

EMBARGOED UNTIL 00:01 HRS GMT 10 MAY 2007

# The World is Still Waiting

## Broken G8 promises are costing millions of lives

As the 2007 German G8 summit approaches, the demands of the millions of anti-poverty campaigners worldwide are clear. G8 leaders must increase and improve aid to provide health, education, water and sanitation for all. They must cancel more debt and deliver trade justice. They must take urgent action to bring peace to the world's most troubled countries and to halt the devastating impact of climate change. Where action has been taken by G8 countries, lives are being saved. Yet despite some areas of real progress, in the past two years overall progress has fallen far short of promises. The cost of this inaction is millions of lives lost due to poverty. G8 countries must meet their promises to the world.

## Summary

Poverty and suffering could be ended in our lifetime, and our leaders must do everything in their power to make this happen. This was the clear demand of the 40 million people in 36 countries who took part in the Global Call to Action Against Poverty in 2005. A year later, in the space of just one day, 24 million people across the world stood up against poverty as part of World Poverty Day.

Of all the thousands of global meetings in the political calendar, the G8 summit has become most famous for its grand promises to tackle global poverty. For campaigners, it is a crucial moment to hold world leaders to account for delivering on those promises. This year, the summit will be held in the exclusive resort of Heiligendamm on the Baltic coast of Germany. Campaigners will descend on Germany from around the world to make their voices heard.

The action demanded of the G8 is clear. Poor-country debts must be cancelled, aid increased, trade made fair, peacekeeping and arms control achieved, and concerted action taken to tackle climate change and its impact on the poorest people. No task could be more urgent, no task more important. Ending poverty is the challenge of our generation.

Where action has been taken by G8 countries, many lives are being saved. Since the G8 in 2005, the majority of debts owed by 22 countries to the International Monetary Fund (IMF) and World Bank have been cancelled. Twenty million more children are in school. Eighteen million mosquito nets have been distributed, and more than a million people now have access to treatment for HIV and AIDS. An Arms Trade Treaty now seems within reach, with 80 per cent of the world's governments supporting it and the USA the only country voting against it. Yet despite this progress, rich countries have still come short of doing what they promised, and progress is too often patchy, poor, and painfully slow.

Shockingly, instead of G8 aid to poor countries rising, it fell in 2006 for the first time since 1997, though it is higher than in 2005. At the G8 in Gleneagles in 2005, rich countries promised to have increased annual aid levels by \$50bn by 2010. Instead, based on the actual trend since these promises were made, Oxfam calculates that the G8 could miss this target by a staggering \$30bn. The price of this broken promise? Based on figures from UNAIDS and the World Health Organisation (WHO), Oxfam has calculated that if this money were available for vital health interventions for mothers, children, and those suffering from HIV and AIDS, it could save at least five million lives.

The Darfur crisis is in its fourth year, and the number of people there who are dependent on aid has doubled to almost four million. International trade talks remain moribund, limping on without the political commitment from rich countries that could deliver trade justice for the world's poor people. Finally, rich countries are failing to halt catastrophic climate change and save those whose lives it is already damaging. Instead of providing the billions of dollars poor countries need to adapt to the impact of climate change, they are providing just a few million and diverting even these small amounts from existing aid budgets.

The world can't wait. Millions of women, children, and men are paying for this inaction with their lives.

## The price of a broken promise

What is the price of a broken promise? The girl who gets up in the morning to fetch water, and walks past her friends who are instead on their way to school. The woman who dreads her child's worsening cough, knowing treatment is priced far beyond reach. The boy who watches his baby sister fade away, killed by dirty water. The women who leave the refugee camp for firewood, knowing that their friends were raped and killed while on the same errand only the day before. Crops wilting with the worsening drought; floods washing a family away. A farmer crippled by debt, unable to scrape enough money together to feed her family.

In some rich countries, thanks to 24-hour news, these scenes are familiar to all. But at the same time they are unfamiliar, hard to grasp. Imagine that you and your children had no choice but to drink contaminated and dirty water this morning, despite knowing it could kill. Imagine that you knew that your child was seriously ill but had to choose between paying the cost of medicine or buying food for the rest of your family. Imagine that one in four of the babies born recently to your friends and relations would be dead within five years. Imagine that you risked your life leaving the house after dark, a prisoner of daylight. This is the daily reality for millions of women, children, and men, especially in Africa. It is a reality that need not continue. It is a reality that millions are campaigning to eliminate from the face of our planet once and for all.

The G8 cannot solve all the world's problems. But by delivering what they promised in 2005 and by going further to do all that they can to eliminate poverty and suffering, they could make an incredible difference to the lives of millions. Two years on, the dust has settled, and the G8 is preparing to meet once again in Germany. Africa, HIV and AIDS, health, and climate change are all on the agenda. Campaigning organisations including Oxfam are demanding concrete progress on all these issues. The G8 must account to the world for its performance against its own targets. G8 countries must stand up and be counted. And two years on, the unacceptable truth is that they are breaking their promises, with terrible consequences.

The pace of international summits is sedate to say the least, with polite agreements pre-arranged in advance in comfortable surroundings, and a premium on warm words that are, to use the diplomatic term, 'constructively ambiguous'. The stark difference between this and the urgency of what needs to happen is palpable. The last two years have seen one million women die in pregnancy or child-birth, for want of simple medical care. This is the equivalent of every woman who gave birth last year in Germany and Canada combined. The last two years have also seen 21 million children under the age of five perish for no reason other than the world's inaction. That is the equivalent of every child under five in Germany, France, Canada, Japan, Italy, and the UK combined.<sup>1</sup>

As the eyes of the world turn to Germany in June, the G8 must answer for its failure, and act to address it. With debt cancellation and with the fight against HIV and AIDS, G8 countries have shown that they can take action if they want to; action that is saving lives. They must fulfill their promise to the world.

## Debt cancellation continues to deliver progress

The debt burden of the poorest countries remains completely untenable, and the poorest countries still pay the rich world \$100m each day in debt repayments.<sup>2</sup> However, for those countries included in the deal agreed at the Gleneagles G8 in 2005, there has been a significant fall in debts and a corresponding switch from repaying debts to paying instead for increased education, health, sanitation, and water. Twenty-four countries have now benefited from debt cancellation, including 18 in Africa.<sup>3</sup>

The Gleneagles deal potentially can apply to 41 poor countries in total, cancelling their debts to the International Monetary Fund (IMF) as of the end of 2004, and their debts to the World Bank and African Development Bank as of the end of 2003. To date, 24 countries have benefited.<sup>4</sup> These include countries like Ghana, which has used debt cancellation to make education free, or Malawi, which is using the proceeds to train 4000 additional teachers each year.

This is a really significant victory. However, the remaining 17 countries need to get through the process as fast as possible and not be held up by unnecessary conditions. Oxfam believes that countries must show how they will spend the money saved on fighting poverty in a transparent and accountable manner, but that beyond this no other strings should be attached.

The commitment of the G7 in April 2007 to clear the arrears owed by Liberia is to be welcomed, and full debt cancellation must follow as soon as possible. The G8 must also meet their commitment to pay the costs of the debt cancellation fully by channelling extra resources to the World Bank. This money should be additional to aid money.

