Saharan Africa by 2010, compared with 2004.²

- Second, the G8 committed to work with African governments towards specific development outcome goals in areas such as health, education, water and sanitation, peace, governance and capacity to trade – the achievement of which is impossible without increased G8 financing.³

The G8 recognised that the increases its members were pledging would cover only part of the additional resources required to meet the Millennium Development Goals and other objectives identified during 2005, including those highlighted by the Commission for Africa. While other commitments, such as those on trade and governance, will allow increased domestic revenues in African countries to finance progress, the development assistance commitment is still a necessary and indispensable condition for the specific development outcome goals to be met.⁴

This report takes as a starting point the assumption that all of the \$25 billion pledged by the G8 will be real new money: the outcome targets cannot be met without it. The three billion people who watched Live 8 and the 125 million who took action through the Global Call to Action Against Poverty also thought that doubling aid to Africa meant substantially increased real new money for priorities such as education and tackling HIV/AIDS and malaria.

This chapter aims to monitor whether G8 members are on track with the pledges they made on development assistance resources. To do that effectively, DATA has excluded all debt relief in its measures of progress on the development assistance commitment.

Debt cancellation is immensely valuable and is fully acknowledged as such in the debt chapter of this report. However, the rules for counting debt relief as development assistance overstate both the value of the debt relief and what the donor has to pay to provide it. More importantly, by 2010, it is very unlikely that any sub-Saharan African countries will be benefiting from debt cancellation, certainly not on the scale of the HIPC Initiative and the

Nigerian debt deal, and so G8 and other donors need to make budgetary provision for aid increases without debt relief in order to meet their targets in 2010.

In the absence of information from donors on what it costs them to provide debt cancellation,⁵ DATA is measuring all progress on the aid promise excluding debt relief, so that there is no risk of obscuring the real underlying aid figures (for more detail, see Interpreting the Targets box on page 35).

HOW AMBITIOUS WAS THE G8 PROMISE?

In 2005, the G8 stated that the combined effect of their commitments and those of other DAC members would be to provide an additional \$25 billion for sub-Saharan Africa, out of an estimated \$50 billion increase in official development assistance (ODA) globally.

Below this collective vision for aid in 2010, each country individually set its own target, reflecting widely different levels of ambition. Some promises were based on making progress towards the long-standing UN target adopted in 1970 of spending 0.7% of gross national income (GNI) on aid. Others were based on doubling previous levels of aid.

Since Gleneagles, G8 governments have clarified their commitments. The good news is that the effect of the combined clarifications is to increase the ambition of the targets beyond what had been assumed in 2005. If all of the G8 members and other DAC donors keep to their targets, then between them they should be providing more than the anticipated \$25 billion increase in assistance to sub-Saharan Africa in 2010.

Some G8 donors are much more ambitious than others in the scale of the increases they have pledged. As part of EU aid pledges, France, Italy, Germany and the UK have set themselves ambitious targets that require them to much more than double their ODA to Africa. Japan and Canada have more modest targets – the base year that Japan took for its commitment to double aid to sub-Saharan Africa was the lowest for a decade in terms of contributions. The US

THE AID PROMISE

\$25bn

The amount that the G8 and other donors pledged to increase ODA to Africa by 2010.

\$5.4bn

The amount that the G8 needed to increase ODA between 2004 and 2006 to be on track.

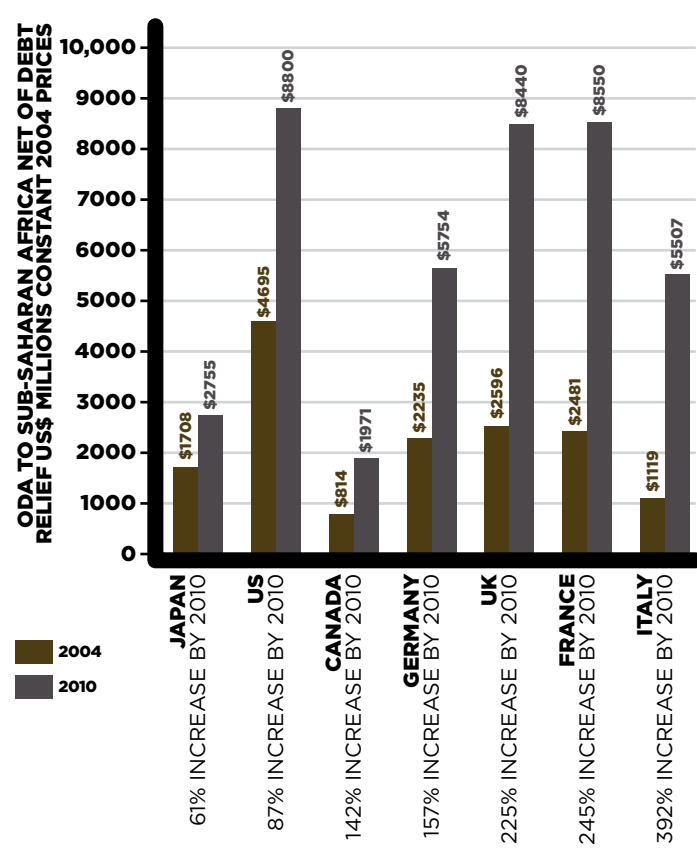
\$2.3bn

The actual increase recorded by the G8 between 2004 and 2006.

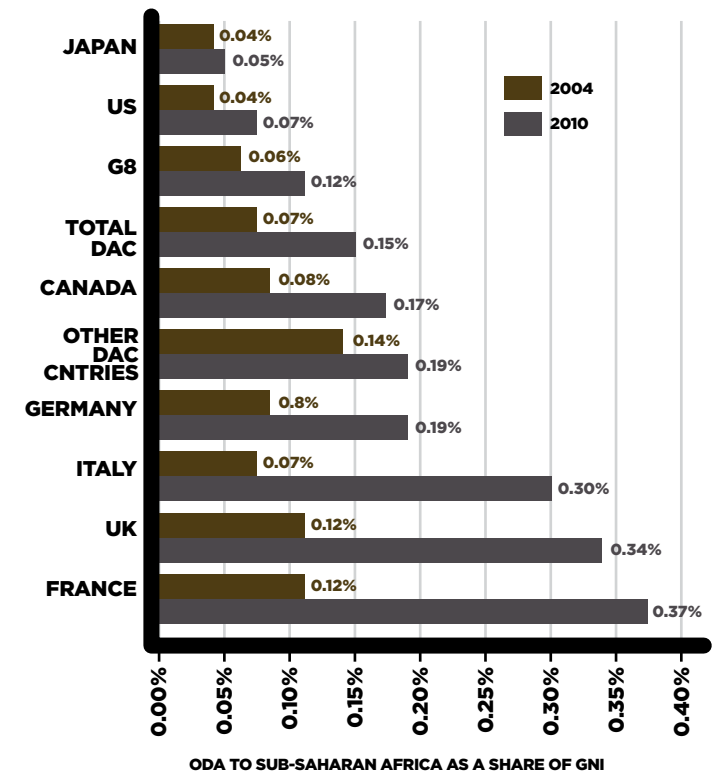
committed to doubling its contribution but, even so, its share of GNI spent on development assistance will remain low compared with other members of the G8 and the OECD. For some G8 donors, notably Canada and the US, the targets for 2010 build on significant growth in assistance to sub-Saharan Africa between 2001 and 2004, albeit from lower starting points than some other members of the G8.

There are two ways of measuring donors' ambition. The first is the relative increase in the volume of aid over the starting point, as in the first graph below; this is most significant in terms of the actual funding that will be delivered to Africa. The second is to measure aid targets as a share of GNI, as in the graph on the right; this measures generosity in terms of national wealth. We offer both measures for comparison.

