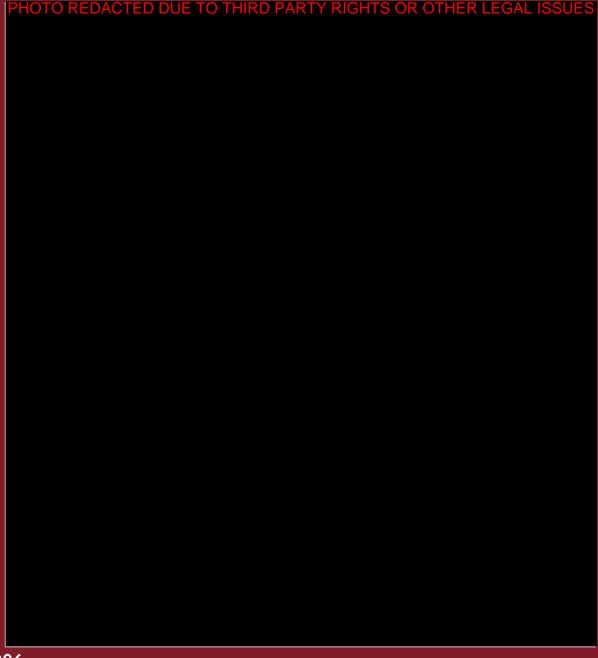


Implementation of the Commission for Africa recommendations and G8 Gleneagles' commitments on poverty

The UK's contribution





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Introduction

2005: Our commitment to reducing poverty

More than one billion people, across the developing world, still live on less than US\$1 per day. Africa is currently the poorest region of the world and, despite marked progress in some countries, is not on track to meet any of the eight Millennium Development Goals by the target date of 2015. In 2005 poverty, and Africa, received unprecedented international attention. Not just from political leaders, but also parliamentarians, the private sector, academics, non-governmental organisations, from faith groups, and the media – as well as from ordinary people. A lot of what was achieved during 2005 would not have been possible without the Make Poverty History campaign, without Live8, and without campaigns around the world.

When the Commission for Africa (CfA) launched its report in March 2005, it set out a comprehensive plan to reduce poverty and achieve sustainable development in the continent¹. Many of its recommendations were taken up by the G8 at their Summit in Gleneagles in July. The G8 agreed a detailed set of commitments to tackle poverty, covering areas including peace and security, good governance, human development and growth, building on the G8 Africa Action Plan launched at Kananaskis in 2002. Although the G8 focussed on Africa, their commitments covered all developing countries. The UN Millennium Review Summit in September secured further commitments from the whole international community, including the creation of a Peacebuilding Commission. In December, the EU launched a new strategic partnership with Africa, supported by Member States' commitments earlier in the year to substantially increase their aid to the continent. All of these initiatives stressed the need for a comprehensive development plan for Africa, recognising that action is needed across all sectors if we are to make real progress.

I The Commission's report and associated material is available from www.commissionforafrica.org

In 2005 donor countries committed an additional US\$50 billion a year in aid by 2010. Of this Africa should receive an extra US\$25 billion per annum in aid by 2010 – double what it received in 2004. The UK's aid to Africa will be increasing steadily over the next five years, with the aim of doubling aid by 2010 (compared to 2004/05 levels). In 2005/06, we fulfilled our commitment to provide £1 billion to Africa (out of £3.9 billion globally) and we have committed to provide £1.25 billion in 2007/08. Longer term, the UK is committed to reach the UN target of providing 0.7% of national income for aid and has a clear timetable to do so by 2013 – two years ahead of the EU target of 2015.

2006: Delivering on our commitments

While these represent important achievements, there is a long way to go. The main challenge now is to turn promises into action: to ensure that countries live up to their commitments and that these result in real improvements in the lives of poor people. The UK Government is determined to make sure this happens and we are working closely with our partners in Africa, other developing countries, and the rest of the international community. The Department for International Development (DFID) is in the process of drafting a new White Paper on International Development to address this challenge in all developing countries.

