

NAI NEWSLETTER

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G-8 AND AFRICA

KEEPING AFRICA IN THE SPOTLIGHT: SIX ISSUES FOR THE G-8 TO CONSIDER IN GERMANY

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The year 2005, designated as the 'year of Africa', witnessed strong support and commitment from the international community to Africa's development through various actions. These included: significant debt relief; increased Official Development Assistance; and bringing to an end the Doha Development Round of trade negotiations, which was expected to benefit developing countries. But when the G-8 leaders met last year in St. Petersburg, Russia, the expected focus on Africa was overtaken by the global energy supply crisis and the war between Lebanon and Israel. The G-8 did however agree further action on education and infectious diseases.

As the dates for the German G-8 approach, there is increasing apprehension among African leaders that the concern of the G-8 leaders over key structural global imbalances in the world economy, particularly the systemic risks posed by international capital markets, might overshadow Chancellor Angela Merkel's expressed commitment to use Germany's G-8 and EU presidencies to push for progress in the fight against African poverty. In fact, Germany plans to use its G-8 presidency to strengthen its cooperation with Africa. In this regard, Germany is committed to allocate 2 billion Euros to Africa over the next four years, half for combating AIDS and half to finance better education and training in Africa, in line with the St. Petersburg commitments. Moreover, it is expected that Germany will table a proposal to accelerate the fight against corruption and promote democracy in Africa in order to create better conditions for increased foreign investment to the continent. The German presidency is also floating an idea to establish a special micro-finance initiative for Africa and that the World Bank and the African Development Bank are expected to play a key role in conceptualizing and targeting the initiative. All in all, Germany's leadership is going to be critical in consolidating the major commitments made by the G-8 at Gleneagles, Scotland two years ago.

A report card on Gleneagles G-8: where are we now?

Significant progress has been made during 2005 and 2006 in moving forward the Gleneagles G-8 commitments. However, there is much left to do, including through the European Union and the World Trade Organization.

Aid commitments

In 2005, the developed countries made long overdue promises to increase aid to 0.7% of national income. At their summit in Gleneagles, the G-8 announced that aid would increase by \$50 billion over the next five years. Indeed, aid from the G-8 has increased by \$21 billion or 37% over its 2004 levels. Here are some individual country breakdowns:

- The EU has committed to reach 0.7% Official Development Assistance (ODA)/ Gross National Income (GNI) by 2015, with an interim target of 0.56% ODA/GNI by 2010—a doubling of EU ODA between 2004 and 2010. The EU will provide collectively to Africa 50% of the agreed increase in ODA resources.
- France has committed to raising ODA to 0.5% of GNI by 2007 and 0.7% by 2012;
- Germany is committed to achieve 0.51% by 2010 and 0.7% by 2015. It is now 0.33% of GNI.
- UK's budget will reach 0.7% by 2012 while US tripled net ODA to Africa from 2000–2006.
- Japan has agreed to increase ODA by \$10 billion (2005–2009) while doubling its assistance to Africa between 2005–2008.

In addition to increased ODA commitments, there have been new initiatives, such as the air ticket levies by France and the International Financial Facility (IFFim) for Immunization, launched in September 2005, to mobilize additional resources to tackle Africa's health crisis.

While the increase in aid to Africa has been much welcomed, there has been concern about the make-up of publicized development aid. A large amount of aid spending includes double counting of debt cancellations, and resources allocated to finance housing refugees in Europe, despite the Monterrey Consensus' agreement that debt cancellation should be additional to ODA. Moreover, much aid is either poorly targeted, tied to procurement of goods from same donors, and over spending on western consultants.

Debt Cancellation

In July 2005, the Gleneagles Summit endorsed the Multilateral Debt Relief Initiative for a 100 percent cancellation of debt owed to the IMF and the World Bank. But the initiative covers only 14 African countries and excludes more than 40 other deserving poor African countries. Moreover, the amount that has actually been written off to date is a mere \$37 billion, about 10% of the \$330 billion owed by a group of 53 countries that have been identified as very poor and indebted.

The Doha Development Round

At the Hong Kong ministerial trade talks in December 2005, an agreement was reached to eliminate export subsidies on agricultural goods by the end of 2013. In addition, the EU, Japan and the US pledged to grant duty free and quota free market access to 97 percent of the 50 least developed countries' products by 2008, with the exception of some 300 sensitive produces that are

of interest to African countries. However, the US and EU have created so many loopholes, thus providing few tangible benefits. Important products such as sugar and rice are not permitted entry into the EU or US markets, denying African countries the revenues they needed to invest in development. While some progress was made with regards to cotton, whereby commitments were made to eliminate export subsidies by 2006, such commitment has yet to materialize.