DONORS RANKED BY THE SCALE OF THEIR AID INCREASE BETWEEN 2004 AND 2010



DONORS RANKED BY THE SHARE OF GNI SPENT ON AID TO AFRICA IN 2010

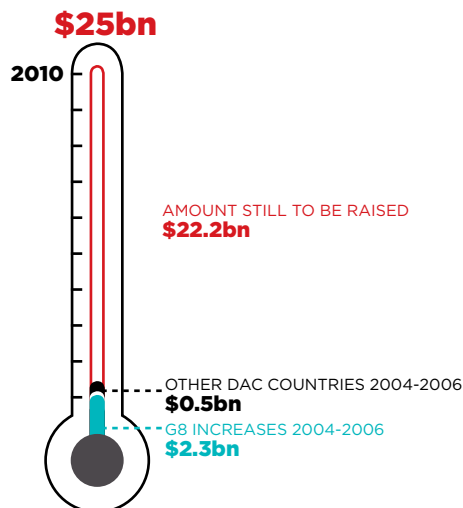


Even if the goals are fully achieved in 2010, not one of the G8 countries will be giving 0.7% of its GNI in ODA. This target, set in 1970 and accepted by all DAC donors except the US and Switzerland, is currently achieved by only five donor countries (Denmark, Luxembourg, the Netherlands, Norway and Sweden). A further two countries, Belgium and Finland, aim to reach 0.7% in 2010. However, all European G8 countries have agreed to reach 0.7% by or before 2015.

DELIVERING THE PROMISE

HOW DID THE G8 REALLY DO BY THE END OF 2006?

AT THE END OF 2006, WHAT PROGRESS HAD BEEN MADE TOWARDS THE GOAL OF AN ADDITIONAL \$25 BILLION IN AID NET OF DEBT RELIEF TO SUB-SAHARAN AFRICA BY 2010?



In 2004, ODA to sub-Saharan Africa, net of debt relief, from the G8 was \$15.7 billion. In 2005, in constant prices and taking exchange rates and inflation into account, it rose by \$714 million to \$16.4 billion. At the end of 2006 it reached \$18 billion – an increase of \$2.3 billion over the 2004 figure, or a 15% increase in real terms.⁶ This is not on track with the scale of the increase needed, if in the five years from 2005 to 2010 the G8 are to ensure assistance to sub-Saharan Africa increases by \$25bn.

This poor performance is even more worrying because the bulk of this annual increase was in multilateral aid, which is often given in chunks and may be spread over the next two or three years.

Between 2005 and 2006 bilateral aid, net of debt relief, to sub-Saharan Africa actually fell in four G8 countries (Germany, Italy, Japan and the US). Bilateral aid increased by 26% in the UK, 11% in France and 5% in Canada. When multilateral aid is added in, the overall increase in development assistance to Africa achieved by the G8 in 2006 was just 10% over the 2005 level.⁷

WERE G8 DONORS ON TRACK WITH THEIR DEVELOPMENT ASSISTANCE PROMISE TO SUB-SAHARAN AFRICA IN 2006?
ODA IN CONSTANT 2004 PRICES AND EXCLUDING DEBT RELIEF

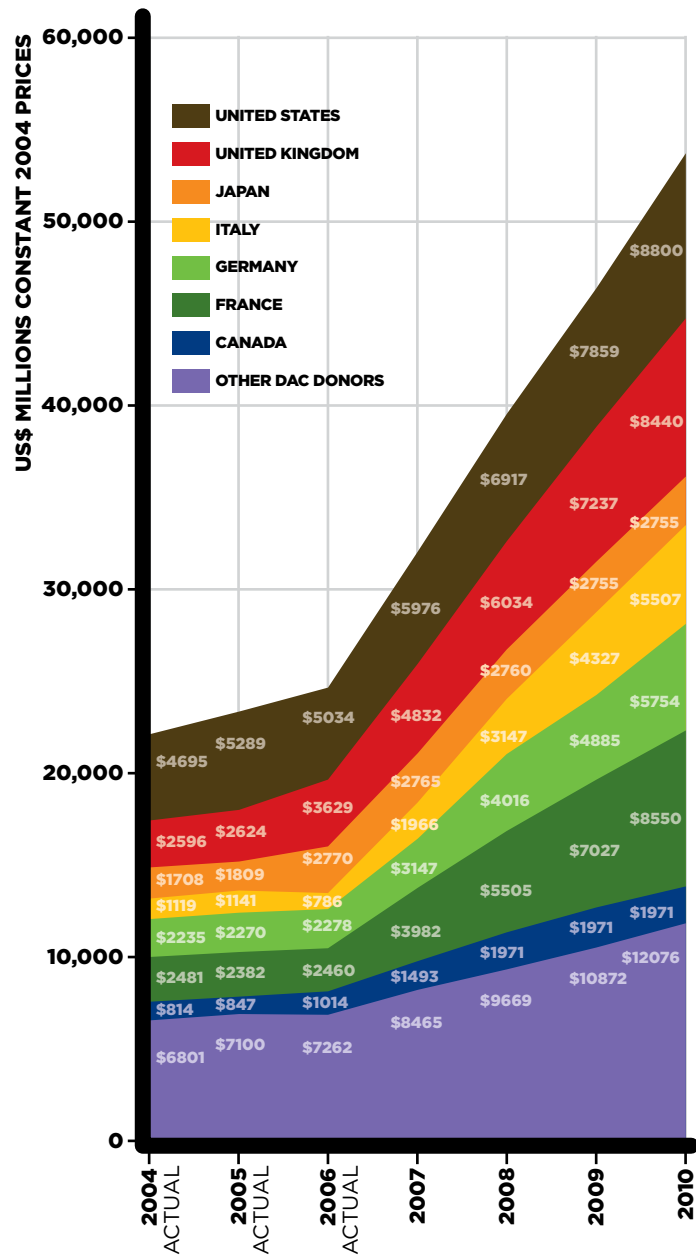
	TOTAL ODA TO SUB-SAHARAN AFRICA IN 2004	HOW MUCH ODA SHOULD HAVE GONE TO SUB-SAHARAN AFRICA IN 2006 TO BE ON TRACK TO MEET THE 2010 TARGET?	TOTAL ODA TO SUB-SAHARAN AFRICAN IN 2006	HOW MUCH SHOULD ODA TO SUB-SAHARAN AFRICA HAVE INCREASED BETWEEN 2004 AND 2006?	HOW MUCH DID ODA TO SUB-SAHARAN AFRICA ACTUALLY INCREASE BETWEEN 2004 AND 2006?	BY WHAT PERCENTAGE SHOULD ODA TO SUB-SAHARAN AFRICA HAVE INCREASED BETWEEN 2004 AND 2006?	BY WHAT PERCENTAGE DID ODA TO SUB-SAHARAN AFRICA ACTUALLY INCREASE, OR DECREASE, BETWEEN 2004 AND 2006?
JAPAN	\$1.708b	\$1.969b	\$2.770b	\$262m	\$1.062b	15%	62%
UK	\$2.596b	\$3.765b	\$3.629b	\$1.169b	\$1.033b	45%	40%
CANADA	\$814m	\$1.200b	\$1.014b	\$386m	\$200m	47%	25%
US	\$4.695b	\$5.516b	\$5.034b	\$821m	\$339m	17%	7%
GERMANY	\$2.235b	\$2.939b	\$2.278b	\$704m	\$43m	31%	2%

“
As aid and growth increased in Tanzania, primary school enrolments increased by over three million and under-five mortality fell
”