In the light of the commitments the *G*8 made at *G*leneagles, developing country governments need to produce ambitious, 10-year plans setting out how they will achieve their development objectives, including access for all children to high quality primary education and basic health services. They should then challenge donors to provide the resources promised in 2005, to help finance these plans.

Development was already a high priority for the UK Government before 2005. Even so, events in the past year have had a substantial impact on our work, as this report shows. Existing work programmes in areas such as education, health, HIV and AIDS and water and sanitation are being stepped up in Africa and elsewhere. New initiatives are also being pursued. For example, following the CfA's strong message that the MDGs will not be achieved in Africa without major investment in sustained economic growth, there is greater international support for regional integration and growth across Africa. A new Infrastructure Consortium for Africa is one response to this (see section 4). A new strategy setting out planned support for southern Africa will be published shortly, which will seek to capitalise on South Africa's potential role as an engine for growth in the region. The UK is also now putting a stronger focus on investment in the whole education system and in science and technology, to help develop skilled professionals in Africa (see section 1 below). Links between climate change and development are also receiving much greater attention (see section 4). But these are only beginnings and much more remains to be done.

The bulk of the UK's development assistance is likely to be provided through DFID's country programmes, which support country's own programmes for national development and poverty reduction, and via multilateral organisations such as the World Bank or European Commission (EC).

Purpose of this report

This report provides an overview of progress against the recommendations made by the CfA and related G8 commitments. It focuses on the UK's contribution, whilst recognising that achieving the changes called for by the CfA will ultimately require action by many countries. It would be impossible to report in one document everything that is being done. Instead, the report focuses on action directly related to the CfA's recommendations.² There are links between work covered in different sections (for example, providing access to clean water and sanitation is very important to improve child health). It is important to distinguish between the G8's commitments and the Commission for Africa's recommendations. Many of the CfA's recommendations were taken up by the G8 and by other bodies and turned into commitments that governments can be held accountable for delivering. But the CfA recommendations are not in themselves international commitments.

Monitoring progress

To help us all track whether commitments are being followed up, and their impact, we need effective monitoring – as highlighted by the CfA when it talked about 'Making it Happen' (see *section* 7 below). The publication of this report is part of this effort. The UK Government has also published a 'Gleneagles Plan of Implementation for Africa', which sets out the milestones we believe need to be achieved this year to make sure we stay on track to deliver on the overall package agreed at last year's G8 Summit. This was presented to Parliament in December and is updated regularly.³

Internationally, monitoring mechanisms are being put in place at several different levels. For example:

- The Africa Partnership Forum (APF): its members met in October in London and agreed to develop a Joint Action Plan, bringing together key commitments by African countries as well as Africa's development partners (including the G8). This Plan, which should be ready by the APF's next meeting in Mozambique in early May, will set out our shared objectives and how commitments are being taken forward. The joint nature of this framework is critical, as the Commission for Africa emphasised, and the G8 recognised at Gleneagles. There will be an annual progress report from October 2006, prepared by a new APF Support Unit working with the African Union (AU) and the New Partnership for Africa's Development (NEPAD). At their meetings twice a year, APF members will be able to identify areas where progress is lagging and further action is needed.
- The G8 regularly reviews progress against members' commitments on Africa, stretching back to the Kananaskis Summit in 2002.

² Further information on the UK's international development efforts in Africa, as managed by the Department for International Development, is available from DFID's website: www.dfid.gov.uk

³ The latest version of the Gleneagles Plan of Implementation for Africa can be accessed from: www.dfid.gov.uk

- The EU will be reviewing progress on its new Partnership with Africa at the end of 2006, with interim reviews on specific issues such as Member States' targets to increase their aid spending.
- African institutions and governments are organising several events this year to address particular issues, or to review progress overall.
- The Archbishop of Capetown, Njongonkulu Ndungane, is launching an 'Africa Monitor' an African-owned network of civil society organisations to hold both African and donor governments to account⁴. The UK is supporting this initiative, which we believe will complement government-led monitoring processes.