Beyond the 41 eligible countries, much more debt cancellation is still needed. Countries with crippling debts such as Bangladesh and Kenya remain excluded. The Jubilee Debt Campaign calculates that in all, over 60 countries will need their debts cancelled if they are to have a hope of meeting the Millennium Development Goals (MDGs). In addition, much of the debt owed by the poorest countries is not just unpayable; it is also unjust and illegitimate. It is not fair to expect countries to repay the debts incurred by unaccountable leaders from the distant past who often stole the money for themselves or spent it on pointless glory projects. Research by Oxfam has revealed that part of the debts owed by Nigeria to Germany date back to the construction of luxury hotels in the 1980s, and much of the debt owed by Iraq to France was for purchasing military equipment.<sup>5</sup> Often this money was lent by rich countries to ensure support in the Cold War, and they turned a blind eye to its obvious misuse in return for

loyalty. The Indonesian government is still crippled by debts incurred during the regime of President Suharto for example. This illegitimate debt should also be cancelled.

Oxfam, Jubilee, and other debt campaigners are deeply concerned about the recent proliferation of debt-related lawsuits against developing-country governments by so-called 'vulture funds' and other creditors. A vulture fund is the name given to a company that seeks to profit by buying up debts that were not being paid at a cheap price, and then suing countries for the full amount through the courts. The G8 must take all possible legal measures to prevent such predatory litigation and to ensure that it does not undermine international debt-relief initiatives or restructuring mechanisms. They should also prosecute fully all aspects of corruption linked to such cases, and increase funding for the provision of legal technical assistance to governments to prevent this happening and to defend themselves.

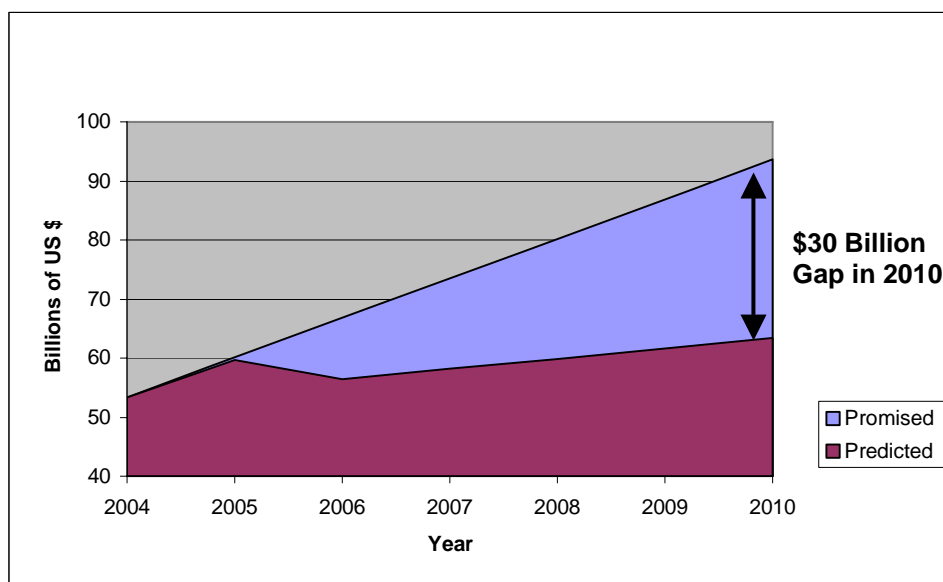
It is clear that the debt story is far from over, and much more needs to be done. Nevertheless, the deal agreed in Gleneagles, in response to massive global pressure, is definitely having a positive impact on the lives of millions, and shows what can happen when the G8 take action. The G8 must use the German summit to go further and cancel the debts of all the poor countries that need it.

## **The G8 is failing to increase aid**

Increased aid levels are absolutely critical. When given well, aid clearly works and saves millions of lives. In 2005 the G8 promised to increase annual aid levels by \$50bn by 2010. This is not enough, and is still only 0.36 per cent of rich-country incomes, half of the 0.7 per cent target they signed up to in 1970. Yet if this money was delivered it could make a real difference. Instead, two years on, aid from the G8 to poor countries is falling, not rising.

Based on current trends, Oxfam has calculated that the G8 will miss its target by a staggering \$30bn. What is the price of this broken promise? Using the latest figures from the WHO and UNAIDS, Oxfam has calculated that this money could provide vital health care for children, mothers, and those suffering from HIV and AIDS, saving five million lives and reversing the spread of HIV and AIDS.<sup>6</sup>

**Figure 1: G8 aid: way off track to meet promises**



Source: Oxfam GB 2007

**Table 1: What a difference it could make<sup>7</sup>**

	<b>Cost</b>	<b>Lives Saved</b>
HIV and AIDS: reverse the spread of the disease and provide universal access to treatment, prevention, and care in Africa	\$16.4bn	500,000
Maternal and newborn health services	\$5.2bn	2 million
Child health services	\$5.6bn	2.5 million
<b>Total</b>	<b>\$27.1bn</b>	<b>5 million</b>

Source: Oxfam GB 2007 (Figures are taken from WHO and UNAIDS. See Annex 2 for detailed working.)

Of course aid on its own is not the answer, but without aid, progress will not be possible in the poorest countries. Fair trade rules, an end to conflict, debt cancellation, action to mitigate catastrophic climate change; all of these actions and more are needed to enable poor countries to develop. But aid is a vital part of this picture.

Aid works. Oxfam's experience and research in countries across Africa and in other poor nations clearly demonstrates that aid from rich countries is playing a vital role in keeping people alive, getting children into school, providing clean water, and giving people the opportunity to work their way out of poverty. Since being created at the Japanese G8 in 2000, the Global Fund to Fight HIV and AIDS, TB and Malaria has got 780,000 people on anti-retroviral treatment for HIV and two million on TB treatment, and has distributed over 18

million mosquito nets to protect families (especially pregnant women and children) from malaria.<sup>8</sup> Aid has helped the government of Tanzania to make primary school free, with the result that 3.5 million more children are now in school. Tanzania is now on track to meet the two education MDGs. The number of children dying in their first year of life has also fallen by almost a third. German aid is helping the citizens of Zambia to hold their government to account and monitor government spending.

Aid could be much better. The quality of significant amounts of aid is still seriously poor, coming with a myriad of strings attached and often delayed and tied to rich-country goods and services. Long-term high-quality aid remains a rarity. Oxfam calculates that currently just eight cents in every dollar of aid is flexible enough to be used to pay for new nurses and doctors.<sup>9</sup> But this is an argument to improve aid, not an argument against providing aid. Aid that is given flexibly and that is committed for the long term saves millions of lives and is absolutely vital.

Much more of this kind of aid is needed, and needed now. Study after study has shown that substantial increased aid could be spent by poor countries immediately,<sup>10</sup> and that when aid quality is improved it has an immediate impact.

Yet aid levels are still at a historical low. Overall aid levels in 2006 represented just 0.3 per cent of the income of rich countries, the same level as in 1993. At \$103bn, aid remains at just ten per cent of global military spending, and 25 per cent of what the US government has spent on the war in Iraq.<sup>11</sup> It is the equivalent of \$1.70 for each rich-country citizen per week.<sup>12</sup> If rich countries all met their promise to give just 0.7 per cent of their incomes, then aid would have been \$240bn instead.

