

MUSKOKA 2010

G8



CANADA



MUSKOKA ACCOUNTABILITY REPORT

Assessing action and results against
development-related commitments

EXECUTIVE SUMMARY

The L'Aquila Summit Communiqué: Accountability

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

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

Notes:

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

Executive Summary

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

Recent G8 Summits

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

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

Reporting on results

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

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

How is the G8 doing?

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

Increasing Official Development Assistance

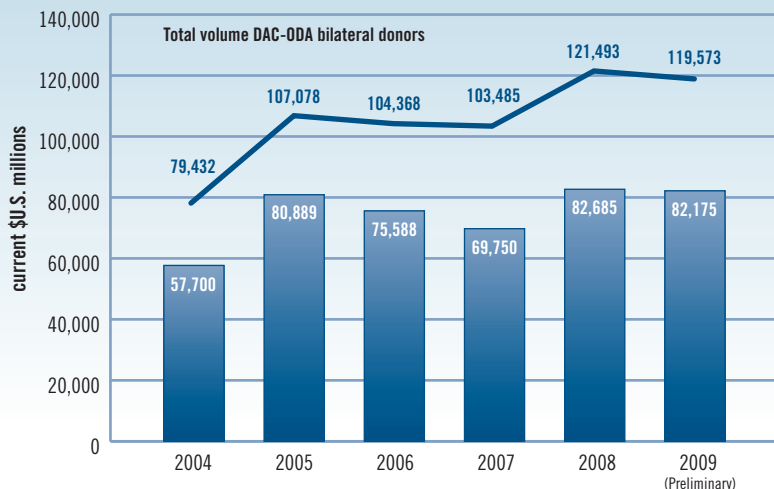
In 2005, at the Gleneagles Summit and the United Nations Millennium +5 Summit, G8 countries and the world's major aid donors made commitments to increase Official Development Assistance (ODA). Based on these specific commitments, the Organization for Economic Co-operation and Development (OECD) estimated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

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

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

G8 Total ODA Volume

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



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

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

G8 Gleneagles Summit Africa Communiqué

- 27. The commitments of the G8 and other donors will lead to an increase in official development assistance to Africa of \$25 billion a year by 2010, more than doubling aid to Africa compared to 2004.
- 28. As we confront the development challenges in Africa, we recognize there is a global development challenge facing the world as a whole. On the basis of donor commitments and other relevant factors, the OECD estimates that official development assistance from the G8 and other donors to all developing countries will now increase by around \$50 billion a year by 2010, compared to 2004.

Gleneagles G8 National Commitments

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

The G8 and Africa

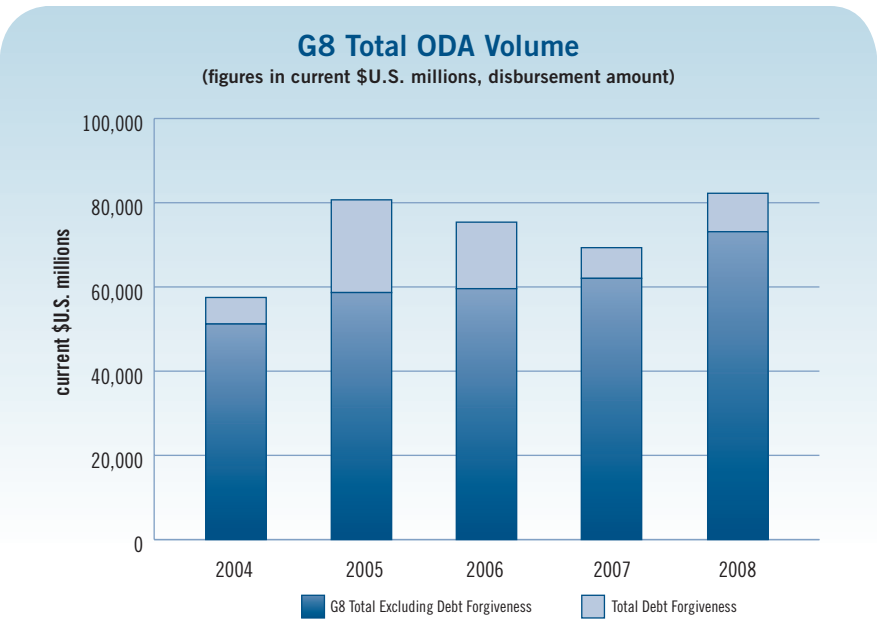
At the start of the decade G8 Leaders placed particular emphasis on African development. The adoption in 2002 of the African Action Plan at the Kananaskis Summit solidified the G8's African agenda. The Africa Action Plan set out a vision of a new partnership between the G8 and Africa based on mutual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

