



HM Government

G8 Gleneagles:
One Year On
Turning Talk into Action

INTRODUCTION

In July 2005 the leaders of the G8 met at Gleneagles in Scotland.

Few G8 Summits have been the focus of such huge public interest in a year in which millions worldwide campaigned to 'make poverty history'.

Under the Presidency of the UK two key objectives were set: promoting development to end extreme poverty, with a special focus on Africa; and responding to Climate Change.

One year on from Gleneagles, this booklet highlights twelve areas - from aid and debt cancellation to fighting disease and promoting business – in which the commitments of the G8 are being followed through.

The UK took the focus on Africa through from the G8 Summit into its Presidency of the EU. And, as these pages illustrate, in recent months African leaders too have launched significant initiatives that demonstrate their readiness to take the lead in creating the right environment for development to thrive.

In some areas progress has been disappointing - hopes for a trade agreement which could really benefit African countries remain frustratingly out of reach.

But making poverty history is the right thing to do, however long it takes and the UK Government has been – and continues to be – active in pushing other partners to play their part.

The UK government expects the public to continue to hold its political leaders to account for the commitments made at Gleneagles in 2005. And we are committed to working with the leaders of Africa and international partners towards the ultimate goal of ending extreme poverty.



Rt Hon
Tony Blair MP
Prime Minister

Rt Hon
Gordon Brown MP
Chancellor of the
Exchequer

Rt Hon
Hilary Benn MP
Secretary of
State for International
Development

01 MORE AID

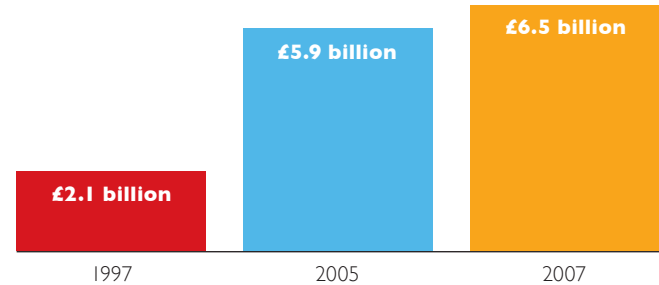
Financing Development



In 2005 the G8 and other donors pledged historic increases in their aid budgets to provide an extra \$50 billion a year by 2010 – with half of this aid going to Africa.

The UK Government is on track with its commitment to meet, by 2013, the UN target of providing 0.7% of national income as aid (ODA) – two years ahead of the EU target of 2015. UK aid has more than tripled in a decade.

UK Official Development Assistance (ODA)



Globally, preliminary figures for 2005 show a record rise in aid of 31.4% to a total of \$106.5 billion. Part of this is due to tsunami aid and debt relief. Some have criticised the inclusion of debt relief in aid figures. But in poor countries debt relief frees up money for development. **Developing countries need more money overall, which is what the 2010 pledges will achieve.**

The UK exceeded its target of spending £1 billion in Africa in 2005/06. By 2007/08 we will spend at least £1.25 billion and, crucially, provide more long-term commitments in order to help countries as they plan to meet their own needs.

Some 80% of the new aid promised for 2010 will come from the EU. These increases will be a challenge for some countries but the UK Government is encouraging all donors to set timetables to reach the 0.7% target.

We are also working with others on innovative financing mechanisms to increase aid. The **International Finance Facility for Immunisation**, for example, was launched September 2005 and has already been supported by France, Italy, Spain, Sweden, Norway, Brazil and South Africa. By bringing forward aid payments the initiative is expected to save 10 million lives with \$4 billion set aside to tackle preventable diseases such as diphtheria, tetanus and whooping cough.

02 CANCELLING DEBT

The great write-off



Great progress has been made to deliver the G8 commitment at Gleneagles to write off more of the debts of the poorest countries. Once fully implemented over \$50 billion of debt relief will have been cancelled.

Up to forty three countries will have 100% of their debt to the World Bank's International Development Association, International Monetary Fund (IMF) and African Development Fund written-off when they complete the Heavily Indebted Poor Countries (HIPC) initiative. This cancellation will be without any additional policy conditions. Already the IMF has delivered 100% debt cancellation for 20 countries, 14 of which are in Africa.