Aid levels are also much lower than people think. An opinion poll carried out by Oxfam in Germany in March 2007 found that 50 per cent of Germans thought their government spent twice as much on foreign aid than it actually does. In the UK the public believes aid is more than twice as much as the defence budget.<sup>13</sup> When people are told how little it really is, support for increasing aid is strong; 71 per cent of Germans believe that it is either important or very important that Germany keep the promise it made in 2005 to double aid. The G8 countries are far less generous than other rich countries; on average they give just \$87 per person compared with \$441 in Sweden.

Aid figures released by the Organisation for Economic Co-operation and Development (OECD) in April 2007 show that aid has fallen for the first time since 1997. Aid figures also continue to be substantially inflated by the double counting of debt relief. Oxfam is opposed to the counting of debt relief in the aid figures. Debt cancellation for poor countries is, of course, critical. The issue is how it is counted. The public rightly believes that aid and debt cancellation are two

different things; two different actions by rich countries leading to two different sources of money to spend on clinics, classrooms, taps, and toilets. At a major United Nations conference in 2002, rich countries promised to stop their practice of counting debt cancellation as aid, but it still continues.<sup>14</sup> Moreover, the size of the debt-cancellation deals for Iraq and Nigeria means that aid figures are falsely exaggerated in 2005 and 2006 by approximately 15 per cent, significantly obscuring the underlying trend in aid, which indicates much lower levels.

In 2007, this spike in the figures will disappear, revealing the fact that real aid levels are in fact far lower than promised and seriously off track to meet the targets set at Gleneagles. As Table 2 shows, Oxfam has calculated that, discounting debt relief, based on these underlying trends, the G8 will miss their target of \$50bn by a staggering \$30bn.<sup>15</sup>

**Table 2: Aid predictions in 2010 compared with promises<sup>16</sup>**

	Cumulative % change in aid 2004 - 2006	Prediction for 2010 if this trend continues (\$US bn)	ODA level promised for 2010 (\$US bn)	Difference between promise and trend (\$US bn)
<b>Canada<sup>17</sup></b>	14.6%	3.8	3.6	0.15
<b>France</b>	-0.6%	6.6	14.2	-7.6
<b>Germany</b>	6.9%	8.5	15.6	-7
<b>Italy</b>	-16.6%	1.4	9.5	-8.1
<b>Japan</b>	3.5%	9.6	12	-2.4
<b>UK</b>	23.6%	13.2	14.9	-1.6
<b>USA</b>	4.0%	21.6	24	-2.4
<b>Total G7</b>	5.9%	63.4	93.7	-30.3

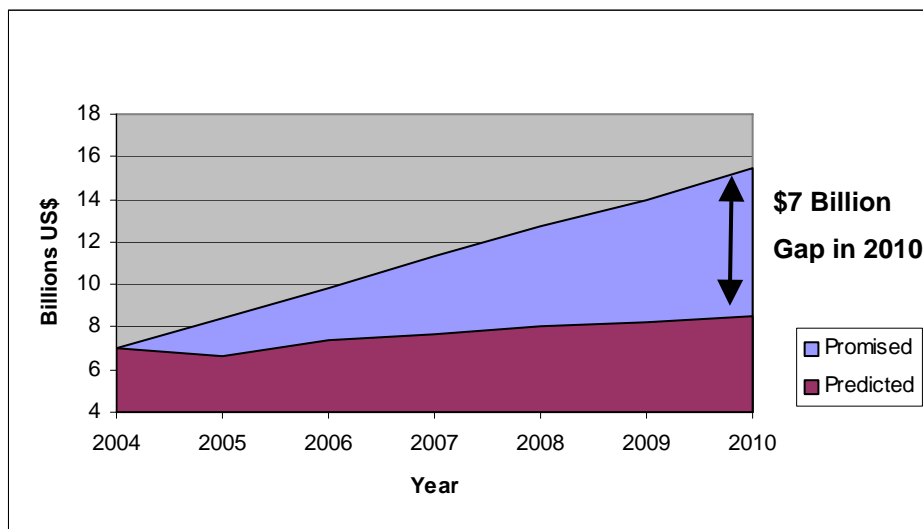
Source: Oxfam GB 2007 (figures are rounded and may not add up to total figure – please see Annex 1 for detailed figures. All figures are excluding debt relief and are in constant US\$ 2004.)

The price of the broken promise is already being felt. Oxfam and ActionAid have also calculated that if the G8 countries were on track to meet their promise, then total aid figures would have been \$7.8bn dollars higher in 2006. This figure could pay for 62 million children to go to school.<sup>18</sup>

In 2006, after debt relief is deducted, aid fell in five of the G7 countries. After a shaky start in 2005, the UK is the only G8 country that increased its aid substantially in 2006. After debt relief is deducted, German aid has also risen 6.4 per cent over the two years since 2005. This is good but does not even reach half of the 14 per cent annual increase that was needed to be on track to meet their

promise.<sup>19</sup> As chair of the G8 this year, Chancellor Merkel must lead by example. At a minimum the Germans must publish a clear timetable of annual increases to meet their commitment to raising aid to 0.51 per cent of gross national income (GNI) by 2010 and 0.7 per cent by 2015.<sup>20</sup>

**Figure 2: German aid promised and predicted**



Source: Oxfam GB 2007

Japanese aid fell by ten per cent in 2006 after debt relief, with the promises made at the Gleneagles G8 to give \$10bn extra aid overall, and to double aid to Africa, glaringly absent. The Japanese are chairing the G8 next year, and unless they take quick steps to reverse this trend they will face considerable embarrassment in 2008, especially in contrast to China's growing influence across Africa. Italian aid fell by a staggering 41 per cent, a scandal for a country that despite economic difficulties still has the seventh biggest economy in the world. US aid fell by 13 per cent, just 0.17 per cent of US income, returning to its position as the least generous of the G7. Canadian aid fell by 3.5 per cent. They are on track to meet their promised increases, but that is because they have promised so little. They must set a target to reach 0.7 per cent of GNI. French aid fell for the second year in a row. The leadership they have shown in the G8 on this issue by setting the most ambitious target to reach 0.7 per cent of GNI by 2012 has been seriously damaged, and the pressure will be on their new president at the G8 to announce specific steps France will take to get back on track.

## Africa

Africa remains the continent experiencing some of the greatest human suffering, and some of the most dramatic abuses of human rights, as the daily headlines about Darfur and Zimbabwe show clearly. It is also a continent where natural resources continue to be plundered to benefit very few people.

However, behind the headlines, the situation in many countries in Africa has changed for the better in recent years, and there is much that is also a cause for hope. Economic growth in African countries over the last three years has been the best in more than three decades. It was 5.6 per cent last year.<sup>21</sup> At the same time many countries are investing this money in increased spending on public services. Mozambique has doubled its education expenditure. Immediate increases in training and recruitment for teachers have been seen in Benin, Burkina Faso, Madagascar, Malawi, Mozambique, Tanzania, and Zambia.

Uganda removed user fees for health in 2001, and has backed this up with sustained increased investment in health, with the health budget rising by 19 per cent.<sup>22</sup> Furthermore, the World Bank has found that 'expenditures on poverty reducing-expenditures have been increasing much faster than total government revenues', showing that governments are increasingly playing their part.<sup>23</sup> Far more can be done, but this progress, which is having a positive impact on millions of lives, should be recognised.