What need to happen at the German G-8?

In this brief, we outline six critical areas that the G-8 leaders must recommit themselves and redouble their efforts to accelerate Africa's development and reduce the scale of human deprivation in the continent.

1. **An expansion of the 2005 G-8 debt cancellation deal:** While the G-8 debt deal set a precedent for 100% debt cancellation, the arrangement covers only a portion of Africa's debt. Many other poor African countries are excluded from receiving any debt relief. These countries still owe \$200 billion and are still required to pay \$14 billion in debt service each year. The German G-8 should expand the 2005 debt deal to include many other poor countries.
2. **Predictable long term aid:** Today aid flows are not predictable and they fluctuate from year to year. This makes it difficult for countries to present reliable development plan and thus develop an 'exit' strategy from aid dependency. The G-8 should ensure predictable long term aid.
3. **An end to agricultural subsidy:** The big brake for Africa has to come from progress in trade negotiations. Once critical area is ending western agricultural subsidy. Achieving the Millennium Development Goals (MDGs) in Africa requires the introduction of mechanisms to achieve fair and stable prices for commodities and improving access to African exports. This must be complemented by efforts to strengthen the supply capacity, especially in the area of production, marketing and diversification—to enhance the value-added to commodities through processing and manufacturing. This, of course, must be complemented by domestic measures to overcome constraints in production: access to credit, security of tenure, better transport and storage facilities.
4. **Invest more on HIV/AIDS and strengthening health systems:** The G-8 Gleneagles agreed to ensure universal access to anti-retroviral treatment by 2010. Yet at the St. Petersburg G-8, no new commitment was made to the investment necessary to achieve the 2010 goal. Bold actions are required on the part of the G-8 to ensure that the Global Fund on Combating AIDS, Tuberculosis and Malaria is fully funded to the tune of \$7 billion annually on predictable basis. More importantly, the G-8 must take a concerted effort on strengthening Africa's deteriorating health systems as well as slowing down the 'brain drain' of health professionals by developing attractive packages and incentives to encourage health professionals to remain in Africa.
5. **Conflict prevention:** The G-8 should give more focus to preventing and enhancing the capacity for humanitarian intervention in places like Darfur. Public condemnation of the genocide in Darfur is not

enough; there must be stronger support (both political and financial) to UN Peacekeeping force in Darfur as well as G-8 political pressure on China to extricate itself from providing unconditional political support to the regime in Khartoum.

6. *Special G-8 African initiative on Climate Change*: While concern over the effects of climate change on the living environment and economic development have received increased attention in the western world, the social and economic consequences of climate change are already being felt on the ground in Africa. Expanding deserts, water shortages, soil erosion and declining soil fertility are all having profound effect on the capacity of many African countries to sustain a level development that is necessary to achieve the MDG goals by 2015. Any agreement reached in Germany on climate change should include an initiative to assist African countries to develop policy and institutional mechanisms to address the negative consequences of climate change, including financing the transition to clean energy and sustainable transport systems in order to reduce greenhouse gas emissions; undertake research and development, and strengthen national analytical capacity to integrate climate, environmental health, economic and social factors into development strategies.

The upcoming G-8 Summit in Germany provides an excellent opportunity to build on the commitments made at Gleneagles two years ago. Though compliance has lagged far behind commitments, there is still room for the G-8 to do more to help African countries to navigate successfully the cold currents of economic globalization. African leaders have kept to their part of the bargain; it is now up to the G-8 to deliver what had agreed upon at Gleneagles and Germany's leadership is critical for achieving these goals.

FURTHER READING:

Agence France Press (December 27, 2006), "Germany wants G8 Presidency to 'go back to roots', tackle world's economic problems."; *Dow Jones International News* (October 18, 2006), "Germany to Address Global Imbalances at G8 in 07".

Spiegel International Online (April 25, 2007), "The West fails to deliver: Merkel to push G8 to meet Africa aid pledges", accessed April 30, 2007:
<http://www.spiegel.de/international/world/0,1518,479372,00.html>

Agence France Presse (March 27, 2007), "G8 mulls micro-credit help, more AIDS funding for Africa".

G8 Gleneagles 2005, *Progress Report by the G8 Africa Personal Representatives on Implementation of the Africa Action Plan*.

Oxfam International (2006), *The View from the Summit – Gleneagles G8 one year on*. Oxfam Briefing Note, June 2006.