FRANCE	\$2.481b	\$3.695b	\$2.460b	\$1.214b	-\$21m	49%	-1%
ITALY	\$1.119b	\$1.996b	\$786m	\$878m	-\$332m	78%	-30%
G8	\$15.648b	\$21.080b	\$17.972b	\$5.432b	\$2.324b	35%	15%
OTHER DAC COUNTRIES	\$6.801b	\$7.856b	\$7.262b	\$1.055b	\$461m	16%	7%
DAC TOTAL	\$22.449b	\$28.936b	\$25.234b	\$6.487b	\$2.785b	29%	12%

CHANGES IN ODA TO SUB-SAHARAN AFRICA 2004- 2006 (IN CONSTANT PRICES AND EXCLUDING ALL DEBT RELIEF)⁸							
	CHANGE 2004-05		CHANGE 2005-06		CHANGE 2004-06		
	VOLUME	%	VOLUME	%	VOLUME	%	
CANADA	Up \$34m	4%	Up \$167m	20%	Up \$200m	25%	
FRANCE	Down \$99m	-4%	Up \$78m	3%	Down \$21m	-1%	
GERMANY	Up \$35m	2%	Up \$8m	0.3%	Up \$43m	2%	
ITALY	Up \$22m	2%	Down \$354m	-31%	Down \$333m	-30%	
JAPAN	Up \$101m	6%	Up \$961m	53%	Up \$1.062b	62%	
UK	Up \$28m	1%	Up \$1.005b	38%	Up \$1.033b	40%	
US	Up \$594m	13%	Down \$255m	-5%	Up \$339m	7%	
G8 DONORS TOTAL	Up \$714m	5%	Up \$1.610b	10%	Up \$2.324b	15%	
OTHER DAC DONORS	Up \$299m	4%	Up \$162m	2%	Up \$461m	7%	
DAC TOTAL	Up \$1.013b	5%	Up \$1.772b	7%	Up \$2.785b	12%	

WHAT DO THE G8 NEED TO DO IN 2007?



HOW MUCH DOES EACH DONOR NEED TO DELIVER EACH YEAR TO MEET THE TARGETS?

In 2006, DATA calculated by how much each donor needed to increase its development assistance to Africa each year based on a straight line that ran from preliminary 2005 spending levels to 2010 targets.⁹ In the DATA Report 2007, in order to assess realistically how much needs to be found if donors are to reach the 2010 goal, DATA has calculated how much additional ODA each donor needs to find, based on a track from preliminary 2006 spending levels to 2010 targets.

As noted throughout this report, DATA believes that the additional resources promised at the G8 Summit in 2005 should be net of all debt relief. Because some donors set themselves challenging interim targets and have been relying on debt relief to meet them, DATA has 'smoothed' the track line to show simple year-on-year growth towards the target. This will make the funding required in 2007 less demanding for those donors than would have been the case without the assumption of a straight-line trajectory. These figures can be seen in more detail in each of the country reports on pages 108-149.

ANNUAL INCREASES IN ODA NEEDED EVERY YEAR BETWEEN 2007 AND 2010 TO ACHIEVE THE G8 TARGETS ON DEVELOPMENT ASSISTANCE, BASED ON ACTUAL ODA TO SUB-SAHARAN AFRICA IN 2006, EXCLUDING ALL DEBT RELIEF

	HOW MUCH WILL ODA TO SUB-SAHARAN AFRICA NEED TO INCREASE IN 2007?	ANNUAL INCREASE IN 2008, ON TOP OF 2007	ANNUAL INCREASE IN 2009, ON TOP OF 2008	ANNUAL INCREASE IN 2010, ON TOP OF 2009
CANADA	\$479m	\$479m	\$0	\$0
FRANCE	\$1.522b	\$1.522b	\$1.522b	\$1.522b
GERMANY	\$869m	\$869m	\$869m	\$869m
ITALY	\$1.180b	\$1.180b	\$1.180b	\$1.180b
JAPAN	\$0	\$0	\$0	\$0
UK	\$1.203b	\$1.203b	\$1.203b	\$1.203b
US	\$941m	\$941m	\$941m	\$941m
G8 TOTAL	\$6.189b	\$6.189b	\$5.711b	\$5.716b
OTHER DAC DONORS	\$1.203b	\$1.203b	\$1.203b	\$1.203b
DAC COUNTRIES TOTAL	\$7.392b	\$7.392b	\$6.914b	\$6.919b

ON TRACK ASSESSMENT

The G8 pledged that their commitments, plus those of other donors, would lead to an increase in ODA to sub-Saharan Africa of \$25 billion a year by 2010. The DATA Report assesses their progress towards this goal.

2007 PROGRESS REPORT ON DEVELOPMENT ASSISTANCE: OFF TRACK

CHANGE 2004-06: \$2.3 BILLION

INCREASE NEEDED TO BE ON TRACK 2004-06: \$5.4 BILLION

ESTIMATED INCREASE IN PIPELINE 2007: \$1.7-\$2.3 BILLION

INCREASE NEEDED TO BE ON TRACK 2007: \$6.2 BILLION

To be on track between 2004 and 2006 the G8 needed to increase aid net of debt relief by \$5.4 billion or by 35%. Instead they increased by just \$2.3 billion or 15%. Most of that increase came from Japan and the UK with modest

increases from Canada and the US. France and Germany were virtually static and Italy substantially cut its ODA to sub-Saharan Africa.

ON TRACK/OFF TRACK COUNTRY ASSESSMENT ON DEVELOPMENT ASSISTANCE¹⁰
JAPAN: ON TRACK

CHANGE 2004-06: \$1.1 BILLION

INCREASE NEEDED TO BE ON TRACK 2004-06: \$262 MILLION

ESTIMATED INCREASE IN PIPELINE 2007: N/A

INCREASE NEEDED TO BE ON TRACK 2007: No increase needed to stay on track

Japan is on track with its commitment to double bilateral spending between 2004 and 2007. DATA hopes that Japan will at least maintain total aid to sub-Saharan Africa at its 2006 level, but the current pipeline commitments may not be

adequate to do so. Ideally Japan would set a new and more ambitious goal before hosting the G8 in 2008 and, at the very least, would take measures to ensure that its ODA to sub-Saharan Africa does not decline in the year that it hosts the G8 Summit.

UK: ON TRACK

CHANGE 2004–06: \$1 BILLION

INCREASE NEEDED TO BE ON TRACK 2004–06: \$1.2 BILLION

ESTIMATED INCREASE IN PIPELINE 2007: Minimum \$250 MILLION (covering bilateral ODA only, multilateral unavailable)

INCREASE NEEDED TO BE ON TRACK 2007: \$1.2 BILLION

Between 2004 and 2006 the UK increased its ODA by just under 40%, when it needed to increase it by 45%. The UK has made impressive progress in 2006, but DATA notes that it needs to step up the pace slightly to achieve the necessary increases of \$1.2 billion a year from 2007 to 2010 to meet its target. The increase in the pipeline for Africa for 2007 is not currently clear: bilateral aid is increasing by approximately \$250 million but multilateral aid is not yet finalised. If the UK goes off track in 2007, the 2008–11 Comprehensive Spending Review will need to provide more than the \$1.2 billion increases required annually to make up for any shortfall in 2007.

CANADA: OFF TRACK

CHANGE 2004–06: \$200 MILLION

INCREASE NEEDED TO BE ON TRACK 2004–06: \$386 MILLION

ESTIMATED INCREASE IN PIPELINE 2007: Minimum \$140 MILLION (covering bilateral ODA to governments only, excludes multilateral ODA and CSO grants)

INCREASE NEEDED TO BE ON TRACK 2007: \$479 MILLION

Since 2004, Canadian ODA to sub-Saharan Africa has increased by a total of \$200 million, or 25%, but it would have needed to increase by about \$386 million, or 47%, for Canada to be on track to meet its own 2008 target. Canada now needs to find an extra \$479 million in both 2007 and 2008 to be on track. Canadian NGOs have expressed concern that 2007 and 2008 might show a levelling off in development

assistance to sub-Saharan Africa. DATA hopes that Canada will keep increasing assistance beyond its modest 2008 target, to reach a target closer to the average of what the European G8 nations have promised in ODA to sub-Saharan Africa by 2010.