As a result of debt relief under the existing HIPC Initiative, 29 countries have now increased their spending on health, education and other things to reduce poverty from around \$6 billion in 1999 to \$13 billion in 2005.

The UK worked in partnership with the Nigerian government to deliver the largest ever debt cancellation for an African country. Last October, the Paris Club group of official creditors agreed a deal to resolve 100% of Nigeria's debts, including debt cancellation worth \$18 billion. The UK alone wrote off £2.8 billion. For the Nigerian government, more than \$1 billion a year is now freed up – money which could employ 120,000 teachers and put 3.5 million children into school.

Debt Relief Making A Difference

- ➔ Thanks to debt relief under HIPC, Uganda increased its spending on the poorest people from \$402 million a year in 2000 to \$719 million by 2003. Access to health services leapt from 49% of the population in 1995 to 80% in 2003.
- ➔ Tanzania used its HIPC debt relief to build 31,000 new classrooms and 1,000 new schools, boosting efforts to offer basic education to every child.
- ➔ Zambia will use its debt relief savings under the new G8 debt initiative to abolish health fees for people living in rural areas – thousands of people will have access to free healthcare as a result.

03 TRADE MATTERS

Making trade work for the poor



Trade is a vital route out of poverty yet the poorest countries only have a 2.1% share of global trade. If trade took off for the poorest countries, if rich nations played fair with poor ones by allowing them a decent foothold in Western markets and got rid of distorting subsidies for rich country exports that make it difficult for poor country producers to compete in their own countries, the world would take a giant step towards ending poverty.

There has been some limited progress on trade since Gleneagles, but not nearly as much as there should have been. The outcome of the World Trade Organisation (WTO) meeting in Hong Kong in December 2005 was disappointing, although trade ministers agreed:

- An end to cotton export subsidies judged illegal by the WTO
- An end to agricultural export subsidies by 2013
- Duty and Quota Free Access for at least 97% of products from Least Developed Countries (something the EU already provides).

But these agreements depend on the rest of the WTO Doha trade round being concluded by the end of 2006. And the really difficult issues, like opening up markets and tackling agricultural protectionism, are still to be dealt with.

In the meantime, developed countries have agreed to provide major additional 'aid for trade' to help developing countries produce the right goods at the right prices and compete in global markets. The UK is trebling 'aid for trade' to £100 million a year by 2010 – and the EU as a whole is aiming to increase its contribution to €2 billion per year.

Creating a fairer global trading system, in which poor countries can trade their way out of poverty is a complex and lengthy process. The UK is determined to work with others to achieve an ambitious outcome to the Doha round. But we can't do this alone and all WTO members must remain committed to securing a successful and 'pro-development' conclusion to these trade talks. We must give developing countries improved access to global markets, help them to build trade capacity and allow them to set their own economic and trade policies.

04 TACKLING CONFLICT

One of the greatest barriers to development



In the 1990s alone, five million people were killed and fifty million were forced to flee their homes because of conflict. Conflict damages development and hits the poor hardest. Prevention is better and cheaper – investing \$1 in preventing conflict saves the international community \$4 that it would otherwise spend on dealing with the results of conflict.

The UN Peacebuilding Commission, established last December, aims to improve the international community's ability to deal with conflict. It has brought together all the UN's different areas of expertise: conflict prevention, mediation, peacekeeping, human rights, rule of law, humanitarian assistance, reconstruction and long-term development.

In the year since Gleneagles, the international community has increased support for Africa's efforts to build a peaceful and stable continent. The UK is the second largest national donor to the Darfur humanitarian crisis and has provided over £122 million since September 2003. We have pledged £288 million for humanitarian and development work in Sudan during 2005-07 and are one of five donors who have set up a joint office to support recovery and development in Southern Sudan. This is the world's first truly joint donor office.

The UK has also increased support for the African Union's peacekeeping missions in Burundi and development of the African Standby Force, which will boost Africa's capacity to deploy effective peacekeeping missions in the future. The EU, a major funder of African Union peacekeeping, recently agreed to provide up to €300 million over 3 years. And while the UK and others are supporting democratic elections in Cote d'Ivoire and the Democratic Republic of the Congo, the G8 remains on track to train 75,000 peacekeepers worldwide by 2010.

