

**MEDIA BRIEFING**

JUNE 2009

# THE ITALIAN JOB

WHAT THE 2009 G8 SUMMIT MUST DELIVER  
ON HEALTH AND AID FOR AFRICA

## EXECUTIVE SUMMARY

**The 2009 G8 summit in early July will take place in the midst of one of the deepest economic downturns of recent decades, and at a moment of flux in the international system. The London summit of the G20 heads of state in April, and the challenges to which it was trying to respond, have raised fundamental questions about the future role and relevance of the G8.**

As chair, Italy has placed the global economy, environment and Africa at the top of the agenda for two days of discussion that at different points will bring together the leaders of major middle income economies, African nations and international institutions. With a further G20 summit in Pittsburgh in September, and UN climate talks in Copenhagen at the end of the year, the summit outcomes will be judged partly on whether they can usefully set the scene for these subsequent meetings.

Yet it is on Africa and the focal issue of health where Italy in particular, and the G8 collectively, face their greatest credibility test. In 1995, when they met in Gleneagles, the G8 heralded a major breakthrough when they announced a doubling of aid to Africa by 2010, as part of a wider package of measures designed to accelerate progress towards the Millennium Development Goals on poverty, hunger, education and health.

Four years on, what was dubbed a 'Marshall Plan' for Africa in 2005 risks disintegrating into a partial plan:

- While non-G8 donors, responsible for a quarter of the total aid increase, are delivering on their side of the deal, aid from the G8 countries has actually fallen. So far, G8 countries have raised aid by just one third of the total they pledged in 2005.
- Italy, the host nation, continues to slash its aid spending, and now gives less than a fifth of one per cent of its national income to poverty reduction.

Failure to deliver on recent promises will cost the G8 heavily in terms of credibility. But more importantly, it threatens a huge social cost at a time when global recession is hitting low-income countries hardest. The World Bank estimates that as many as 2.8 million additional child deaths could result between now and 2015 unless urgent action is taken to mitigate the impact of the economic slowdown on household income and public spending.

Some G8 countries – most notably Italy – have suggested that the fiscal squeeze in Europe and North America makes delivery of current pledges unaffordable. But on closer scrutiny this is a flimsy alibi: the global aid increase promised by 2010 is equivalent to just 2% of the total stimulus package announced for G8 countries at the London G20, and would be equivalent to about 1% of public spending in most EU member states.

Inaction by the G8 is the real unaffordable luxury, not least from the perspective of the 9.2 million children who continue to die each year from easily preventable disease. Where the G8 has delivered additional aid for areas such as health, it has made a lasting and positive impact. A 90% reduction in deaths from measles in Africa since 2001, and provision of life-saving antiretroviral drugs for 4 million people with HIV and AIDS would not have been possible without the support of G8 countries. This is a platform that needs to be built on when the G8 meet in L'Aquila, not squandered.

When the leaders of the world's richest countries meet in Italy, they must rise to the challenge posed by the global economic crisis, and take the following actions on health and aid:

### On health:

- Intensify efforts to meeting existing commitments on child and maternal mortality, and with other countries increase aid for primary health care from \$4.6 billion to at least \$15 billion a year by 2010
- Work with other donors to improve the quality of aid for health, and ensure that innovative funding mechanisms don't become a substitute for existing efforts
- Take the necessary steps to achieve universal access to HIV and AIDS prevention, treatment and care by 2010, including through support for the Global Fund

### On aid:

- Publish timebound plans for how each donor will meet its aid promises, and together reach the collective target of giving \$130 billion in aid by 2010
- Establish a monitoring system which flags where the international development goals are off track, and takes action to mitigate any roll-back of progress
- Develop a joint plan with other donors to achieve the 2010 aid effectiveness targets, and to review progress annually.

## I. INTRODUCTION

**The 2009 G8 summit, recently re-located by Silvio Berlusconi to the earthquake-hit town of L'Aquila, is taking place at a time when the very future of the Group of Eight is under serious question. The global financial crisis has brought the growing power of the emerging economies into sharp relief, with China demanding a greater say in international affairs in return for the refinancing of the International Monetary Fund, and the G20 becoming the focus of media and political expectation.**

Amidst the debates about the role of the G8, there is a very real risk that global poverty will drop to the bottom of the agenda in L'Aquila. Officially Africa, along with the global economy and the environment, will get top billing at the G8, with African leaders due to fly in for a half day of 'outreach group' discussions. But already, recession is being used as an alibi by the Italian government for its total failure to honour its aid pledges to the world's poorest countries. Some other G8 governments – the French in particular – look to be taking their cue from this dismal abdication of responsibility. The 'Whole of Country' approach to development being touted by the Italian government, with French backing, risks being a diversion from the urgent business of meeting existing pledges.