IMF/World Bank (2002), *The Enhanced HIPC Initiative and the Achievements of Long-term External Debt Sustainability*, April 15.

HM Government (2006), *G8 Gleneagles: One Year On, Turning Talk into Action*, DFID.

G8 Club Governance. Power and Politics in a Global World. Ed by Henning Melber. Critical Currents no. 1, May 2007. Dag Hammarskjöld Foundation, Uppsala 2007.

Eyes on the G8. AfricaFocus Bulletin, May 23, 2007.
http://www.africafocus.org/docs07/.g8_0705.php

The G8, Africa, and NEPAD: The emperor's new clothes at Heiligendamm. World Economy & Development in brief. WDEV 3/May-Jun 2007.
<http://www.wdev.eu>

Bertil Odén, *Aid to Africa – promises and trends. The G8 pledge from 2005 and the DAC aid*. Comment on the NAI website.
http://www.nai.uu.se/policy_activities/information_och_konferens/aid_to_africa/

FOR MORE INFORMATION:

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USEFUL WEBSITES:

Official G8-online portal of the German Federal Government:

<http://www.g-8.de/Webs/G8/EN/Homepage/home.html>

Oxfam International: <http://www.oxfam.org>

G8NGOplattform. <http://g8-germany.info/english/index.htm>

This website is the international service website of the G8 NGO Platform.

DATA: <http://www.data.org>

DATA is an advocacy organization dedicated to eradicating extreme poverty and AIDS in Africa.

ELECTIONS CALENDAR FOR AFRICA: Updated May 2007

June

Senegal, 3/6	National Assembly elections
Congo (Brazzaville), 24/6	National Assembly elections, first round
Cameroon	National Assembly elections
Guinea	National Assembly elections

July

Mali, 1/7	National Assembly elections, first round
Congo (Brazzaville), 22/6	National Assembly elections, second round
Mali, 29/7	National Assembly elections, second round

August

Togo, 5/8	National Assembly elections
Sierra Leone, 11/8	Presidential and legislative elections

September

Morocco 7/9	Parliamentary elections
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October

Cote d'Ivoire 31/10	Presidential and parliamentary elections
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November

Ethiopia	Presidential elections
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December

Kenya	President and National Assembly elections
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SOURCES:

The Electoral Institute of Southern Africa, <http://www.eisa.org.za>

African Elections Database, <http://africanelections.tripod.com/>

ElectionGuide, <http://www.electionguide.org>

African Political Resources: Listings of political sites sorted by country, with links to parties, organisations, governments, media and more.

<http://www.politicalresources.net/>

<http://www.politicalresources.net/africa.htm>

NEW BOOKS FROM THE NORDIC AFRICA INSTITUTE

NB: The publications below can be downloaded from the NAI website.

How to Be a 'Proper' Woman in the Times of AIDS.

Katja Jassey and Stella Nyanzi,. Current African Issues no. 34.

<http://www.nai.uu.se/publications/books/book.xml?id=25192>

Political Opposition in African Countries: The Cases of Kenya, Namibia, Zambia and Zimbabwe.

Karolina Hulterström, Amin Y. Kamete and Henning Melber (Compiled by H. Melber). Discussion Paper no. 37.

<http://www.nai.uu.se/publications/books/book.xml?id=25225>

China in Africa

Margaret C. Lee, Henning Melber, Sanusha Naidu, Ian Taylor (Compiled by H. Melber). Current African Issues no. 35.

<http://www.nai.uu.se/publications/books/book.xml?id=25236>

Governance and State Delivery in Southern Africa: Examples from Botswana, Namibia and Zimbabwe.

Henning Melber (Ed.). Discussion Paper no. 38.

<http://www.nai.uu.se/publications/books/book.xml?id=25228>

Mapping Darfur. <http://www.nai.uu.se/news/lectures/darfur/>

“Mapping Darfur” is only available as a pdf-file on the NAI website. There you can also find suggested reading and links on Darfur.

NEW NAI COUNCIL APPOINTED

The Swedish Government has appointed a new Programme and Research Council. The Programme and Research Council of the Nordic Africa Institute has the task of monitoring and advising its Director. Each Nordic country has two members on this Council – one from the research community and one from the foreign office and/or aid administration. Uppsala university library also has one member due to its close collaboration with the Institute.

A list of members can be seen on:

http://www.nai.uu.se/about/council_1/members/

COMMENTS ON THE NEWSLETTER ARE WELCOME

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