In 2005, the EU and Commonwealth gave their backing to the UK's idea for an international treaty on the arms trade. The UK is working with these countries to try and secure a UN resolution this year to kick-start the process, as well as agreement in July to develop guidelines on dealing with small arms and light weapons.

Conflict Reduction

- Two nations marked their third peaceful, democratic transitions of presidential power: Tanzania in December last year and Benin this March.
- In January, Ellen Johnson-Sirleaf became Africa's first female head of state, when she was elected President of Liberia, ending 25 years of conflict.
- The Government of National Unity in Sudan was formed in July 2005, and continues to implement the Comprehensive Peace Agreement.
- The Darfur Peace Agreement was signed in May this year, so boosting the hopes for peace, security and democracy in this long-suffering region.

Burned village. North West Darfur. Sudan. Photo: Sven Torfinn/Panos Pictures

05 EMERGENCY CALL

Humanitarian Assistance



The G8 at Gleneagles and the UN World Summit in September 2005 agreed that we need to rethink the way help is provided in emergency situations, and a series of initiatives have been launched which will improve the international humanitarian system and deliver assistance more quickly.

The UN's new Central Emergency Response Fund (CERF), launched in March this year, will provide UN humanitarian agencies with initial funds so they can:

- respond immediately to sudden disasters such as earthquakes
- provide urgent assistance in emergencies such as famines
- deliver essential life-saving in under-funded or overlooked emergencies

The target for CERF is \$500 million and, so far this year, 43 donors have committed \$262 million (£145 million) including £40 million from the UK. The UK is the largest contributor, and will be providing an additional £120 million over the next 3 years.

The new Fund is already working. It has provided \$92 million in humanitarian assistance to emergencies including: the Horn of Africa, Darfur, the Democratic Republic of the Congo, Chad, Niger, Cote D'Ivoire and Burundi. It funds projects that include providing, water and sanitation, delivering emergency food assistance and monitoring health and nutrition.

The UK believes more must be done to protect communities from the devastating effects of natural disasters. In March, DFID launched a new Disaster Risk Reduction Policy under which 10% of DFID's financial assistance in the wake of the tsunami and the earthquakes in Pakistan was directed to protecting vulnerable communities from future disasters. To date we have committed £7.5 million for disaster risk reduction in the tsunami-affected region, and pledged a further £6 million following the earthquake in Pakistan.

06 EDUCATION

The most effective investment the world could ever make



Every day, 100 million primary school-aged children are not in school. Eight out of ten of these live in sub-Saharan Africa or South Asia and they are more likely to be girls than boys. The 2005 goal to match the number of girls and boys in school was missed by 94 countries.

At Gleneagles, the G8 pledged to change this by investing more in better education, extra teachers and new schools, so all children can have free access to good quality education by 2015. An important step on this road took place in Mozambique in April when President Mandela, President Guebuza of Mozambique, The Chancellor Gordon Brown and the Secretary of State for International Development Hilary Benn launched a major new initiative to turn promises on education into reality. The

UK will spend at least £8.5 billion on education in developing countries over the next decade. A month later, in Nigeria, twenty two African countries agreed to develop 10 year education plans to improve education in their countries.

Along side this, the Education For All Fast Track Initiative launched as a global partnership in 2002 to help speed up progress on education, is being expanded. The UK will be providing £100 million over the next 2 years, in addition to the £50 million announced last year. Other G8 countries who have provided recent contributions are Russia, Italy and the EC. But more is needed. Within three years, this scheme could see 67 million more children in school.

School fees – especially for girls in poor families – are a barrier to education. This is why the UK is helping governments provide primary education for free.

- **Zambia removed school fees in 2002** – by 2004 enrolment rates for girls had reached 81.5% compared to 65.9% in 2000.
- **Kenya abolished school fees in 2003** – enrolments increased dramatically with 1.2 million extra children in school in that year alone. By 2004 total enrolment climbed to 7.2 million – 84% of children of primary school age.