US: OFF TRACK

CHANGE 2004–06: \$339 MILLION

INCREASE NEEDED TO BE ON TRACK 2004–06: \$821 MILLION

ESTIMATED INCREASE IN PIPELINE 2007: Approx. \$1 BILLION

INCREASE NEEDED TO BE ON TRACK 2007: \$941 MILLION

The US increase of 7% is smaller than expected for 2004–06 due to a sharp decline in spending on emergency food assistance in 2006. The US needs to find an additional \$941 million a year, each year through to 2010, to meet its goal. DATA notes that in the FY2007 budget, Congress approved an increase of \$1.5 billion in ODA for developing countries. DATA estimates that at least \$1 billion of that increase is in the pipeline for Africa. This is consistent with what will be necessary for the US to be on track. Crucial FY2008 appropriations discussions are currently under way which will determine African aid levels.

GERMANY: OFF TRACK

CHANGE 2004–06: \$43 MILLION

INCREASE NEEDED TO BE ON TRACK 2004–06: \$704 MILLION

ESTIMATED INCREASE IN PIPELINE 2007: Figure not available (BMZ reports a planned increase in its commitments for financial and technical cooperation to sub-Saharan Africa by 25%).

INCREASE NEEDED TO BE ON TRACK 2007: \$869 MILLION

Germany's development assistance increased by just 2% over the period 2004–06. Germany's ODA figure was reduced significantly once debt relief is excluded. These poor figures are largely the legacy of the previous administration. Germany needs to increase its assistance to Africa by \$869 million each year from 2007 to 2010 in order to get on track. We do not know how much the German government are prepared to increase ODA to Africa by in 2007 but the following was communicated to DATA in recent correspondence: '...it is intended for 2007 and 2008, to increase the commitments

for financial and technical cooperation by around 25% each year [for Africa] ...financial and technical cooperation are only a component of bilateral ODA.' There are currently debates in the coalition government about whether to announce much stronger increases through to 2010 while Germany is chairing the G8 and holding the EU Presidency.

FRANCE: OFF TRACK

CHANGE 2004-06: -\$21 MILLION

INCREASE NEEDED TO BE ON TRACK 2004-06: \$1.2 BILLION

ESTIMATED INCREASE IN PIPELINE 2007: Approx. \$750 MILLION

INCREASE NEEDED TO BE ON TRACK 2007: \$1.5 BILLION

France has failed to find any of the needed increase in assistance and instead has recorded a fall of nearly 1%. French baseline ODA figures collapsed significantly once debt relief accounting is excluded. To get on track, France needs to find an additional \$1.5 billion each year from 2007 to 2010. DATA is deeply concerned that current budgetary plans are inadequate.

ITALY: OFF TRACK

CHANGE 2004-06: -\$332 MILLION

INCREASE NEEDED TO BE ON TRACK 2004-06: \$878 MILLION

ESTIMATED INCREASE IN PIPELINE 2007: \$40-\$160 MILLION

INCREASE NEEDED TO BE ON TRACK 2007: \$1.2 BILLION

To be on track, Italy should have increased its development assistance to sub-Saharan Africa by 79% between 2004 and 2006, but instead its contribution fell by 30%. This poor showing is the legacy of the previous administration. To get on track, Italy needs to increase its development assistance by \$1.2 billion every year from 2007 to 2010. The 2007 budget has reversed some of the decline, but the amounts promised are seriously insufficient to meet the target.

If the G8 are to realise their ambitious goal of increasing development assistance to Africa by \$25 billion by 2010, they clearly need to accelerate their progress towards this target. As noted previously, in this year's report DATA has attempted to look ahead at the budget provisions being made for ODA flows

in 2007 and beyond. On the basis of admittedly incomplete information, DATA's preliminary estimate suggests that currently the G8 have found only \$1.7-\$2.3 billion of the \$6.2 billion increase needed in 2007 to get back on track – hence the need for emergency action at the Heiligendamm Summit. Including all DAC donors, the increase needs to be \$7.4 billion in 2007. Implicit in this analysis is a particular crisis of credibility for the EU G8 nations Germany, Italy and France.

IDA 15 AND THE G8'S AFRICA PROMISE

The International Development Association (IDA) is the concessional lending and grant-making arm of the World Bank, which offers much-needed development financing to the world's poorest countries for their campaign to achieve the Millennium Development Goals. 50% of its funds are directed towards Africa, and the IDA is the largest single source of development financing for the continent.

Negotiations are just beginning for IDA 15, through which G8 and other donors decide how much they will give the IDA for the period 2008-11. It is essential that donors robustly increase funding for the IDA – in part to offset the impact of the MDRI, and in part because the IDA is one of the key routes through which the G8 can channel promised aid increases, alongside the African Development Bank, the Global Fund and their own bilateral programmes.

DEVELOPMENT ASSISTANCE TO AFRICA IN THE CONTEXT OF TOTAL ODA

The G8 promise to Africa was set in the context of a promise to increase aid globally by \$50 billion by 2010. However, vital investments in development assistance in Africa should not be made at the cost of development assistance for other countries striving to achieve the MDGs.

While ODA to sub-Saharan Africa increased in 2006, total ODA to all developing countries fell from 0.33% of GNI to 0.30%. At the same time, ODA net of debt relief fell from \$86 billion in 2005 to \$84 billion in 2006.

WHAT ARE OTHER NON-G8 DONORS DOING?

	ODA AS A SHARE OF GNI IN 2006	WHAT IS THE TARGET FOR 2010?	HAS ODA TO SUB-SAHARAN AFRICA INCREASED IN 2006, EXCLUDING DEBT RELIEF? (BILATERAL AID ONLY)	HOW MUCH WAS ALLOCATED TO SUB-SAHARAN AFRICA IN 2006, EXCLUDING DEBT RELIEF?
AUSTRALIA	0.3%	0.36%	Down \$22m or 45%	\$27m
AUSTRIA	0.48%	0.51%	Down \$6m or 11%	\$46m
BELGIUM	0.5%	0.7%	Up \$101m or 30%	\$439m
DENMARK	0.8%	0.8%	Up \$47m or 9%	\$589m
FINLAND	0.39%	0.7%	Up \$8m or 6%	\$140m
GREECE	0.16%	0.51%	Up \$1m or 4%	\$10m
IRELAND	0.53%	0.65	Up \$48m or 16%	\$349m
LUXEMBOURG	0.89%	1.0%	Down \$25m or 30%	\$59m
NETHERLANDS	0.81%	0.8%	Down \$222m or 20%	\$871m
NEW ZEALAND	0.27%	0.28%	Down \$4m or 25%	\$12m
NORWAY	0.89%	1.0%	N/A	\$582m in 2005
PORTUGAL	0.21%	0.51%	Down \$2m or 2%	\$116m
SPAIN	0.32%	0.59%	Up \$33m or 18%	\$214m
SWEDEN	1.03%	1.0%	Up \$145m or 21%	\$833m
SWITZERLAND	0.39%	0.41%	Down \$4m or 2%	\$232m
TOTAL				\$4.517b¹¹

Currently one DAC donor, Sweden, gives more than 1% of its GNI in aid. By 2010, two additional countries are planning to provide 1% of GNI, and Belgium and Finland are expected to reach their 0.7% target. EU member states have committed themselves to provide a minimum level of ODA of 0.51% of GNI, but eight non-G8 European member states either exceed that figure already or plan to do so by 2010.