Sadly, while many African governments are beginning to play their part, rich countries have failed to increase aid to the continent, despite promising to do so. Discounting all debt relief, aid to Africa has barely risen in the last year and remains at approximately \$21.5bn. To be on track to reach \$50bn by 2010 (as promised at Gleneagles) annual increases of 19 per cent are needed and aid levels should have been at least \$26bn by now.

The German government is keen to discuss what can be done to encourage greater private investment and growth in Africa. The best way the G8 could do this would be to push for a trade deal that would benefit the continent. Yet instead they are using their muscle to push for greater liberalisation and access to African markets while continuing to protect their own markets from competition from African exports. Cotton farmers in Mali still have to compete with huge subsidies to US cotton farmers, for example. Meanwhile African countries are under tremendous pressure to sign new free trade agreements with the EU by the end of 2007 (known as Economic Partnership Agreements or EPAs). These agreements pose a serious threat to their economies. The alternative is for them to face disruption of exports to the EU at the start of 2008 when current preferential arrangements will be expiring. The EU should give

African, Caribbean, and Pacific countries the time and space they need to negotiate fair trade deals that do support economic development and poverty eradication, and that provide these countries with comparable levels of market access in the interim through the enhanced Global System of Preferences (GSP+), without breaching World Trade Organisation (WTO) rules.<sup>24</sup>

Chinese investment in Africa has risen rapidly, as has that from other new investors such as India. The quality and impact of these investments is far from clear and varies hugely from country to country; from loans to build infrastructure and industrial capacity in Zambia or Ghana, to relatively unconditional support for countries such as the Sudan. The vast majority of these investments are in the form of low-interest loans, leading to renewed fears about debt accumulation.

## **Winning the fight against corruption**

The debate about aid to poor countries is highly polarised. There are many people who believe that aid to poor countries cannot work, as it is all largely misused and wasted through corruption. Oxfam's experience, gained from working in over 100 countries, does not support this view. Indeed it is a very dangerous misperception as it can undermine public support for vital aid increases that are needed to fight poverty.

When corruption is discovered in the delivery of aid, it should be tackled immediately. There will of course be cases where aid is misused. The Global Fund, for example, suspended its grants to the Ugandan government in 2005 after allegations of corruption. But it must be understood that these examples are the exception. In the past, aid was often given to corrupt dictators with no questions asked, and much of it was wasted, which is part of the reason for continued cynicism about aid. However, the majority of aid today is given to support country plans to tackle poverty, and is monitored very closely.

Many governments are working hard to fight corruption and improve financial management, although there is a long way to go in many instances. The biggest problems remain in undemocratic and resource-rich nations, where accountability is minimal and the opportunities for corruption are very great. A recent survey by the IMF of countries receiving debt relief found that 60 per cent now close their accounts within two months of the end of the financial year, up from 32 per cent in 2002. The same survey also found that spending on tackling poverty in these countries has increased by 33 per cent since 2002, which is ultimately the greatest test of whether money is being allocated properly.<sup>25</sup>

The G8 and other rich countries must also do more to tackle the 'supply side' of corruption; the export credit agencies, companies, and individuals who either pay or tacitly tolerate the paying of bribes. In 2004, the World Bank estimated that over 60 per cent of multinational corporations paid undocumented bribes in non-OECD countries to procure contracts.<sup>26</sup> All OECD countries should ratify the UN Convention Against Corruption, and ensure full compliance with the OECD Convention on Combating Bribery.

Aid also plays a key part in helping to fight corruption – it can pay to train lawyers, support the free press, and increase the salaries of the police and other public-sector workers. In short, aid can help to build the only long-term answer to corruption; effective public services and strong democratic institutions, supported by active and informed citizens who refuse to tolerate dishonest gain. The best people to fight corruption are the citizens of poor countries themselves. The SEND foundation in Ghana, for example, runs monitoring committees made up of citizens in poor northern districts. These committees ensure that money from debt cancellation is spent effectively and is not lost through corruption.

In situations where corruption is uncovered, cutting off aid to a country altogether should always be a last resort. Money can also be channelled directly to schools or clinics, through civil-society groups, or through the United Nations. Poor people should not be made to pay for the corruption of their leaders.

Finally, corruption must not be used as an excuse for further inaction by the G8. Mali for example came out top in the IMF and World Bank survey, having the best financial management systems. Yet despite this Mali gets barely any aid, and could absorb far more. In Mali one in four children die before they reach their fifth birthday and eight out of ten women cannot read.

## **Shortfalls on essential services and humanitarian assistance**

This overall failure to increase aid translates into clear shortfalls for the financing of essential services such as education, health, HIV and AIDS work, and water and sanitation provision (Table 3 and Box 1).

**Table 3: Shortfalls in the financing of essential services (\$bn)**

	Aid needed	Aid delivered/ pledged	Shortfall
<b>Basic education</b> <sup>27</sup>	\$16	\$3	\$13
<b>Health</b> <sup>28</sup>	\$27	\$6	\$21
<b>HIV and AIDS</b> <sup>29</sup>	\$20	\$10	\$10
<b>Water and sanitation</b> <sup>30</sup>	\$30	\$15	\$15

Source: Oxfam GB 2007

**Box 1: The price of a broken promise in Mozambique: one million children not in school**

Primary education is central to the Mozambique government's strategy of addressing poverty and promoting education for all, and Mozambique has made substantial progress in improving access to primary education in recent years. However, about *one million school-age children still do not go to school* – and the majority of these are girls. The average class size is currently 80 students. Large numbers of teachers are expected to die from HIV and AIDS between 2000 and 2010, and the average annual requirement for new primary-education teachers for the 2005 to 2009 period is estimated at about 7000.

As part of the Education for All Fast Track Initiative, Mozambique has developed a comprehensive plan for education. *The financing gap is estimated at \$527 for the 2005 to 2009 period, or a bit more than \$100m per year.* If the promised aid was being delivered, then this financing gap could easily be filled.

*Source: Global Campaign for Education*

## Health and HIV and AIDS

Every day, people in developing countries make enormous sacrifices to buy medicines or pay for health care for themselves and their families. They choose between food or health care, and between education or medicines. They sell their land and their livestock, and they get into crippling debt. The World Bank estimates that 100 million people fall into poverty each year because of the cost of medical care. Sixty per cent of these costs are spent on medicines. Women bear the brunt of the high cost of health care. If someone falls ill in the family, women take on the added burden of becoming the carer, and women are often the last to seek health care for themselves if any cost is involved, because they prioritise the rest of their family over themselves.

The German government has put HIV and AIDS and support to African health services on the agenda for the summit. In 2005 the G8 committed to ensuring universal access to prevention, treatment, and

care by 2010. To achieve this the G8 countries must support free basic health services and treatment with massive increases in long-term aid.

In almost all poor countries you can only get health care if you are able to pay for it. The G8 must send a clear signal to all countries that if they remove all fees for basic health care then aid money will be made available to support them. Countries that have made health care free, such as Uganda, have seen massive increases in access to health – 100 per cent increases in attendance at clinics in some cases.<sup>31</sup> Finally the G8 must also support the right of all developing countries to use safeguards in trade agreements to ensure affordable medicines can be imported or produced so they are accessible to poor people.