The G8's record on global poverty has always had its low points as well as its high points. But at a time of deepening poverty in many of the poorest countries – the World Bank has estimated that a further 2.8 million children could die between now and 2015 as a result of the economic downturn, while African economic growth forecasts have been revised downwards by five percentage points – the human costs of inaction have risen steeply. When global leaders gather round the table on July 9th they could turn inwards, and grapple exclusively with their national economic and fiscal situations. Or they can grasp the opportunity for genuine leadership and strike against poverty, in the midst of an economic crisis that wasn't of Africa's making.

If the case for the G8's moral responsibility doesn't compel leaders to act, then enlightened self-interest should. The truism that 'prevention is cheaper than cure' is nowhere more true than in the case of child health: the cost of acting now to ensure access to basic family and community health care, particularly for newborn children and their mothers, and of providing sufficient nutrition and safe water and sanitation represents a sound investment at just 2% of the value of the domestic stimulus packages announced at April's G20 summit. Left unchecked, child deaths and the poverty associated with them threaten to set back by a generation the prospects of economic progress and political stability in the world's poorest regions.

The G8's 'Italian job' is to demonstrate that it is more than, to borrow from the film of the same name, a 'Self Preservation Society' – and is able to recognise its responsibility, and self-interest, in fulfilling its promises to the world's poorest people. This media briefing sets out what the G8 must do to deliver long-overdue commitments on health and on aid when it meets in L'Aquila.

## 2. HEALTH

### WHAT THE G8 MUST DELIVER IN L'AQUILA

#### What the G8 has promised on health – recent pledges include:

- Support for health systems, including health worker coverage of 2.3 health workers per 1000 people (2008)
- Universal access to basic health care to reduce child and maternal mortality from preventable disease (2005)
- Providing US\$60 billion over 5 years to fight infectious diseases and strengthen health systems (2008)
- Universal access to prevention, treatment and care for people with HIV and AIDS, by 2010 (2005)

#### What the draft 2009 communiqué says on health\*

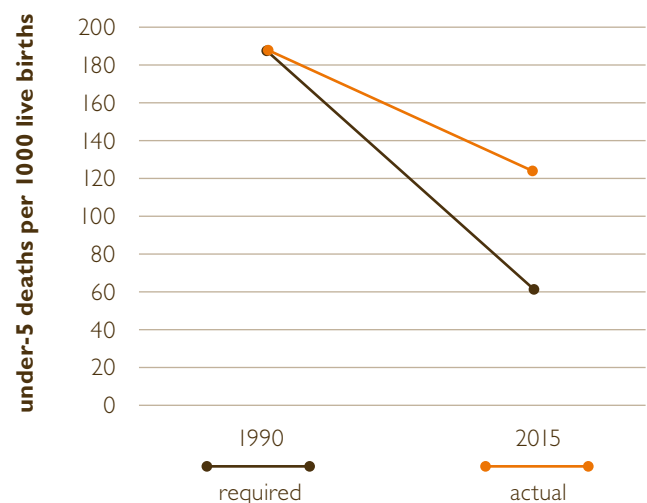
- States support for the principle of tackling health worker scarcity in Africa
- Reaffirms the 2010 HIV and AIDS universal access target, but doesn't acknowledge it is off-track
- Commit to 'further explore the potential of innovative financing mechanisms for health'
- Reaffirm the \$60 billion commitment by 2012 to fight infectious disease and strengthen health systems

#### What the communiqué needs to say

- Commit to financing the \$10.2bn financing gap for universal basic health care by 2010
- Commit to close the \$5bn financing gap for the Global Fund on AIDS, TB and malaria
- Identify concrete, timebound steps to meet existing G8 commitments on health systems strengthening, health workers, and basic health care

Improving the health of the world's poorest children has been heavily trailed as a key element of the Africa agenda at this year's G8. Action is certainly needed on what will be a real test of the G8's credibility on international development: while deaths among children before their fifth birthday have been falling, this hasn't been happening fast enough to reach the international development goal of cutting child mortality by two-thirds by 2015. With just six years to go before the target date, only a third of the progress needed to reach the goal has happened.