For several countries, this planned growth builds on a major expansion of development assistance programmes since

2000. Austria, Belgium, Finland, Ireland and Spain have all doubled the extent of their global assistance programmes since 2000.

IMPROVING THE TRANSPARENCY OF DEVELOPMENT ASSISTANCE

In 2006 the DATA Report called for major improvements in the timeliness and quality of data on ODA flows. The huge volumes of debt relief for Nigeria and Iraq focused attention on the

way that debt relief is counted in ODA. Counting the full face value of the debt – including all penalties and arrears, often accumulated over more than 20 years – does not reflect either the benefit to the developing country or the cost to the donor of providing the relief.

In late 2006, donors had an opportunity to at least mitigate the gross over-valuation of debt relief in ODA. As part of the Nigerian debt relief deal, Nigeria bought back some of its debt at 60% of its face value. It paid back \$4.6 billion to its creditors (84% of it to the G8), and the difference between this payment and the full face value of the debt was counted at \$3.1 billion.

In the absence of a clear ruling, donors were able to choose whether or not to count this discount as part of their ODA. All G8 Nigerian creditors chose to do so.¹² Thus they received \$4.6 billion into their treasuries in repayment of debt and were able to count \$3.1 billion as increased ODA to sub-Saharan Africa.

As previously noted, DATA does not include this, or any other debt relief in its assessments of progress towards the 2010 development assistance goals. The DAC has clarified the rules since the 2006 DATA Report, and future discounts will not be eligible to count as ODA if they are not part of comprehensive debt treatment for the country concerned, and only then if the main objective of the agreement is development or welfare.

IMPROVEMENTS ON TIMELINESS OF DATA...

Last year, four donors failed to provide a breakdown of how much of their ODA was directed to sub-Saharan Africa as part of their preliminary 2005 data report to the DAC. Three of the four were G8 countries. Until December 2006, the DAC was not able to show the extent to which debt cancellation accounted for development assistance to sub-Saharan Africa in 2005.

However, this year there have been improvements. By April 2007, only one donor had failed to report on its aid to sub-Saharan Africa in its preliminary 2006 data, and all debt cancellation transactions were noted transparently in the data published by the DAC. These are tangible improvements, and help to measure what changes have taken place in real resources for development.

BUT MORE IMPROVEMENTS ARE NEEDED

However, many more improvements are needed. Fully disaggregated data are only available one to two years after an aid disbursement is made. Money disbursed in January 2007, for instance, will not be fully reported by the DAC until the end of 2008. Nor do the OECD DAC figures measure what has actually arrived in Africa – rather they measure what the donors have disbursed, often to intermediary organisations. What developing countries need is not just better information on what has been disbursed, but good information on what has actually been received or is imminent. Currently, OECD DAC data on commitments are mostly updated on an annual basis, and suffer from the same time lags as disbursement data.

Even for ODA that has been disbursed, the baseline survey for the Paris Declaration indicators found that in nearly all countries there are discrepancies in both funds recorded as disbursed by donors and information about funds recorded as received in the recipient government budget.¹³ This arises because donors do not get information to recipient budget authorities in good time or in a usable form. They are not always realistic about their ability to disburse on schedule, and recipient budget authorities themselves are often ill-equipped to capture information from donors.

This has profound effects. For example, long-term investments in recurrent costs such as public sector salaries and training all have to take place in an environment of great uncertainty about a key stream of resources. Changes in the G8 in 2006 will lead to some improvements: for instance, the IFFIm will be based on legally binding commitments and should enable much more predictability. Other donors may also follow the UK example of making ten-year commitments to sectors such as education.

MAKING DEVELOPMENT ASSISTANCE GO FURTHER TO DELIVER THE PROMISES

The DAC establishes a set of criteria to which aid must conform in order to qualify as official development assistance (ODA). This in turn allows progress to be measured against agreed targets, such as the Gleneagles commitments.

This is useful, but it omits two crucial factors. First, it does not tell us how much money has been received by the developing country from the donor. Second, the rules allow donors to report their ODA in ways that can exaggerate its

value. As a result, the headline figures for development assistance given by donors may be very different from the amounts of money actually received by an African country. Some funding for Africa will be understated in the aid figures – for instance, the funding supplied under the International Finance Facilities. But, mostly, stated bilateral ODA figures are much higher than the value of the funds received in a developing country.

DATA is concerned about the G8 delivering on the promises made in 2005 on development assistance. If aid is inflated by accounting methods that exaggerate its value, it will not enable the other goals to be achieved – and the G8 committed themselves not just to a headline figure for ODA, but to the primary education, HIV/AIDS response, health systems and clean water that such an increase could deliver.

There are three main ways in which donors can exaggerate the value of their ODA – and one in which the impact of contributions may be understated.

- As noted earlier, ODA can be exaggerated by the inclusion of debt relief.
- ODA can be exaggerated if it is 'tied aid', meaning that it can only be used to buy goods or services from the donor.
- ODA can be exaggerated by using aid to subsidise expenditure that should come from domestic budgets for the support of refugees living in the donor country. (At least some donors have chosen not to use these accounting techniques to inflate their ODA, demonstrating the path that should be taken by all.)
- ODA can be underestimated by excluding flows generated by certain 'innovative financing' techniques.

TIED AID

When donors tie aid, they place restrictions on how the recipient can spend the funds, most often by requiring them to buy goods or services provided by the donor country. All studies confirm that the cost of providing aid that is tied is higher than providing the same amount of untied aid. For example, a DAC study found that tied food aid costs on average 50% more than food bought locally – even excluding the costs of shipping.¹⁴

The Paris Declaration set no specific, time-bound commitments for reducing tied aid, referring only to unspecified increases in the volumes of untied aid. Some donors have gone much further on a bilateral basis. Norway, Sweden, the UK and Ireland provide 100% of their aid as untied assistance and Denmark will join this group in 2008. The EC has untied all its aid to LDCs, including technical cooperation and food aid.

Among the G8 members, only the UK has untied 100% of its aid to all countries. Other members continue to tie large proportions of their aid, including to LDCs. The DAC reported nearly half of US aid and around a third of Canadian and German aid to LDCs as tied in 2005. France and Japan tied 17% and 15% respectively.¹⁵ As the table below reveals, all countries have improved – and most of them substantially – since the commitment to untying was introduced, yet several still tie significant portions of their aid.

GETTING BACK ON TRACK

\$6.2bn

The increase in ODA to sub-Saharan Africa the G8 must achieve in 2007 to get back on track.

\$1.7bn to \$2.3bn

DATA's preliminary estimate of the increased amount that the G8 have found for 2007 so far.