The health sector in recent years has received considerable attention from the G8 and other donors. While this is good in that it has increased the funding and treatment available, the sector now suffers from a proliferation of over 100 different actors, with minimal co-ordination.<sup>32</sup> At the same time, funding for the basic building blocks of a strong health service, and critically for the 4.25 million health workers needed worldwide, is lacking. The German government must use its G8 leadership to call for each aid-recipient country to have one plan for its health sector, which will identify how many health workers are needed, and what other investments are required. Rich countries must then agree to co-ordinate their aid behind these plans, and to ensure that aid is increased so that no plan is left short of the resources needed. Globally these plans should be endorsed and monitored by the WHO, with follow-up at each G8 summit to ensure they are fully supported.

Medicines should be provided at an affordable price to poor people. The best way to do this is to encourage competition through the production of non-branded drugs, known as ‘generic medicines’. This is the only proven method that reduces medicine prices in a sustainable manner. Yet trade rules, and in particular the intellectual-property rules included in the WTO TRIPS (Trade Related Aspects of Intellectual Property Rights) Agreement, mean that pharmaceutical companies obtain monopoly protection for medicines that prevent generic competition. This leads to high prices, keeping medicines out of reach for all but a small elite.

Partly due to campaigning worldwide on this issue, the TRIPS agreement does allow poor countries various safeguards and flexibilities to protect public health, and ensure that rules do not prevent them from obtaining generic medicines, both for infectious diseases such as HIV, and for non-communicable diseases, including diabetes and cancer.

Yet G8 countries, particularly the USA, are threatening to eliminate these safeguards. They are going around the WTO to negotiate bilateral and regional deals between themselves and poorer

countries, and in these agreements they insist on stricter intellectual-property rules that prevent use of these safeguards to allow generic competition to ensure affordable medicines for critical diseases. G8 countries engaged in existing and new free trade agreements must stop imposing conditions that block access to generic medicines.

Oxfam is encouraged by recent statements from the British and French governments which support Thailand's right to use safeguards to make important medicines affordable and available to poor people, but more action is needed. The G8 should deliver a strong message reaffirming the right of all developing countries to preserve and use these safeguards to protect public health.

## Humanitarian assistance

An estimated 46 million people worldwide are affected by natural disasters or conflict. For many, the help they receive is too little too late. The shortfall in humanitarian funding is enormous: in 2006 only 63 per cent of the total funding requirements for the United Nations Consolidated Appeals Processes (CAP) was met. This leaves a gap of almost \$1.7bn. So-called 'forgotten' emergencies, not lucky enough to make it into the headlines, suffer most: the Horn of Africa CAP, for instance, received less than 40 per cent of requested funding, resulting in increased poverty and death.

In March 2006, there was a major step forward with the launch of the UN Central Emergency Response Fund (CERF). The CERF creates a pool of quick-response resources enabling the UN to respond rapidly and equitably to all humanitarian emergencies. The CERF was intended to be additional to existing humanitarian funding, not to replace it. And it is working: in the year since its launch, the CERF has already committed \$259.3m (of a total of \$299m) for over 331 projects in 35 countries.

The CERF has already been successful in several emergencies. However, it is still a very long way from covering the shortfall in the global response to humanitarian need. The disparity in donor contributions to the CERF is striking. Only one G8 member, the UK, has given its fair share. Italy, France, Japan, and the USA have given tiny amounts, if anything.

The G8 must use this opportunity in Germany to agree on genuine increases in high-quality, rapid, predictable, and long-term humanitarian assistance. Germany must lead by committing its full fair share to the CERF (\$40m) immediately.<sup>33</sup>

## Peace, security, and the arms trade

One important dimension of the discussion on Africa at the German G8 will be peace and security. To turn words into effective action, the G8 must put their full weight behind the protection of civilians and peace in Darfur and other crises, and also the creation of an Arms Trade Treaty.

The Darfur crisis is in its fourth year and the number of people dependent on assistance has now doubled since 2004, to almost four million. Of these, the UN estimates that 900,000 cannot access assistance. While the G8 cannot be expected to solve everything, it could be doing much more.

Last year the G8 stated its commitment to provide continued support to the African Union Mission in Sudan (AMIS) but with little sense of urgency, and stated a readiness to stand by for a potential UN operation. This lack of sufficient attention to Darfur by the G8 and others since the summit has seen nearly 400,000 people newly displaced. AMIS continues to survive on a piecemeal short-term budget, with cash funds expected to run out at the end of April. While AMIS should and could do much more to improve its planning, performance, and credibility on the ground (especially through increased patrols), many G8 countries are still failing to provide adequate and long-term funding, with the bulk being contributed by the UK and USA. G8 countries need to overcome internal restrictions on direct funding to the African Union (AU) rather than to UN or EU peacekeeping operations.

Furthermore, donors must deliver on their pledges. Due to stringent reporting requirements, payment of daily allowances for AMIS personnel on the ground was suspended for four months between October 2006 and January 2007. While there are legitimate concerns regarding the financial accountability of the AU, the AU has nevertheless fronted the response for the international community in Darfur, and in the light of this, donors should strongly back an accountable force. Withholding payment from personnel only serves to further undermine the performance of AMIS and the protection of civilians.

Aside from the problems associated with AMIS, the ability of humanitarian agencies to reach those in need in Darfur has never been worse, due to the direct attacks on humanitarian workers and assets. The G8 must be more co-ordinated and robust in their diplomatic efforts to press the parties to adhere to a ceasefire and respect international humanitarian law. These are the key areas for action – otherwise the UN has warned that the whole humanitarian operation may collapse. The extent of international focus on efforts to secure UN support to the AU operation in Darfur (a slow and

medium-to-long-term project) has distracted attention from addressing the immediate and critical problems on the ground now.

In neighbouring Chad, the numbers of displaced people have tripled since the St Petersburg summit in 2006, to over 120,000 (aside from the 230,000 refugees already there), partly due to the spill-over effects of Darfur. There is an enormous civilian-protection problem in Chad that must be addressed by the international community.

The St Petersburg G8 summit also pledged increased support for the African Union initiative to set up the Africa Standby Force (ASF), capable of rapid deployment to keep or enforce the peace. While this is clearly a long-term project (with five regional brigades to be established by 2010), which has to be African-driven, there is still little sign of even the first brigade being operational by 2007. Lack of resolution of the Darfur crisis has compounded the capacity limitations of the AU which have prevented them from investing in a long-term continental strategy and agreeing a plan. With G8 countries largely not wishing to risk the lives of their own soldiers in addressing Africa's conflicts, they must show more serious and even-handed endorsement and promotion of the ASF concept. This requires more co-ordinated technical, financial, and training support, and any reform of their military-assistance policies necessary to enable faster progress.

## Agreement on a concrete process towards an Arms Trade Treaty

The St Petersburg G8 summit in 2006 failed to take forward the commitments on arms controls made by G8 governments at Gleneagles in 2005. There was no statement of any substance on preventing irresponsible arms transfers that fuel conflict, poverty, and human-rights abuses. However, since then the international community has taken a significant step towards tightening up controls on the trade in conventional weapons, and Britain and Japan have been key to this progress.