#### Progress towards cutting child mortality in Africa

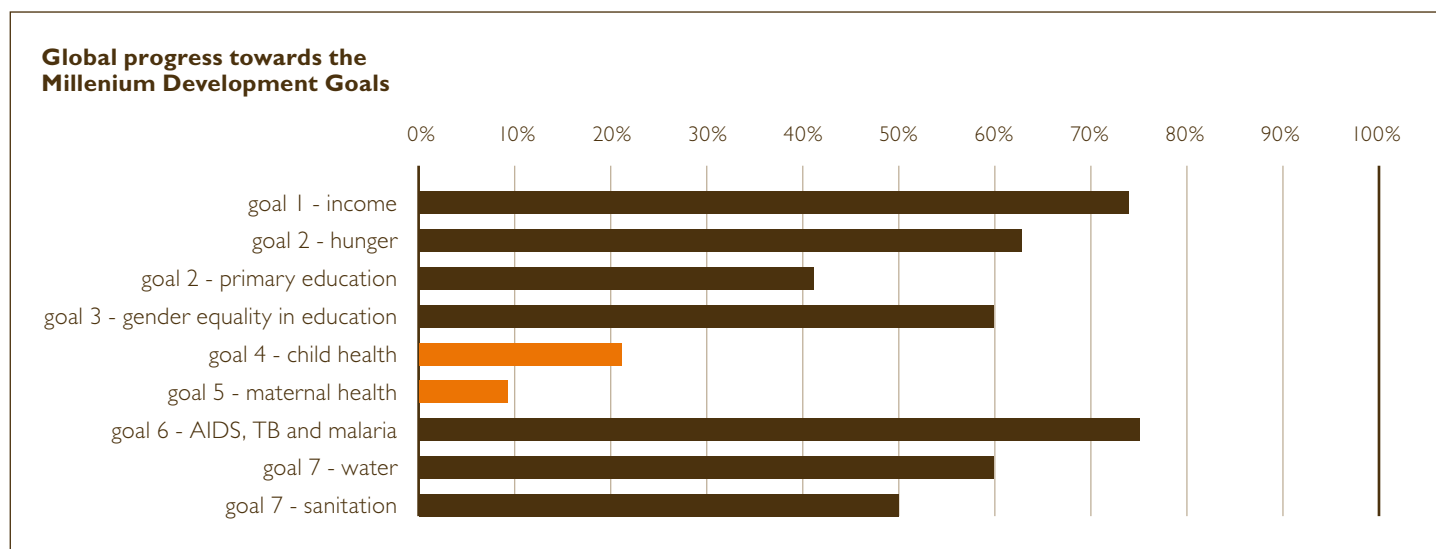


The international goal of reducing maternal deaths is even further off track, with less than 10% of the progress needed to achieve the target. Given the intimate link between these two goals – almost 40% of under-five child deaths occur within a month of birth – a two-pronged approach is needed to improve the survival and wellbeing of both children and mothers. The global economic crisis, which has plunged upwards of 40 million more people into extreme poverty, threatens to slow or reverse progress in many of the world's poorest countries.

The G8's role in achieving the international health goals is crucial. As the G8 health experts' group meeting ahead of last year's summit in Japan observed, progress is feasible: basic, low cost and proven interventions including measles and other routine vaccinations, nutrient supplements and the expansion of accessible health services for poor households have led to marked reductions in child deaths, with almost two million fewer under-5s dying in 2007 than at the start of the decade.

## 2. HEALTH

WHAT THE G8 MUST DELIVER IN L'AQUILA



### The health goals - progress is possible

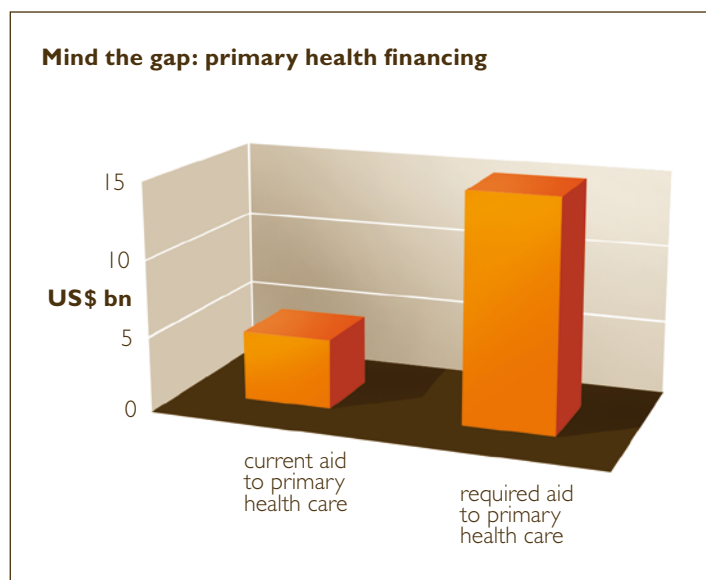
**Since the UN Millennium Development Goals were established in 2000, the experience of some of the poorest countries demonstrates what's possible where political commitment and the right policies are coupled with increased public funding, and underscores the urgent need for more concerted action on child health:**