Education Works

- For each extra year that a girl spends in school there is an 8% reduction in the death rate of children under five. And each year of education a girl receives will boost her eventual wages by up to 20%.
- In Swaziland two-thirds of teenage girls in school are free from HIV, while two-thirds of girls who are not attending school have HIV.

Chemistry class in a girls' school in Kenya, where enrolments increased dramatically after school fees were abolished. Photo: Giacomo Pirozzi/Panos Pictures



Too many people in developing countries cannot get medical treatment, yet it is vital to any society. Healthy people can take care of their children, hold down jobs and contribute to the development of their society. Income levels of countries with severe malaria, for example, are only a third of equivalent countries without malaria.

At Gleneagles G8 leaders agreed to work with developing country governments to improve health services for the poor, helping them train and retain doctors, nurses and community health workers. They agreed to do more to tackle TB and malaria. On malaria, the G8 goal is to make

sure that, by 2015, 85% of those vulnerable to malaria have access to treatment and nets – which should save 600,000 children's lives a year. New global action plans have been agreed for both killer diseases since Gleneagles. The UK is working with others to make sure financing gaps are filled – as we are also doing for polio. By the end of 2006, we should be able to say that the spread of polio has stopped in all countries except Nigeria, where it will probably take another year.

One of the main sources of money to tackle TB and malaria is the Global Fund. Last September, the international community pledged \$3.7 billion of the \$7 billion the Fund needs for 2006 and 2007. The UK committed £100 million for each year – double what we have provided in the past. We also give money to initiatives like the Stop TB Partnership and through DFID's country programmes.

In May this year, African Heads of State set out their own plans to tackle AIDS, TB and Malaria and to improve basic health services. They called for the support of the international community, including long-term funding commitments, to help them plan for the long term. The UK is working with other donors to make sure they get this support.

Getting better

- The UK is helping to build up health services in many African countries, including Malawi, Zambia, Uganda, Ghana, and Nigeria. In Malawi, the UK has committed £100 million over five years. Half of this will be spent on recruiting and training doctors, nurses, pharmacists and other healthcare workers.
- The UK has provided £14.5 million over five years to the Zambian government to help them to remove fees for those using basic health services.

Masai girl with her mosquito net. In Tanzania, the UK provided £8.4 million between 2003/04 and committed a further £10.3 million until 2007 for delivery of insecticide treated mosquito nets as part of the country's plans to tackle malaria. Photo: Fred Hoogervorst/Panos Pictures

08 HIV AND AIDS

The greatest challenge of our generation



In the last 25 years, more than 65 million people have been infected with HIV and 25 million have died. Today, 40 million people are living with HIV – 95% of them in developing countries.

In the poorest countries, by the end of 2005, only about 1.3 million of the 6.5 million people who needed urgent access to AIDS drugs could get them – although things are improving: two years earlier, only 400,000 had these drugs.

Last year the G8 agreed to secure access to treatment for all who need it by 2010. The special session of the UN General Assembly in June 2006 took this further by stressing the need, not just for treatment, but for prevention, care and support. And agreed that no credible, sustainable country plan should go unfunded – setting a target to provide \$20-\$23 billion every year for AIDS programmes by 2010.

To date no cure for HIV has been found. Treatment is expensive, has to be maintained for life and requires trained healthcare workers, health care facilities and a sustainable drugs supply. Alongside treatment, HIV prevention plays a critical role. People, in particular the poor and vulnerable, must have the means to protect themselves – and therefore it is vital to tackle stigma and discrimination as well as increasing availability and access to:

- Information about HIV
- Commodities such as male/female condoms, and clean needles
- Voluntary counselling and HIV testing

Global resources are now increasing in the fight against HIV and AIDS, and total funding for HIV programmes quadrupled between 2001 and 2005. The UK has pledged to provide £1.5 billion for HIV and AIDS work between 2005 and 2008, including £150 million for orphans and vulnerable children. While the \$3.7 billion replenishment of the Global Fund to fight AIDS, TB and Malaria in September 2005 was a major boost, a lot more is needed. The international community is now working to secure long term financing to allow countries to scale up HIV and AIDS services in the years ahead.