“
 ...even as we
 have tangible
 proof that aid
 is working
 and that
 governments
 are becoming
 more
 accountable,
 the G8's
 commitment
 to Africa
 seems to be
 faltering
 ”

ELLEN JOHNSON-SIRLEAF
 President of Liberia

G8 PERFORMANCE ON TIED AID					
	WHAT % OF BILATERAL COMMITMENTS WERE TIED IN 2005?	IS THIS BETTER OR WORSE THAN THE PREVIOUS YEAR?	WHAT % OF BILATERAL COMMITMENTS TO LDCS WERE TIED IN 2005?	IS THIS BETTER OR WORSE THAN THE PREVIOUS YEAR?	WHAT % OF BILATERAL COMMITMENTS TO LDCS WERE TIED FROM 1999 TO 2001, WHEN THE NEW RULING CAME IN?
CANADA	41%	Better by two percentage points	34%	WORSE: 24% tied in 2004	60% tied
FRANCE	5%	Better by one percentage point	17%	WORSE: 15% tied in 2004	60% tied
GERMANY	7%	Better by one percentage point	31%	BETTER: 34% tied in 2004	57% tied
ITALY	8%	N/A	N/A	20% was tied in 2004	70% tied
JAPAN	10%	Worse by 4 percentage points	14%	BETTER: 19% tied in 2004	22% tied
UK	0%	Same	0%	Same	47% tied
US¹⁶	N/A	N/A	47%	N/A	

TYPES OF ODA THAT DO NOT AFFECT DEVELOPMENT OBJECTIVES OF AFRICAN COUNTRIES

Within the OECD definition of ODA, some expenditures that qualify as ODA are less effective in reducing poverty than others. For example, donors may count as ODA the costs of refugees living within the donor country for the first year of their residence. While the need to support refugees is not in doubt, including this expenditure in ODA figures exaggerates the funds available to developing countries to achieve the MDGs. Two G8 donors choose not to count their expenditure on refugees within their own borders as aid – Japan and the UK. All other G8 donors report significant expenditure on this item in their ODA, and show no intention of changing their practice. G8 donors in 2005 spent \$1.1 billion on refugees.

In addition, three G8 donors (France, Germany and Canada) also include imputed student costs in their reported ODA totals. These correspond to the cost to these governments of covering the higher education expenses of developing country students studying in their countries. It is

difficult to know how many of these students return to their countries upon graduation.

INNOVATIVE FINANCE

As noted at the beginning of this chapter, Annex II of the G8's Gleneagles Communiqué stated that a group of countries believed that innovative financing mechanisms could help to bring forward the funding necessary to achieve the MDGs. Three innovative financing instruments have recently been launched in the health sector.

AVIATION LEVY/UNITAID

The most advanced innovative financing instrument thus far is the solidarity levy on aviation, which was launched in France in July 2006. Of the funds raised through this levy, 90% will flow towards the international drugs purchase facility (UNITAID). In February 2007, 18 African countries joined UNITAID and committed to implementing similar innovative financing instruments.¹⁷ The UNITAID budget will exceed \$300 million in 2007 and could be as high as \$500 million in 2009. Germany

is currently considering the introduction of an aviation levy; the UK supports UNITAID but has not indicated its willingness to introduce a compulsory aviation levy. Unlike the French initiative, the UK contribution to UNITAID is not additional to current development assistance commitments.

IFFIm/GAVI

The International Financing Facility for Immunisation (IFFIm) was launched in November 2006, when it raised \$1 billion on international capital markets through a five-year bond issue. Over the next ten years, IFFIm plans to raise enough funds to disburse up to \$4 billion for immunisation and health programmes through the Global Alliance for Vaccines and Immunisations (GAVI). Of the G8 members, IFFIm is sponsored by the UK, France and Italy.

AMCS/VACCINES

Advanced Market Commitments (AMCs) create incentives for pharmaceutical companies to develop vaccines for diseases that affect developing countries. The first pilot AMC on pneumococcal vaccines was launched in February 2007.¹⁸ This AMC aims to raise \$1.5 billion, with the first licences for two vaccines expected by 2010. Over the life of the AMC, between 70 million and 100 million children are expected to be vaccinated and 500,000–800,000 lives saved. The pilot scheme is supported by Italy, Canada and the UK, and there are plans to launch a similar AMC for malaria in the future.

INTERPRETING THE TARGETS AND DONORS' PERFORMANCE ON DEVELOPMENT ASSISTANCE

DATA has used the following assumptions to interpret the development assistance targets and trajectories for reaching them.

- To assess the degree of progress in 2006, DATA has measured the change in ODA between 2004 and 2006 against the overall increase promised by 2010.
- To assess whether countries' reported ODA flows represent real increases in new resources, DATA has excluded all debt relief in its measure of progress. Debt relief is immensely valuable and as a result of it governments are now able to spend resources on health, education and stronger economies instead of debt servicing. We give due credit for debt cancellation in the debt chapter of this report. However, the rules on counting debt cancellation as aid, which are set by the donors themselves, overstate both the value of the debt relief and what the donor has to pay to provide it. The G8 promise did not specifically exclude debt relief from the total development assistance figures, but on average only 10% of what is counted as debt cancellation is real new money. Exactly how much should be counted is unclear due to a lack of transparency by donors in terms of what budget provisions they must make to provide debt cancellation.

In addition, by 2010 it is very unlikely that any sub-Saharan African countries will be benefiting from debt cancellation. Therefore G8 donors need to make budgetary provisions to achieve the 2010 target without relying on ODA inflated by debt cancellation figures.

In the absence of information from donors on what it costs them to provide debt cancellation, DATA is measuring progress on the aid promise excluding all debt relief, so as not to risk obscuring real underlying ODA figures and trends for reaching the 2010 target. Where donors have provided this information we have ensured that we have excluded

net debt relief rather than deducting gross debt relief from ODA figures. DATA remains hopeful that a more accurate means of accounting for debt relief will become available so that, in the future, donors can be duly credited for the true allocations they make for debt cancellation in their annual budgets. In the interest of transparency, DATA will also be showing how much debt cancellation has been counted in ODA for each G8 donor.

- Some of the innovative finance mechanisms may generate flows of aid to Africa that will not count as ODA under DAC rules. DATA looks forward to including the full value of these transfers to Africa in future years, as they represent real new resources and should therefore be counted.

To assess the volume of ODA needed in 2007 and each subsequent year, DATA has measured progress from the reported 2006 preliminary figures to each donor's target in 2010 on a linear growth path. Some donors have set challenging interim targets, which may have been based on assumptions about volumes of debt relief in 2006 and 2007. Because DATA is excluding all debt relief, these interim targets have been smoothed out into a straight-track line leading to the 2010 goal, making it more achievable.

- The disaggregation of debt from total ODA levels reveals that, whereas donors committed to providing \$25 billion in additional new resources for Africa each year, this is actually more than a doubling of non-debt development assistance to Africa in 2005. DATA still aims to hold donors to account for the specific \$25 billion increase over 2004 levels, and aims for a total non-debt ODA level of \$53 billion from all DAC donors in 2010, of which the G8 share is \$42 billion.
- DATA includes both bilateral and multilateral ODA disbursements in measuring progress. The multilateral amount has been calculated by estimating the proportion of outlays to Africa by individual multilateral

agencies and attributing relative shares to donors based on their relative contributions to each group of multilateral agencies. The preliminary data for 2006 does not include a breakdown by individual multilateral agency or the disbursements from multilateral agencies by regions. Calculation of multilateral ODA to sub-Saharan Africa by donor are therefore based on the share of multilateral disbursements to sub-Saharan Africa in 2005 from each major multilateral group: the UN, the World Bank, Regional Development Banks, the EC and 'others'.

- As we measure the overall progress needed from 2004 to 2010, the years 2004 and 2005 include an average of multilateral ODA to sub-Saharan Africa for the two years 2004 and 2005, to even out the inherent 'lumpiness' in contributions to multilateral institutions.
- To ensure that the value of the G8's promises is not eroded over time, DATA has measured all aid in constant 2004 prices (taking into account inflation and exchange rate movements), using the OECD annualised deflators and exchange rates.

It is also important to note that the figures used for measuring progress are OECD DAC estimates of what each donor has spent in previous years. They are retrospective figures. There are no similar data sources for tracking more up-to-date records of what development assistance is forthcoming or is even in the 'pipeline', a fact that makes planning very difficult for recipients. In the country chapters of this report, we have tried to reflect more recent decisions on budgets and appropriations made within each G8 nation that may affect future ODA figures. However, because there is no reliable method for doing this across different donors, the DATA Report continues to rely upon OECD disbursement data.