- **A 90% cut in deaths from measles in Africa since 2001, driven by a vaccination campaign across Southern Africa**
- **Deaths from malaria have dropped by half in Rwanda and Ethiopia, and by a third in Ghana over the same period**
- **New HIV infections among children have fallen to levels last seen in 1996 – mainly the result of greater investment in strategies to prevent mother to child transmission**

This progress wouldn't have been possible without aid from G8 countries. Despite G8 donors failing to stick to their aid pledges, health has seen a growing amount of donor investment, with aid for basic health services rising from US\$2.7 billion in 2002 to US\$4.6 billion in 2007 – an increase of 70%. This money has helped to achieve the near-eradication of polio, a 70% global reduction in deaths from measles, and access to anti-retroviral treatment for four million people with AIDS. The distribution of bednets and malaria treatment has made similarly dramatic inroads in many countries.

## 2. HEALTH

### WHAT THE G8 MUST DELIVER IN L'AQUILA



However, current efforts still fall far short of what's needed, and what's already been pledged by the G8 to achieve the health goals. Of course, G8 efforts cannot be viewed in isolation from what developing countries themselves are doing to achieve better health outcomes. In many cases, far-reaching domestic policy changes are needed to ensure that essential health services reach every community, that a proper focus is placed on maternal and neo-natal care, and that a comprehensive approach is taken to preventing illness through proper nutrition and safe water and sanitation. Households and communities also need the education, and access to information, required to claim their rights and hold governments to account for implementation of policy.

But as the Toyako 'framework for action on global health' that emerged from the 2008 summit acknowledges, more and better aid is urgently needed if these changes by developing country governments are to be encouraged and sustained. World Vision estimates that between \$15 and \$19 billion will be required in primary health services each year from 2010 onwards in order to achieve what are the furthest off-track of the Millennium Development Goals – leaving a financing gap of over \$10 billion a year in donor funding. This figure is based on the assumption that developing countries will increase their own funding commitments to health to 15% of public spending, in line with the Abuja Declaration adopted by African countries in 2001, but excludes UNAIDS estimates of funding needs for HIV and AIDS programmes of \$17 billion a year.

Some G8 countries have started to respond to this challenge, with EU member states committing to an increase in support for health through their Agenda for Action on the MDGs, and the US Congress voting to triple the budget for AIDS, TB and malaria over the next five years. Yet a yawning gap remains between pledges, commitments and disbursements.

In particular, the G8 must take the following action when it meets in L'Aquila:

- Intensify efforts to meeting existing G8 health commitments, and with other donor countries plug the current financing gap for primary health, raising aid for primary health care from \$4.6 billion to at least \$15 billion a year by 2010
- Work with other donors to improve the quality of aid for health, by ensuring greater predictability, alignment with national plans and untying of aid.
- Increase support for mechanisms to achieve universal access to HIV and AIDS prevention, treatment and care by the G8 target date of 2010
- Ensure that innovative health funding mechanisms that are under discussion at the G8 are additional to, rather than a substitute for existing donor efforts

### 3. AID

#### WHAT THE G8 MUST DELIVER IN L'AQUILA

##### What the G8 has promised on aid

- **A doubling of aid to Africa, as part of an overall increase of \$50 billion in aid by 2010, with 25% of the increase coming from non-G8 donors (2005)**
- **An EU commitment to build on this, and reach the UN aid target of 0.7% of national income by 2015**
- **Implement and monitor the 2010 OECD aid effectiveness targets (2005)**

##### What the communiqué says on aid \*

- **Re-states the commitment to the 2005 aid volume targets, but says nothing of the fact they're off-track**
- **Re-states the commitments to financing of the World Bank and IMF made at the G20 summit in April**
- **Re-states the commitment to implement the OECD aid effectiveness targets**