Under the leadership of a small group of co-authoring countries including G8 members Japan and the UK, a resolution calling for work to start on negotiating an Arms Trade Treaty was supported by over 80 per cent of the world's governments at the United Nations in December 2006<sup>34</sup>. The USA was the only country in the world that voted against this process. Six of the other seven G8 countries not only voted yes, but also added their names to the list of 'co-sponsors' who formally endorsed the resolution (Russia abstained). This agreement, the scale of which surprised some of the more sceptical governments, has created a formal process, within the UN, for states to move forward on the idea of a comprehensive legally binding treaty to control all transfers of conventional weapons.

With such overwhelming agreement on the need for a treaty, the focus for all countries must now be on ensuring that the eventual treaty is strong – that the solution deals with the problem. A treaty that isn't based on international law, particularly international human-rights and humanitarian law, won't prevent weapons falling into the hands of human-rights abusers or those who attack civilians.

Six of the eight G8 countries are among the top ten largest global arms exporters,<sup>35</sup> and all eight countries export large amounts of major conventional weapons or small arms. Within this context the G8 has a particular responsibility to help create an effective system of global controls. In Germany the G8 must heed the call of the majority of the world's governments and make a clear statement calling for an international, legally binding Arms Trade Treaty.

## **Trade justice still out of reach**

While the WTO remains the most appropriate forum for reforming international-trade rules, it has so far failed to deliver on development promises and does not give the poorest countries a chance to compete and to harness the benefits of trade for development. This is why reform is urgent and crucial. Eighteen months after the WTO's Hong Kong ministerial meeting in late 2005, rich countries led by those in the G8 are still failing to take the bold political steps necessary to reach an agreement at the WTO. Talks are largely moribund, limping on with no new political commitments.

Despite being called the 'development round', development is in fact of decreasing importance in the negotiations. As the months pass, with more and more negotiating meetings from which the vast majority of developing countries are excluded, the opportunity of getting pro-development trade rules is increasingly slipping from developing countries' grasp. The worst outcome would be if the EU and USA come to an agreement to accommodate their own interests and then, using the pressure of a political deadline, get approval for their proposals from the broader membership of the WTO.

If this happens it is likely that developing countries would see minimal results on the issues that concern them, such as the reduction of dumping, and yet they would be expected to pay with 'concessions' by allowing increased access to their countries' markets in industrial goods, services, and processed food. This would mean that nascent industries and services in developing countries would have to compete with those in rich countries, dooming many of them to failure, thereby hindering rather than helping poor countries' development.

Meanwhile, there is also a growing pressure for further opening of agricultural markets in developing countries. These countries need

flexibilities (known as 'special and differential treatment') in agriculture, in order to protect food and livelihood security. Provisions on 'Special Products' and a 'Special Safeguard Mechanism' for developing countries are central to development. Developing countries belonging to the G33, representing 70 per cent of the world's agricultural working force, need these flexibilities to safeguard food security, rural development, and livelihood security. The impact of these flexibilities on world trade would not be large, yet they could protect the livelihoods of millions.<sup>36</sup>

Furthermore, developing countries are being pressured to trade off protection of the interests of their farmers against the potential future employment in manufacturing or services industries. Overall, the USA and the EU have to stop treating development issues as concessions rather than as critical components of a development-friendly agreement.

Whilst multilateral talks founder on the intransigence of the most powerful nations, rich countries, led by the USA and EU, have increasingly turned their attention to opening markets through regional and bilateral free trade agreements (RTAs) and investment treaties with developing countries. This is bad news for developing countries. Rich countries' pursuit of RTAs poses an even more serious threat than what the EU and USA are proposing at the WTO. RTAs negotiated between rich countries and developing countries do not provide pro-development outcomes, as they demand faster, deeper liberalisation than the WTO, include harsh intellectual-property and investment rules, which often do not serve the public good, and can also decrease the value of current preferential access to EU or US markets. The proposed EPAs currently being negotiated between the EU and groups of poor nations are particularly egregious. Chancellor Merkel as chair of the EU should do all she can to end these harmful free trade agreements.

Rich countries should stop pushing these bilateral and regional free trade agreements and put their full energies into delivering a pro-development outcome at the WTO. G8 leaders have the power in their hands to unblock these talks. Germany, as president of both the EU and the G8, has a pivotal role to play. Chancellor Merkel should be putting all her effort into ensuring more transparent, participatory, and democratic negotiations at the WTO, as a prerequisite for a pro-development outcome of the Doha round. G8 members must make strenuous efforts to ensure that agreements on industry and services do not do irreversible harm to developing-country economies and cancel out any gain that could be offered by agricultural reform. In short, the G8 must deliver the trade justice that millions of campaigners are calling for.

## Climate change

As at Gleneagles, climate change will feature highly on the agenda of this year's G8 summit. Tackling this global challenge requires both urgency and equity. The G8 needs to take a strong lead on this issue on behalf of the millions of poor people most at risk.

Worldwide, climate change is fast becoming a major driver of poverty and suffering, and we can already see its effects. Health experts are reporting an additional 150,000 deaths per year due to climate change.<sup>37</sup> This year's three instalments of the Intergovernmental Panel on Climate Change's Fourth Assessment Report have confirmed what Oxfam and others working to end poverty are seeing in the field with growing frequency: poor people least responsible for climate change are being affected 'first and worst'.

This situation is now being recognised by more and more leaders across the world, from community leaders in rural villages, to UN Secretary-General Ban Ki-moon, to far-sighted business leaders in economic centres. Unmitigated climate change is threatening the ability of tens of millions of the world's poorest people to escape poverty.

In Bangladesh, people living on the shifting banks of the Jamuna river have long lived with seasonal flooding and are not unfamiliar with environmental change. But they are now at risk both from increasing Himalayan ice melt and rising sea levels as well as from more variable weather. 'Before it was mostly monsoon flooding in July or August, but now the rains are continuing into October', says Laila Begum, who's been forced to move 25 times in her lifetime. 'That causes problems as it's when we should be planting our crops.'<sup>38</sup> Through unchecked pollution and inaction, rich countries have committed the entire world to a degree of climate change that threatens achievement of the MDGs.

Available scientific evidence suggests that dangerous climate change will occur within the lifetimes of present generations if no action is taken. Unless that track is changed to keep global warming below 2°C, the lives and livelihoods of the poorest half of humanity will become untenable due to water scarcity, food insecurity, disease, and related conflict. Leadership on the part of the G8 means committing to avoid crossing the 2°C threshold, and making sure that the most vulnerable countries do not pay for rich countries' excesses.

Avoiding dangerous climate change will require a range of actions at all levels. But whether it is re-thinking the patterns of production, consumption, trade, energy, and transport that underpin current development, designing national-level measures to change the growing trajectory of greenhouse gas emissions and to achieve sustainable development, or securing international co-operation, the

need to ensure that these responses are fair and equitable in respect of poor people is paramount.

Europe has taken a lead by challenging the world to faster and deeper emissions cuts. But equity requires much more than cutting emissions. Laila and her family have developed survival strategies, aided by a local organisation supported by Oxfam. They teach disaster prevention and preparedness skills, and organise and provide emergency stores, boats, mobile phones and radios. This is important work that needs to be replicated across the world as poor communities are forced to adapt to existing unavoidable levels of climate change.