Changing behaviour... A peer educator talking to a group of young people in Kenya. New HIV infection rates are dropping in some countries such as Kenya, Uganda and Zimbabwe as a result of changed behaviour and increased condom use. But there is still a long way to go. Photo: Giacomo Pirozzi/Panos Pictures

09 WATER AND SANITATION



More than a billion people in the world lack access to water and twice as many lack adequate sanitation.

- 2.2 million people die each year from diseases related to drinking contaminated water.
- diarrhoea alone claims the lives of nearly 6,000 children a day.

G8 leaders at Gleneagles committed to increase aid for water and step up implementation of the G8 Water Action Plan. This aims, by 2015, to cut by three quarters the number of people in developing countries without access to safe water and sanitation.

The UK Government believes this is a realistic ambition with real effort over the next 10 years. And with other donors, like the World Bank, African Development Bank, France, Germany and the Netherlands, has promised new support. We are on track to meet the target we set ourselves last year to double our annual spend on water to £95 million by 2007/08 and we are working with Ethiopia, Democratic Republic of Congo, Malawi, Mozambique, Rwanda, Tanzania and Zambia to develop effective action plans.

The EU Water Initiative is developing action plans in eleven countries focusing on making donor-aid for the water sector more effective. The EU Water Facility has now approved 97 projects worth €400 million, designed to provide 10 million people with water and 5 million with sanitation.

Partnership brings water to cocoa communities

A joint initiative between a multinational, a farmers' co-operative and an international charity supported by DFID has brought fresh water to tens of thousands of cocoa-farmers and their families in rural Ghana over the last couple of years.

Working with Ghanaian co-operative Kuapa Kokoo, Cadbury/Schweppes and WaterAid have set up over 260 village wells in the country's cocoa-growing region – providing year-round access to clean drinking water. And giving the village children more time to attend school.

DFID continues to work closely with WaterAid to influence government policy and spending on water and sanitation in the countries where the charity works.

Domebra, Ghana. Before the pump villagers had to walk some miles to the nearest stream to bring back water back in containers. The water was not always clean and would often be disease ridden.
Photo: Karen Robinson/Panos Pictures

10 TACKLING CORRUPTION and Promoting Good Governance



Corruption results from bad governance – and also causes it. If the rich steal from the state or dodge their taxes, a government loses revenue and can't train nurses or teachers. Nor can it pay judges properly so the corrupt get away with it and the poor lose out. The G8 meeting in July 2005 agreed a series of measures to support good governance and democracy in Africa.

The UN Convention against Corruption came into force last December and the UK, the second G8 country to ratify it, is now encouraging others to follow suit. Countries which sign the Convention must establish effective systems to deal with corruption and cooperate with one another in the global fight against it.

The African Peer Review Mechanism, under which African governments hold each other to account on a whole set of political, economic and corporate governance standards, is also making progress. Twenty six countries have volunteered to join this, 13 have reviews under way. Ghana was the first country to complete the review process and is following up the recommendations made. Rwanda and Kenya's reports should come out soon.

Corruption also needs to be rooted out of business. The Extractive Industries Transparency Initiative (EITI), which involves 14 African countries and 18 companies, is helping improve transparency and accountability in the oil and gas industries. Nigeria was the first African country to publish detailed results in January and, for the first time, its people really know what their country earns from its oil and gas. Now they will want to know how their money is spent. The next step is to get companies from emerging markets like China, India and Brazil to join the initiative.

Taking corruption seriously

Recent events in some developing countries show that things can change:

- Three Kenyan Ministers resigned amidst allegations of corruption.
- The work of anti-corruption commissions in Nigeria has led to the imprisonment of the former Inspector General of Police, and the prosecution of Ministers and a State Governor.

II PROMOTING GROWTH AND JOBS

The Road to Economic Development



When economies grow, more and better jobs are created, people's lives improve and governments have funds to fund health and education. Many African economies are showing more positive economic signs than for a long time. Several initiatives launched since Gleneagles are designed to help Africa achieve the 7% growth rate needed to meet the Millennium Development Goals.