##### What the communiqué needs to say on aid

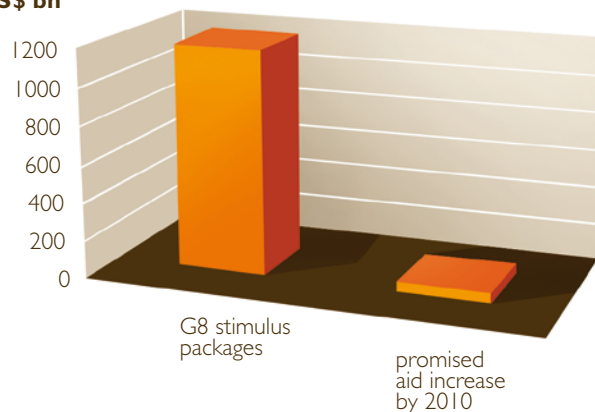
- **Recognise that the G8 is off track on its aid pledges, and publish a timetable by which they'll meet them, so that aid reaches its promised level of \$130 billion by 2010**
- **Establish a monitoring system to mitigate threats to the achievement of the MDGs**
- **Establish a plan through the OECD to achieve the aid effectiveness targets, and to lay the groundwork for a more robust set of targets post-2010**

The G8's promise to spearhead a doubling of aid to Africa, as part of a \$50 billion global increase by 2010, won plaudits when it was announced in Gleneagles four years ago. Yet collectively, the G8 are conspicuously failing to follow through, with potentially grave implications for millions of the world's poorest people. Experience has shown that aid, where it's delivered well and is focused on poverty reduction, has a real and positive impact. The experience of a country like Zambia, that has been able to introduce fee-free primary healthcare on the back of World Bank and IMF debt relief, is a case in point. Similarly, the substantial progress made towards universal primary education in countries such as Tanzania and Uganda would not have been possible without a significant increase in support from donors.

But if the G8 continue on their current trajectory, there will be fewer stories like these, and the prospects of achieving the Millennium Development Goals will recede fast. While donors outside the G8 have largely stuck to the pledges they made in 2005, they have largely been compensating for the meanness of the G8. While total aid from the G8 rose in 2005 – most of it associated with Iraq and Afghanistan, rather than Africa – it has since fallen back and is in decline. So far, the G8 countries have delivered \$7 billion – just one third – of the \$21 billion they pledged at Gleneagles by 2010.

##### Mind the gap: primary health financing

US\$ bn



Increasingly, the global economic downturn is being advanced as an excuse for this situation. Yet the current fiscal squeeze in rich countries, real as it is, should also be treated with some scepticism as an excuse for slippage given the relatively small sums of money involved: in most EU countries meeting the current targets would still leave aid at about 1% of total public spending. Viewed another way, the total global aid pledges for 2010 are equivalent to just 2% of the stimulus packages announced at London's G20 summit in April.

A further reason to discount this line of argument is that among the G8 countries, there are significant differences in performance: The UK is broadly on track to meet the target of giving 0.56% of national income in aid by 2010, and Germany has recently made encouraging signals about its intent to give 0.51% of national income as aid by the same date. Meanwhile the US, Canada and Japan are largely on track with the more modest pledges they made at Gleneagles. In disappointing contrast France – despite its historically high level of engagement on Africa – has recently backtracked on its target of reaching the UN aid target of 0.7% of national income by 2013 and cut aid to Africa last year.