The costs of climate adaptation will amount to tens of billions of dollars more than is currently pledged. Equity requires that rich countries – those most responsible for climate change and capable of assisting – live up to their obligations. This is about polluters paying what they owe, as with debt cancellation this money should not be counted as aid as it is by definition different. There can be no excuse for simply re-branding or diverting existing aid. The G8 should support a comprehensive assessment of the costs of climate adaptation by the time they meet again in Japan in 2008, together with a detailed analysis of how new financing schemes such as a tax on carbon could be implemented to raise the billions needed.

The task of G8 leaders on this issue at Heiligendamm is clear. They must set a global target to keep global warming below 2°C, and commit to early action to start reducing emissions in their economies by 2015. They must ensure that the UN climate process operates with a clear mandate to negotiate a global framework for action from December 2007; one that ensures continuity and more emissions cuts beyond 2012. They must live up to their responsibility and capability by committing to provide their fair share of financing required for adaptation in the poorest countries – without taking away from aid already committed.

## **Conclusion**

Broken G8 promises represent the broken dreams of millions of poor people. This is unacceptable. The G8 have shown that they can act, and that when they do, lives are saved. There can be no excuse for failing to do all they can in the fight against poverty.

The German government must rise to the challenge it faces in 2007, ensuring that the G8 countries account for their painfully slow pace and glaring failures. Germany 2007 must be remembered as the year the G8 got serious about meeting their commitments. Angela Merkel must lead the G8 in taking clear steps to get back on track, and in

taking the strong and decisive action that is so desperately needed.  
The G8 must keep their promise to the world.

## Notes

<sup>1</sup> Figures from UNICEF website, <http://www.unicef.org/infobycountry/index.html>. Total number of children under five in Germany, France, Canada, Japan, Italy, and the UK is 20.9 million.

<sup>2</sup> Low-income countries paid \$42.9bn in debt repayments in 2005, which is in fact \$120m a day, or \$5m an hour.

<sup>3</sup> Benin, Bolivia, Burkina Faso, Cameroon, Ethiopia, Ghana, Guyana, Honduras, Madagascar, Malawi, Mali, Mauritania, Mozambique, Nicaragua, Niger, Rwanda, São Tomé and Príncipe, Senegal, Sierra Leone, Tanzania, Uganda, and Zambia (all HIPC completion point). Plus Cambodia and Tajikistan.

<sup>4</sup> Cambodia and Tajikistan only had their debts to the IMF cancelled, not those to the World Bank. This was because of the way the IMF part of the cancellation deal was calculated, which meant inclusion of these two countries.

<sup>5</sup> S. Bokkerink (2007) 'Dubious Deals', Oxford: Oxfam, unpublished.

<sup>6</sup> See Annex 1 for working on this figure and also on the detailed prediction of aid commitments.

<sup>7</sup> See Annex 2 for sources and detail for these costings.

<sup>8</sup> See <http://www.theglobalfund.org/en/files/about/replenishment/oslo/Progress%20Report.pdf>, last accessed April 2007.

<sup>9</sup> Oxfam International (2007) 'Paying for People: financing the skilled workers needed to deliver health and education services for all', Oxford: Oxfam Publishing.

<sup>10</sup> See for example the World Bank, April 2007, [http://siteresources.worldbank.org/INTPRS1/Resources/383606-1170086079630/ScalingUp\\_Newsletter\\_01.pdf](http://siteresources.worldbank.org/INTPRS1/Resources/383606-1170086079630/ScalingUp_Newsletter_01.pdf), or the report of the Africa Commission in 2005.

<sup>11</sup> See [http://nationalpriorities.org/index.php?option=com\\_wrapper&Itemid=182](http://nationalpriorities.org/index.php?option=com_wrapper&Itemid=182), last accessed April 2007. Global military spending in 2005 was \$1 trillion, and spending on the war in Iraq is so far \$416bn.

<sup>12</sup> OECD population was 1.17 billion in most recent year measured, 2005. ODA was \$103bn in 2006. This gives a per capita aid figure of \$88, or \$1.70 a week.

<sup>13</sup> The UK defence budget represents approximately nine per cent of government spending. The average poll response for how much the UK government spends on aid was 18.5 per cent.

<sup>14</sup> In 2002 at the UN conference on financing for development in Monterrey, donors recognised the importance of 'ensuring that resources provided for debt relief do not detract from the aid resources intended to be available for developing countries'.

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<sup>15</sup> This figure assumes that all other OECD countries not in the G8 meet their promise. If they too fail to do so, as looks likely in many cases, even more of the \$50bn will not be forthcoming.

<sup>16</sup> Figures are rounded so may not add up to total figure. Please see Annex 1 for detailed breakdown of figures. All figures are minus debt relief and are in constant US\$2004.

<sup>17</sup> Canada is the only country on track to meet its promise. However, this is largely because their promised increase was very low compared to the rest of the G8 and in particular the EU members of the G8. Canada only undertook to meet the OECD average per cent of GNI in 2010, compared to 0.51 per cent of GNI committed by France, Italy, Germany, and the UK. The promise figures are taken from OECD DAC estimates.

<sup>18</sup> Estimated aid required to get the remaining 80 million children out of school into school is \$10bn annually. This means that an additional \$7.8bn annually could get approximately 62 million of these children into school.

<sup>19</sup> Having averaged just 6.4 per cent since 2004, German aid will now have to rise 20 per cent each year to meet the 2010 target.

<sup>20</sup> This is the promise that was made by all of the original EU 15 in April 2005; that they would all reach a minimum aid level of 0.51 per cent of GNI by 2015. Of the \$50bn increase promised by the G8, \$40bn comes from this EU commitment.

<sup>21</sup> IMF (2005) *Update on the Assessments and Implementation of Action Plans to Strengthen Capacity of HIPC's to Track Poverty-Reducing Public Spending*, <http://www.imf.org/external/np/pp/eng/2005/041205a.htm>,

<sup>22</sup> Oxfam International (2007) 'Paying for People: financing the skilled workers needed to deliver health and education services for all', Oxford: Oxfam Publishing.

<sup>23</sup> K. Hinchcliffe (2004) *Notes on the impact of the HIPC initiative on Public Expenditures in Education and Health in African Countries*, World Bank Human Development sector, Working Paper.

<sup>24</sup> TWN Africa and Oxfam International (2007) 'A Matter of Political Will How the European Union can maintain market access for African, Caribbean and Pacific countries in the absence of Economic Partnership Agreements'

<sup>25</sup> IMF (2005) *Update on the Assessments and Implementation of Action Plans to Strengthen Capacity of HIPC's to Track Poverty-Reducing Public Spending*, <http://www.imf.org/external/np/pp/eng/2005/041205a.htm>.

<sup>26</sup> See World Bank, [http://www.worldbank.org/wbi/governance/pdf/icac\\_hk\\_survey\\_results\\_5\\_06.pdf](http://www.worldbank.org/wbi/governance/pdf/icac_hk_survey_results_5_06.pdf).

<sup>27</sup> Figures from the Global Campaign for Education, School Report 2007.

<sup>28</sup> Figures for 2006, from Commission for Macroeconomics and Health.

<sup>29</sup> Figures from UNAIDS for 2006.

<sup>30</sup> Figures from Water Aid.

<sup>31</sup> Oxfam International (2004) *In the Public Interest*, Oxford: Oxfam Publishing.