The **Investment Climate Facility** was launched by African leaders in June to make the continent a better place to do business. Funding has been secured for the first phase, with \$30 million from the UK alongside contributions from the Netherlands, Ireland, the World Bank's International Finance Corporation and EC, plus the private sector.

With half of the world's landlocked countries in Africa, it is vital that they are connected effectively to global markets. When growth in Asia took off, the region had three times as many roads per person as Africa does now. The **Infrastructure Consortium for Africa**, launched last October, has already helped speed up funding decisions on 10 regional projects, worth nearly \$700 million. Donor funding for infrastructure is expected to increase by around \$2 billion a year by 2008 – up from \$4 billion a year at present.

Improvements in **Agriculture, on which most Africans depend for their livelihood**, is vital and the African-led Comprehensive Africa Agriculture Development Programme (CAADP) is set to play a key role. The UK is backing it with £133 million over five years, investing in agricultural research and technology such as developing crops able to resist drought better.

Smallholder cotton production in Malawi: The Great Lakes Cotton Company

For many years the smallholder cotton sector in Malawi has been in decline, with poor yields and badly managed advisory services. Private sector investment of £1.9 million and a challenge fund grant of nearly £300,000 have helped the Great Lakes Cotton Company to provide training and more, better quality seeds. This initiative has helped triple production and raised incomes. The number of casual labourers employed has tripled to over 35,000 and an extra 100,000 smallholders are benefiting.

12 CLIMATE CHANGE

Global Warming



Climate change increases the intensity of natural disasters: rising sea levels cause large numbers of refugees; higher temperatures spread disease; shorter rainy seasons cause crops to fail; greater competition for resources could spark conflict. Developing countries will suffer most.

Last year G8 leaders agreed a bold Plan of Action to accelerate use of low-carbon energy, and help protect countries against the effects of climate change. Since then, the 20 countries which use most energy have engaged in the 'Gleneagles Dialogue'.

This Plan has already led to a huge range of new activity and the UK is:

- working with the World Bank and regional development banks to increase investment in climate-friendly technologies by several billion dollars a year.
- collaborating with the World Bank and other donors to develop guidelines for screening aid investments for climate risks, starting with Bangladesh.
- in Africa, funding the Global Climate Observing System to improve climate science, and launching with Canada a £30 million research programme to build a body of skilled African researchers.
- working on projects with the EU, China, Japan, Brazil and India, on 'clean coal', low carbon technologies, improving scientific collaboration, developing Latin American carbon markets, and dealing with climate impacts.

The UK's work in 2005 was key to securing a breakthrough at the Montreal climate change conference, where all countries agreed to start discussions on future co-operation. We have kept climate change firmly on the G8 agenda, ensuring that the largest developing countries are invited to the Russian G8 Summit. We are using that, and the next Gleneagles Dialogue Ministerial meeting in Mexico in October 2006, to develop further agreements, leading up to Japan's G8 Presidency in 2008.

These activities build support for a future international framework, including a long term goal for international action, securing a stronger EU strategy on climate change, and increasing certainty on the long term future of the EU emissions trading scheme.

DFID, the Department for International Development: leading the British government's fight against world poverty.

One in five people in the world today, over 1 billion people, live in poverty on less than one dollar a day. In an increasingly interdependent world, many problems – like conflict, crime, pollution and diseases such as HIV and AIDS – are caused or made worse by poverty. DFID responds to emergencies, both natural and man-made. It also supports long-term programmes which aim to reduce poverty and disease and to increase the number of children in school, in support of the internationally agreed UN Millennium Development Goals.

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FIND OUT MORE

www.dfid.gov.uk

Leading the British government's fight against world poverty

www.g8.gov.uk

UK's G8 Presidency website, with links to previous summits

www.live8.com

Official website for 2005 campaign and concert

news.bbc.co.uk/1/hi/in_depth/uk/2005/g8_gleneagles/default.stm

G8 2005 Summit in depth. Web resource from the BBC

en.g8russia.ru

Russian G8 2006 Presidency website

www.makepovertyhistory.org

Official website from the campaigning coalition of NGOs

www.developments.org.uk

FREE magazine produced by DFID to raise awareness of development issues