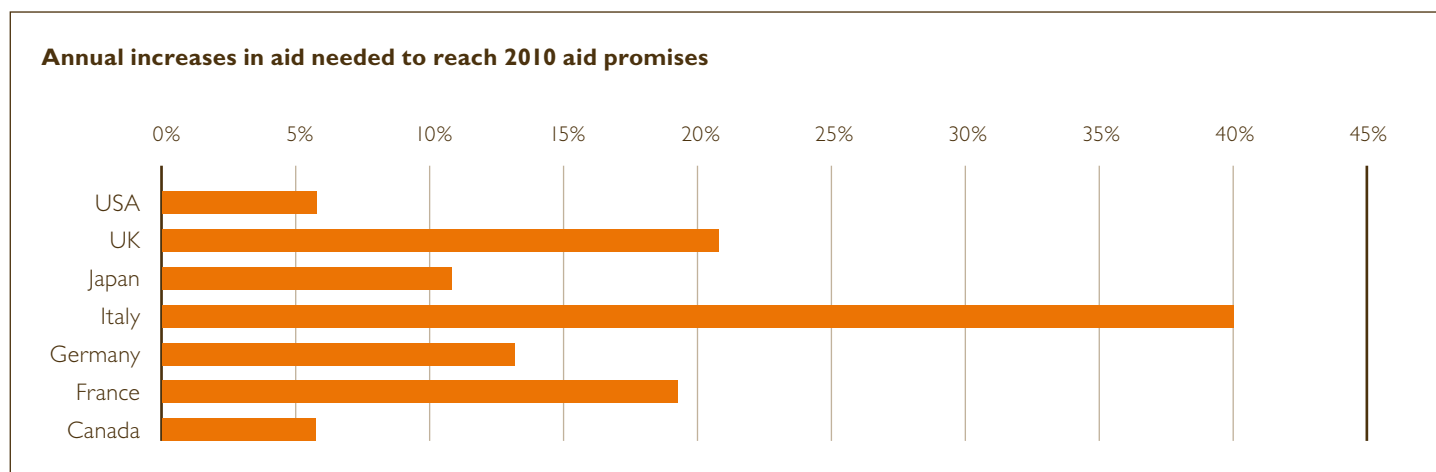
Meanwhile Italy's failure to deliver on its 2005 commitments is especially stark. It is currently giving just 0.18% of its national income in aid, and is scheduled to cut its aid to Africa by over \$300 million in 2009. This reflects a pattern of failure from Italy in recent years to stick to aid commitments. Although the economic crisis is now being advanced as an explanation for shrinking aid spend, since 2005 Italian governments have consistently neglected to put in place a clear plan to achieve their commitments.

However, Italy's failure matters more this year than most, because of its role as G8 chair. Quite simply, Italy's current aid levels undermine any attempts at leadership on Africa and leverage over other G8 countries on this issue. Unless there is a rapid and decisive change of direction from the Italian government on aid, their track record threatens to contribute to a wider collective failure on the part of the G8.

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## 3. AID

### WHAT THE G8 MUST DELIVER IN L'AQUILA



At the moment, the signs from the Italian government are not encouraging. The 'whole of country' approach that's being mooted in the draft communiqué proposes counting in 'non-aid contributions' and the contributions of civil society as part of a re-assessment of each country's efforts to tackle poverty. This risks being a smokescreen for inaction on aid, and will do little to address the poor quality of much of the aid that is being given (see box).

If the G8 is going to restore some urgently needed credibility on Africa when it meets in L'Aquila, it must do the following:

- Publish a country-by-country timetable that details how each donor will meet its aid promises, thereby ensuring that the G8 helps reach the collective target of giving \$130 billion in aid by 2010
- Establish a monitoring system to flag where the international community is off track on achieving the Millennium Development Goals as a result of the economic downturn, and takes remedial action to mitigate any roll-back of progress
- Develop a joint plan with other donors, through the OECD Working Party on Aid Effectiveness, to achieve the 2010 aid effectiveness targets, and to review progress annually.

#### More aid – but better aid?

**When the G8 collectively committed to double aid to Africa in 2005, it also set itself the challenge to improve the focus and impact of its aid by meeting a series of OECD targets by 2010. While the OECD survey in 2008 reported some improvements – against initial targets that many civil society organisations questioned and using a self-assessment system that was devised by the donors themselves – the survey also underscored ongoing major shortcomings in aid effectiveness that urgently need to be addressed if aid increases are to have a durable impact on poverty:**

- **Over half of all aid continues to use parallel financial management systems to those of the recipient country**
- **40% of 'Technical Assistance', which by some estimates accounts for half of all aid, is not being coordinated with other donors or being aligned with the recipient country's own plans**
- **Over 10% of aid continues to be officially tied to spending on the donor country's goods and services**
- **Aid remains highly unpredictable in terms of when it gets through to its intended beneficiary. Inflexible donor procedures are often to blame, with more than half of all aid failing to meet the OECD's threshold for predictability.**

# THE ITALIAN JOB

## **WORLD VISION** AT THE G8 SUMMIT

During the summit, spokespeople will be available in Italy for interview in English, German and French. Spokespeople will also be available in the UK, Canada, Germany and the USA.

**For more information or to set up interviews please contact the World Vision media team on +44 (0) 7827 938 780**

World Vision is a Christian relief, development and advocacy organisation dedicated to working with children, families and communities to overcome poverty and injustice.