	STATEMENT OF COMMITMENT IN THE 2005 G8 COMMUNIQUÉ ON AFRICA	CLARIFYING THE COMMITMENTS	HOW DID DEVELOPMENT ASSISTANCE TO SUB-SAHARAN AFRICA CHANGE IN 2006?	AT THE END OF 2006, WHAT PROGRESS HAD G8 DONORS MADE TOWARDS THE GOAL OF ADDITIONAL ASSISTANCE TO SUB-SAHARAN AFRICA BY 2010?	HOW MUCH ODA NEEDS TO BE ALLOCATED TO SUB-SAHARAN AFRICA IN 2007 EVERY YEAR TO BE ON TRACK FROM 2006 TOWARDS THE 2010 TARGET? DATA BELIEVES THAT THIS SHOULD EXCLUDE ALL DEBT RELIEF	WHAT IS IN THE PIPELINE FOR FUTURE ODA TO SUB-SAHARAN AFRICA FOR 2007 AND BEYOND?
CANADA	Canada will double its international assistance from 2001 to 2010, with assistance to Africa doubling from 2003/04 to 2008/09. In addition, the 2005 Budget provided an additional CAD\$342 million to fight diseases that mainly afflict Africa. The CAD\$200 million Canada Investment Fund for Africa will provide public-private risk capital for private investments and Canada will provide CAD\$190 million to support the AU's efforts in Darfur, as well as CAD\$90 million for humanitarian needs.	In the 2005 federal budget, the starting point for doubling ODA to Africa between 2003/04 and 2008/09 was given as CAD\$1.38 billion including multilateral contributions. This figure, converted to US\$986 at the DAC annualised exchange rate, has been used as the target for what should be achieved between 2003 and 2008.	Total ODA net of debt relief was up \$167 million or 20% to \$1 billion. Multilateral aid increased by 44% (\$141 million). Bilateral aid went up by just 5% or \$26 million. In addition, debt relief counted as ODA increased by \$93 million or 121% to \$169 million	At the end of 2006, Canada had increased its assistance to sub-Saharan Africa, net of debt relief, by \$200 million over its 2004 level – a 25% increase. However, to be on track Canada should have increased ODA by 47% between 2004 and 2006. Canada is almost one-fifth of the way to its target, but as its target date is 2008, it should be approximately one-third of the way there.	Canada needs to find \$479 million in both 2007 and 2008 – the completion date for the current Canadian Africa target.	The 2007/08 Canadian budget earmarks CAD\$771 million (US\$687 million) as direct budget support for African governments, and its projected bilateral ODA increase for 2007 is approximately CAD\$150 million (US\$140 million). This figure does not include multilateral spending, nor government spending via Canadian NGOs in Africa. It is also important to note that disbursements are often lower than the budgeted figure.
FRANCE	France has announced a timetable to reach 0.5% ODA/GNI in 2007, of which two-thirds will be for Africa – representing at least a doubling of ODA since 2000 – and 0.7% ODA/GNI in 2012.	France plans to reach 0.7% in 2012. Two-thirds of its total ODA and half of its multilateral ODA will be allocated to sub-Saharan Africa. In the DATA Report 2006, DATA relied on information supplied by the French government, which overestimated total French ODA to sub-Saharan Africa. Finalised ODA figures released in	Total ODA net of debt relief was up \$78 million or 3% to \$2.5 billion. Multilateral aid fell by 5% (\$53 million). Bilateral aid went up by 11% (\$131 million). In addition, debt relief counted as ODA fell by \$184 million or 7% to \$2.4 billion.	At the end of 2006, French assistance to sub-Saharan Africa, net of debt relief, was \$21 million lower than its 2004 level. One year into a five-year commitment, France has made no progress towards the goal for 2010. France should have increased its ODA by 49%	France needs to find \$1.5 billion in 2007 and a further increase of the same amount every year to 2010 to meet its target.	French ODA has traditionally included a large amount of debt relief. Excluding debt relief from the aid figure for sub-Saharan Africa means that France has a major investment to make to meet its targets. It appears to be relying on new debt relief to achieve the headline figures. The 2007 budget anticipates an increase

		December 2006 revealed the true figure, which was over \$1 billion less than had been estimated.		between 2004 and 2006, but instead it decreased by 1%.		<p>in non-debt ODA for all developing countries of about US\$1.5 billion. Since French aid is strongly focused on Africa, it would be reasonable to expect that at least half of this would go to sub-Saharan Africa. Therefore we assume an increase of \$750m from France for Africa.</p> <p>However, the 2007 budget has also cut spending authorisations for multi-annual programmes by one-third. France has also announced that UNITAID funding will be additional to planned ODA.</p>
GERMANY	Germany (supported by innovative instruments) has undertaken to reach 0.51% ODA/GNI in 2010 and 0.7% ODA/GNI in 2015.	No clarifications announced. Germany is part of the EU and its target is calculated to comply with the EU commitment to spend half of all ODA increases in sub-Saharan Africa.	<p>Total ODA net of debt relief increased by \$8 million or 0.3% to \$2.3 billion between 2005 and 2006.</p> <p>Multilateral aid increased by 5% (\$67m)</p> <p>Bilateral aid fell by 6% or \$59 million.</p> <p>In addition, debt relief counted as ODA increased by \$721 million or 52% to \$2.1 billion.</p>	<p>At the end of 2006, German aid to sub-Saharan Africa net of debt relief was \$43 million higher than its 2004 level.</p> <p>One year into a five year commitment, Germany has made virtually no progress towards the goal for 2010.</p> <p>Germany should have increased by 31% between 2004 and 2006 but instead decreased by 2%.</p>	Germany needs to find \$869 million in 2007 and the same amount every year until 2010 to achieve its target.	BMZ reports a planned increase in its commitments for financial and technical cooperation to sub-Saharan Africa by 25% annually in 2007 and 2008 but emphasize that this is only one component of bilateral ODA. At the time of printing we are unable to translate this into a Euro sum.