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

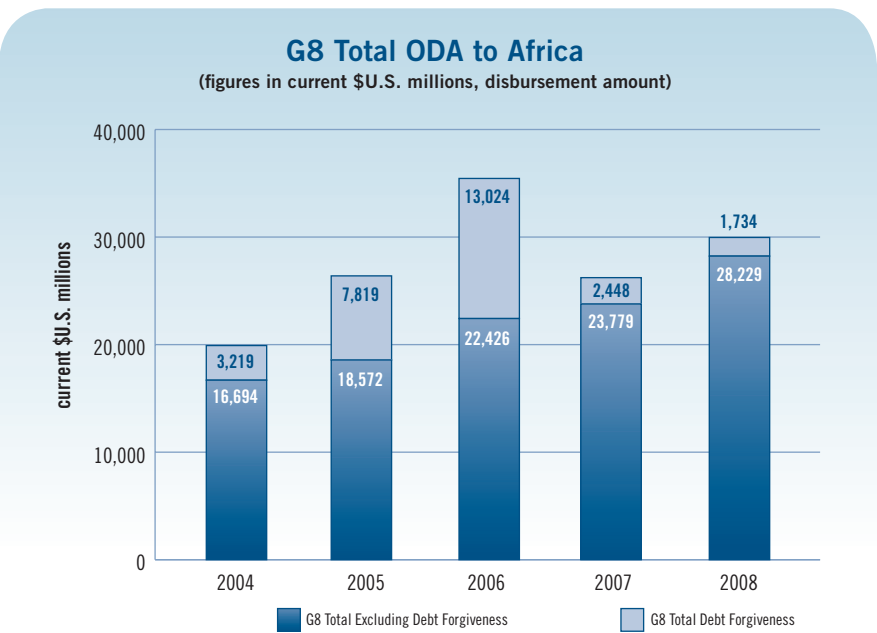
At the Gleneagles Summit, it was expected that commitments from all donors would lead to an increase in ODA to Africa of \$25 billion a year by 2010, more than doubling aid to Africa compared to 2004.

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

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



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



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

Overview of Development-related Themes

Aid Effectiveness

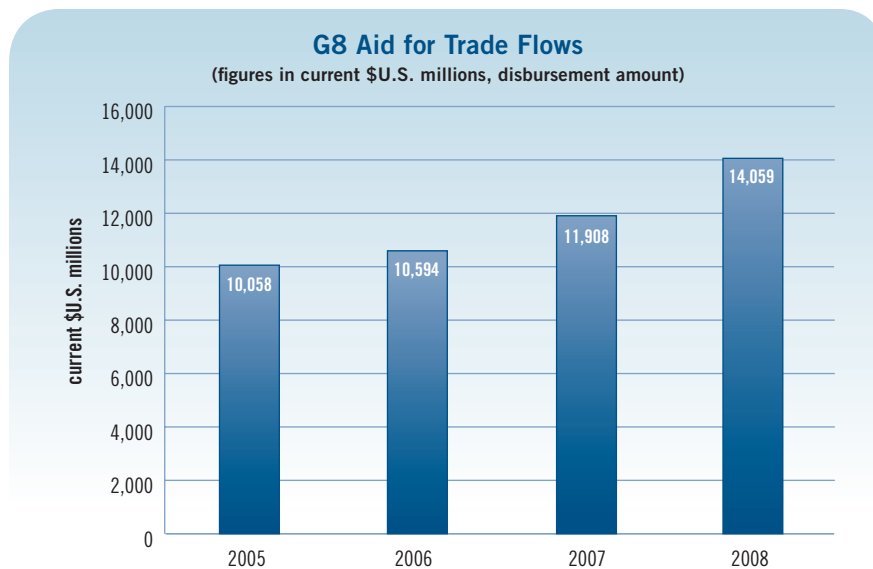
The quality of aid is as important as the quantity. Over the past decade, in response to longstanding criticisms that aid is falling short on achieving results, and reflecting a desire to capture lessons learned about what works, the international community has come together with a set of strong commitments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

Debt Relief

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

Economic Development

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



Source: OECD-DAC.

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

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

Health

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

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

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

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

Water and Sanitation

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

Food Security

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

Education

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

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

Governance

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

Peace and Security

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

Environment and Energy

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

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

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

Forward Look

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

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

A Snapshot of G8 Progress against Key Commitments

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