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<sup>32</sup> See World Bank, IDA, *Aid Architecture: An Overview of the main trends in Official Development Assistance Flows*, February 2007.

<sup>33</sup> Germany has so far provided \$6.65mn to the CERF – 16 per cent of their share. To pay their fair share this year they should increase this figure to \$40m.

<sup>34</sup> In all, 153 countries voted yes.

<sup>35</sup> In descending order: the USA, UK, France, Russia, Germany, and Italy.

<sup>36</sup> The trade impact of these flexibilities should not be overstated. Globally, less than seven per cent of world trade is in agricultural products, and the countries from the G33 only account for 12.4 per cent of the world's agricultural imports.

<sup>37</sup> R. S. Kovats and A. Haines (2005) 'Global climate change and health: recent findings and future steps', *Canadian Medical Association Journal* 172 (4).

<sup>38</sup> Interview conducted by Oxfam in Bangladesh in 2007

## Annex 1: Detailed trend prediction 2004–10

	ODA 2004 Less debt relief in 2004\$	ODA 2005 Less debt relief in 2004\$	ODA 2006 Less debt relief in 2004\$	Cumulative % change 2004-2006	ODA 2010 Predicted on this trend in 2004\$	ODA 2010 Promised OECD prediction** in 2004\$	Difference Trend and promise* in 2004\$
Canada	2525	2997	2892	14.6%	3796	3,648	148
France	6665	6724	6628	-0.6%	6555	14,155	-7600
Germany	6967	6596	7448	6.9%	8512	15,553	-7041
Italy	2344	3332	1954	-16.6%	1358	9,507	-8149
Japan	8639	9876	8937	3.5%	9565	11,992	-2427
UK	7018	7157	8673	23.6%	13244	14,851	-1607
US	19249	22918	20015	4.0%	21641	24,000	-2359
<b>Totals</b>	<b>53407</b>	<b>59599</b>	<b>56547</b>	<b>5.9%</b>	<b>63395</b>	<b>93,706</b>	<b>-30311***</b>

Source: Oxfam GB 2007

### Aid in 2006: where it was and where it should have been by now

	Actual ODA 2006 less debt relief in 2004\$	2006 ODA Less debt relief assuming constant % increase to 2010	Aid gap
Canada	2,892	2,853	-39
France	6,628	8,571	1,943
Germany	7,448	9,102	1,654
Italy	1,954	3,739	1,785
Japan	8,937	9,615	678
UK	8,673	9,009	336
US	20,015	20,700	684
<b>Totals</b>	<b>56,548</b>	<b>64,388</b>	<b>7,840</b>

Source: Oxfam GB 2007

## **Annex 2: Calculating the figure of five million lives**

We focused on the calculations made to date on expanding maternal, newborn, and child-health services and expanding universal access to treatment, prevention, and care for HIV and AIDS. This corresponds to the MDGs in health, and the commitment made in 2005 to provide universal access to treatment, prevention, and care for HIV and AIDS by 2010.

The cost of scaling up provision of maternal, newborn, and child-health services is taken from two papers recently published by WHO.\*\*\*\* These papers cover 75 countries that together account for 94 per cent of deaths of children under five, or 9.9 million of the 10.5 million children under the age of five that die each year.

The papers present a series of interventions that could reduce this figure. Funding for maternal and newborn services could reduce this figure by 40 per cent, and support to child-health services by a further 50 per cent – in total a 90 per cent reduction by 2015.

This would mean the number of child deaths would be reduced by 8.9 million per year by 2015. Assuming a straight line trend in the reduction of deaths, this equates to a reduction of 4.45 million child deaths in 2010. Obviously a straight line is unlikely, but if anything the reduction would be greater in the early years as investments would focus on the easiest to reach.

In terms of costs, the WHO papers calculate that such progress would cost \$5.2bn in 2010 for scaling up maternal and new born services, and \$5.5bn for child health. All costs are in US \$2004. This gives a total of \$10.6bn in 2010.

Of course the investment in maternal health will also save the lives of many of the 540,000 women who die each year in pregnancy and child-birth. However, the WHO paper makes no prediction of by how much this figure would be reduced, so we have left this out of the figures in order to estimate on the conservative side.

To conclude, for an extra \$10.6bn in 2010, we estimate that at least 4.45 million children's lives could be saved.

In addition we looked at the costs of expanding comprehensive access to prevention, treatment, and care for HIV and AIDS. UNAIDS has provided a costing that looks at prevention, treatment, and care, looking after orphans and vulnerable children. It estimates this to be \$22.1bn in 2008, and that just under half of this will be required for sub-Saharan Africa.\*\*\*\*\* This is a figure of \$10.46bn. This

represents an average increase between 2006 and 2008 of 25 per cent. UNAIDS have not provided costing beyond this date, so Oxfam has projected a similar increase of 25 per cent for 2009 and 2010. This gives a figure of \$16.34bn. A detailed estimate of the number of lives this investment would save is given in a comprehensive article published in early 2005.\*\*\*\*\* This estimates that approximately 500,000 lives would be saved. Of course this is not the only benefit; new infections are also predicted to fall by 1.7 million in 2010 with this investment: reversing the trend in HIV and AIDS by 2015 which is the aim of the MDG.

So to conclude, at a cost of \$16.34bn in 2010 we believe approximately 500,000 lives could be saved. Combining the two figures together, means that, for a combined investment of \$27bn in 2010, 4.95 million lives could be saved.

#### What a difference it could make

	Cost	Lives saved
HIV and AIDS: reverse the spread of the disease and provide universal access to treatment, prevention, and care in Africa	\$16.4bn	500,000
Maternal and newborn health services	\$5.2bn	2 million
Child-health services	\$5.6bn	2.5 million
Total	\$27.1bn	5 million lives

\* Different members of the G8 promised different things in 2005. The Canadian government has only promised to increase its aid to 0.33 per cent of GNI by 2010. It is for this reason that the table shows them to be on track rather than their generosity. Similarly the promises made by the USA and Japan were far less than those made by the European G7 nations.

\*\*These predictions are taken from the OECD *Final ODA for 2005* : <http://www.oecd.org/dataoecd/52/18/37790990.pdf>.

\*\*\* The overall figure promised at Gleneagles was that aid would rise to approximately \$130bn by 2010 – this included all DAC members, not just the G8. So the promise to increase aid by \$50bn by 2010 was a promise based on all DAC members – aid would rise from \$79bn in 2004 to \$130bn in 2010. The figures for this paper just focus on what was promised by the G7 (Russia is not included as its overseas aid is negligible). The assumption is made that other DAC members will deliver what they have promised. If, as is likely, many do not, then the promised \$50bn could be missed by an even larger margin.

\*\*\*\* K. Stenberg et al., 'A financial road map to scaling up essential child health interventions in 75 countries' and B. Johns et al, 'Estimated global resources needed to attain universal coverage of maternal and newborn health services', both in Bulletin of the WHO April 2007.

\*\*\*\*\* UNAIDS (2005) 'Resource Needs for an Expanded Response to AIDS in low and middle-income countries' and UNAIDS (2004) 'New UNAIDS Report Unveils Latest Global Economic Trends'.

\*\*\*\*\* Salomon, JA, et al. (2006) '*Integrating HIV Prevention and Treatment: From Slogans to Impact*' PLoS Medicine Vol 2, No. 1.

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