ITALY	Italy has undertaken to reach 0.51% ODA/GNI in 2010 and 0.7% ODA/GNI in 2015.	No clarifications announced. As part of the EU, Italy's target is calculated to comply with the EU commitment to spend half of all ODA increases in sub-Saharan Africa.	<p>Total ODA net of debt relief fell by \$354 million or 31% to \$786 million.</p> <p>Multilateral aid fell by 36% (\$331 million).</p> <p>Bilateral aid fell by 11% (\$23 million).</p> <p>In addition, debt relief counted as ODA increased by \$229 million or 36% to \$867 million</p>	<p>At the end of 2006, Italian assistance to sub-Saharan Africa, net of debt relief, was \$332 million lower than its 2004 level.</p> <p>One year into a five-year commitment, Italy has made no progress towards the goal for 2010.</p> <p>Italy should have increased its ODA by 78% between 2004 and 2006 but instead it decreased by 30%</p>	Italy needs to find \$1.2 billion in 2007 and the same amount every year to 2010 to achieve its target.	Italy is failing on its targets. The only reasons for optimism are that the current Prime Minister strongly advocated achieving 0.7% by 2011 during his election campaign and that the 2007 budget has reversed some of the decline set in train by the previous government. Non-debt ODA for 2007 should now increase by between 15% and 20%. If this increase were applied to total ODA to Africa, Italy would increase its contribution to sub-Saharan Africa by \$120–\$160 million in 2007. If it applied only to bilateral assistance, the increase would be in the order of \$40 million.
JAPAN	Japan intends to increase its ODA volume by \$10 billion in aggregate over the next five years. It has committed to double its ODA to Africa over the next three years and has launched the \$5 billion Health and Development Initiative over the next five years. For the Enhanced Private Sector Assistance (EPSA) for Africa facility, Japan will provide more than \$1 billion over five years, in partnership with the ADB.	Japan has clarified its commitment to sub-Saharan Africa, announcing that it was based on doubling bilateral net disbursements in 2003 by 2007. Multilateral aid has been assumed to grow at the same pace as ODA as a whole.	<p>Total ODA net of debt relief increased by \$961 million or 53% to \$2.8 billion.</p> <p>Multilateral aid increased by 88% (\$1.1 billion).</p> <p>Bilateral aid fell by 22% (\$127m).</p> <p>In addition, debt relief counted as ODA increased by \$1.5 billion or 257% to \$2.1 billion.</p>	<p>At the end of 2006, Japanese assistance to sub-Saharan Africa was \$1 billion higher than its 2004 level. To be on track, Japan should have increased ODA by 15% between 2004 and 2006, but instead it increased by 62%.</p> <p>One year into a four-year commitment, Japan has reached the level of aid needed and the challenge now is to keep to the spirit of the commitment, by ensuring that aid remains at least at this increased level every year through to 2010.</p>	Japan needs to maintain its ODA to sub-Saharan Africa at the level achieved in 2006 for the next four years.	The government's annual budget for 2007 shows a decrease in overall global ODA by 4%, to reach its lowest level since 1988/09. It is possible that Japan will find savings in other parts of the aid budget to finance its bilateral commitment to Africa, but it also needs to maintain significant levels of multilateral ODA to Africa. Japan has also increased the share of grants in its programme, which increases the value of its assistance.

RUSSIA	Russia has cancelled and committed to cancel \$11.3 billion worth of debts owed by African countries, including \$2.2 billion of debt relief to the HIPC Initiative. On top of this, Russia is considering writing off the entire stock of HIPC countries' debts on non-ODA loans. This will add \$750 million to debt relief for those countries.	No clarifications announced.				
UK	The UK has announced a timetable to reach 0.7% ODA/GNI by 2013 and will double its bilateral spending in Africa between 2003/04 and 2007/08.	The UK's target has been calculated as a doubling by 2007/08 of its 2003/04 bilateral ODA to sub-Saharan Africa. The figures have been converted to calendar year 2007 by adding together 75% of FY 2007/08 and 25% of FY 2006/07. Multilateral ODA to sub-Saharan Africa has been assumed to grow at the rate for ODA as a whole. The UK is a member of the EU and after 2007 its target is calculated to comply with the EU commitment to spend half of all ODA increases in sub-Saharan Africa.	<p>Total ODA net of debt relief increased by \$1 billion or 38% to \$3,629 million.</p> <p>Multilateral aid increased by 57% (\$592 million).</p> <p>Bilateral aid increased by 26% (\$413 million).</p> <p>In addition, debt relief counted as ODA increased by \$981 million or 46% to \$3.2 billion.</p>	<p>At the end of 2006, the UK had increased its assistance to sub-Saharan Africa, net of debt relief, by slightly more than \$1 billion over its 2004 level.</p> <p>One year into a five-year commitment, the UK is almost one-fifth of the way there.</p> <p>The UK should have increased its ODA by 45% between 2004 and 2006, but instead it increased by 40%.</p>	The UK needs to find \$1.2 billion a year in 2007 and the same amount every year to 2010 to meet its targets.	<p>For 2007 the UK has approximately \$250 million in the pipeline for bilateral ODA increases, but it is unclear what is in the pipeline for multilateral increases some of which are still being negotiated.</p> <p>The UK needs to ensure sufficient multilateral funds are in the pipeline in 2007 and that the resources provided in the 2008-11 Comprehensive Spending Review cover the £655 million (US1.2 billion) increases required annually.</p> <p>The UK is also providing finance through support for innovative financing instruments.</p>

US	<p>The US proposes to double assistance to sub-Saharan Africa between 2004 and 2010. It has launched the Millennium Challenge Account, with the aim of providing up to \$5 billion a year; the \$15 billion Emergency Plan for AIDS Relief, an initiative to address humanitarian emergencies in Africa of more than \$2 billion in 2005; and a new \$1.2 billion malaria initiative. The US will continue to work to prevent and mitigate conflict, including through the five-year, \$660 million Global Peace Operations Initiative.</p>	<p>No clarifications announced. The US promise to double its assistance has been calculated on the basis of the stated estimated amount of ODA (including debt relief) to sub-Saharan Africa at the time of the announcement in 2005 (\$4.4 billion).</p>	<p>Total ODA net of debt relief fell by \$255 million or 5% to just over \$5 billion.</p> <p>Multilateral aid fell by 16% (\$202 million).</p> <p>Bilateral aid fell by just 1% (\$53 million).</p> <p>In addition, debt relief counted as ODA increased by \$1.3 billion or 1,323% to \$1.4 billion.</p>	<p>At the end of 2006, the US had increased its assistance to sub-Saharan Africa, net of debt relief, by \$339 million over its 2004 level.</p> <p>One year into a five-year commitment, the US is just under one-tenth of the way there.</p> <p>The US should have increased its assistance by 17.5% between 2004 and 2006, but only increased it by 7%.</p>		<p>In the FY 2007 budget, Congress approved an increase of \$1.5 billion in poverty-focused ODA for developing countries. DATA estimates that at least \$1 billion of that increase is in the pipeline for Africa.</p> <p>For FY 2008, President Bush requested an additional \$2.9 billion for ODA, of which DATA estimates that at least \$1.1 billion is for Africa, which would be on track. The Senate and House Budget Resolutions suggested similar sums, and the crucial FY 2008 appropriations discussions were under way at the time of writing.</p>
G8			<p>Total ODA net of debt relief from G8 donors combined increased by \$1.6 billion or 10% to \$18 billion.</p> <p>Multilateral aid increased by 18% (\$1.4 billion).</p> <p>Bilateral aid increased by just 3% or \$307 million.</p> <p>In addition, debt relief counted as ODA increased by \$4.6 billion or 62% to \$12.2 billion.</p>	<p>At the end of 2006, the G8 collectively had increased its aid to sub-Saharan Africa net of debt relief by \$2.3 billion over its 2004 level.</p> <p>One year into a five year commitment, G8 members are under a tenth of the way towards their 2010 commitment – and even when other DAC donors are added, donor countries collectively have only found 11% of the \$25 billion that they promised for 2010.</p>	<p>The G8 collectively need to ensure that they find \$6 billion in 2007 and the same amount every year to 2010 to deliver on their commitment.</p>	<p>In only two G8 countries, the USA and the UK, is there a reasonable prospect that funding in 2007 will match what it needs to be. Increases are also planned in Germany and France and from innovative financing, and 2007 is the year when Japan needs to meet its own target on bilateral ODA to sub-Saharan Africa.</p> <p>There is no international system for reporting or recording planning figures for ODA, but an optimistic guess would be that</p>

						between \$1.8 billion and \$2.4 billion is currently in the pipeline in additional ODA for 2007. Without urgent action, this will mean a failure to deliver.
OTHER DAC DONORS			<p>Total ODA net of debt relief from DAC donors, outside the G8, combined increased by \$162 million or 2%.</p> <p>Multilateral aid increased by 21% (\$572 million).</p> <p>Bilateral aid fell by 9% or \$412 million.</p> <p>In addition, debt relief counted as ODA fell by \$55 million or 5% to \$945 million.</p>			<p>At this stage, there are few details available on these amounts. Some donors, such as Ireland and Spain, are performing strongly, but it is unclear whether others will add to these increases, or simply negate them.</p>

