

The G8 must keep its promises

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AS the Doha development round remains in intensive care and the sums reveal just how much of the money pledged at the Gleneagles G8 summit has actually been delivered, the hope and promise of Make Poverty History grows ever more distant.

According to the OECD, at the current rate of progress, most of Africa will fail to meet the 2000 Millennium Development Goal of halving world poverty by 2015. Insufficient progress is being made on combating hunger, there is little evidence of declining death rates in pregnancy or childbirth, and barely a quarter of African countries are likely to fulfil the goal of universal education. In sub-Saharan Africa, only Mauritius is on course to fulfil the Millennium Development Goal, and in some countries, progress in reducing child deaths has even slipped back.

All of this calls into question the grand bargains forged a year ago. This is a world in which 1.2 billion people live in extreme poverty and more than 10 million children lose their lives every year through preventable diseases; where, although 1 million HIV-infected people in poor countries now have access to treatment, 6 million still lack the essential medicines to keep them alive.

All my adult life, I have argued that development matters and that we cannot and should not insulate ourselves from the misery of others. I am not alone. Last year, a staggering 26 million people in more than 70 countries joined the Global Call to Action Against Poverty.

In the 12 months since that call, however, the calculations reveal that 85% of the G8's recorded investments have consisted of one-off debt cancellation. This means that the G8's real overall aid increase in 2005 was a puny 9%. Over a third of all UK aid has been the result of debt write-offs, and three

quarters of the EU's reported overseas development assistance was, in reality, not new money.

But in 2007, the G8 will no longer be able to "cook the books" by bundling debt write-offs with aid because it is unlikely that debt cancellation will continue at recent levels. So we need to know from the leaders' meeting in St Petersburg this weekend just how exactly they propose to deal with the ensuing shortfalls.

The obligations undertaken at Gleneagles last year are achievable. If donor nations stuck to their promise to provide 0.7% of their GDP in development aid, the world would have the funds with which to tackle poverty. Current aid flows stand at only \$80-90bn a year. Fulfilment of the 0.7% target pledge would deliver \$250bn a year to developing countries.

Better scrutiny and accountability is essential. That means "naming and shaming" the countries that do not pay their way. US aid, for example, amounts to a \$4bn a year. Compare that with US military spending, of \$550bn a year. The amount spent on the Pentagon in one day would pay for malaria bed nets for every African child.

In Europe, Germany will have to more than double its aid by 2010 to meet the G8 target, while Italy will have to triple it. Governments have to be more transparent, and EU finance ministers should regularly monitor progress. I am certain that Gordon Brown would be willing to propose this to the EU Economic and Finance Ministers Council. All national parliaments should also be given the opportunity to study their overall development aid figures, as is currently the case in Denmark.

When the challenge is so great, and when aid has to be predictable and sustainable, grand summit promises that turn into creative accounting breed cynicism. Even substantial progress does not dispel this. More must be done - and quickly.

On debt cancellation, there has been significant progress, but there is no room for complacency. I am confident that at the G8 finance ministers' meeting in Singapore this autumn, Gordon Brown will continue with his insistence that many more low-income countries need total debt cancellation. In addition, more countries need partial cancellation. In Zambia, for instance, savings resulting from the \$65bn debt cancellation will fund 4,500 teachers, new social buildings, community healthcare and medical equipment. Yet debt cancellation alone does not begin to be a complete answer: a dollar of debt cancellation does not translate into a dollar of extra spending power for the recipient country.

On trade, Europe has broadly agreed to sweeten its market access offer, though countries such as France and Finland are warning against further concessions and - crucially - the US continues with its comprehensive foot-dragging.

Advancing the negotiations over the next few weeks will depend on an end to the transatlantic squabbling. However, the reality now seems to be that US intransigence is the biggest obstacle to progress. The key will be to move forward on trade, ending attempts to renegotiate special products. India's trade minister, Kamal Nath, has clearly said that the US is now isolated because of its demands for more market access for its products without giving an inch on farm subsidies. The world cannot afford such deadlock.

Developing countries' industrial tariffs will also need to be addressed. An agreement on this is unlikely without similar clarity on "sensitive products". Now, as the World Trade Organisation's secretary general, Pascal Lamy, continues to call for an end to mere rhetoric, progress to discussion of real formulas designed to really reduce protectionist measures is crucial.

Before St Petersburg, many bilateral meetings are taking place, as the EU trade commissioner, Peter Mandelson, told us in the European parliament last week. And he did not rule out the possibility of Doha development round meetings in St Petersburg as negotiators try to step back from the brink in order to establish clearly defined concessions.

The needs of developing countries have never been greater, and expectations have never been lower. What is currently on the table will not provide a pathway from poverty. The aggressive demands made by rich, industrialised countries may mean the developing world will rethink whether it is in its interest to sign up to any deal. An extended round may necessary, so that the priority they attach to development can be reasserted.

The G8 last year set development goals for this generation. Now world leaders meeting in St Petersburg must heed the warnings from Tony Blair that a failure to fulfil the promise of Gleneagles will bring the opprobrium of millions of people. And since resentment is not an only child, the risks of terrorism and insecurity increase with the failure of the rich to keep their own promises.

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