At the Gleneagles Summit, G8 and African leaders agreed that the measures set out in the Plan for Africa, if fully implemented, could:

- double the size of Africa's economy and trade by 2015
- deliver increased domestic and foreign investment for all developing countries
- lift tens of millions of people out of poverty every year across the world
- save millions of lives a year globally
- get all the world's children into primary school
- deliver free basic health care and primary education for all the developing world
- provide as close as possible to universal access to treatment for AIDS by 2010 in all developing countries
- generate employment and other opportunities for young people in all developing countries

Less than a year on, it is too early to assess progress at this level. The various mechanisms tracking progress towards the Millennium Development Goals⁵ will provide a means to do so over time. DFID will continue to monitor its own performance against its Public Service Agreement (derived ultimately from the MDGs), and publish the results in its Annual Report.

Maintaining the momentum

As the Commission for Africa emphasised, and the G8 recognised at Gleneagles, real change in Africa requires a comprehensive approach and a long-term commitment. Ultimately, Africa must lead its own development and provide effective governance. The UK Government stands ready to be a partner in this effort and DFID's new White Paper will lay out how we intend to do so. We hope that all those who got involved in 2005 will also continue to do what they can, to help turn promises into action.

⁴ www.africanmonitor.org

⁵ See www.un.org/millenniumgoals. Also DFID's annual Departmental Report, available from www.dfid.gov.uk

Summary of progress in each area

On **governance**, achievements include entry into force of the UN Convention Against Corruption (UNCAC), which the UK ratified in February. However, many countries have still to ratify. Ghana and Rwanda have completed performance reviews by other African countries under the African Peer Review Mechanism (APRM) (with a US\$2 million UK contribution to the APRM Trust Fund). However, recent events in a number of countries highlight the governance challenges in Africa. The majority of African countries with oil, gas and mining industries have signed up to the Extractive Industries Transparency Initiative (EITI) to promote transparency in the use of resources gained from these sectors, and Nigeria has published the revenues it receives. Further work is needed to: expand the remit of the EITI; to build the capacity of African institutions; to promote science and technology; expand higher education; and strengthen the media, all of which is supported by the UK.

The UK and other donors have agreed to support the African Union's own efforts to maintain **Peace and Security** in Africa. This includes support for the AU's mission in Sudan (and the UN's operation in Southern Sudan). The UK is also supporting the AU in efforts to nip conflicts in the bud before they escalate, including an early warning mechanism and an enhanced mediation capacity. Supported by the UK and others, the AU is on track to establish a five-brigade Africa Standby Force by June this year, which we expect will be capable of deploying 20,000 personnel by the end of 2006 (on track towards the 2004 G8 commitment to train 75,000 personnel worldwide by 2010). The UK continues to press for an International Arms Trade Treaty, and restrictions on small arms and light weapons. In a number of important areas work is ongoing, but more progress is needed on sanctions; the control of resources such as diamonds which can be used to fuel conflicts; and work with business to promote peace and security.

On Investing in People, through Health, Education, HIV and AIDS, Water and **Sanitation**, one of the major developments has been the launch of the International Finance Facility for Immunisation (IFFIm), jointly financed by the UK, France, Germany, Italy, Spain and Sweden, which will provide US\$4 billion to save the lives of five million children throughout the world by 2015 and another five million lives thereafter. In September 2005, the international community raised US\$3.7 billion for the Global Fund to finance developing countries' plans to tackle the three major killers (AIDS, TB and malaria). However, additional funds are still required to allow the Fund to commit to new projects. Global plans to tackle TB and malaria have been agreed and a roadmap to achieve universal access to AIDS treatment, care and prevention is being worked up for the UN high level meeting on AIDS in June. Given the huge levels of finance required, pressure will be needed to ensure commitments are met in all developing countries. The UK is on track to double its support for improved access to water and sanitation in Africa to £95 million over the next three years. The Polio Eradication Initiative is on-track to end polio transmission in all countries except Nigeria by the end of 2006. Extra international funding is still needed to eradicate polio fully. The UK is pressing to generate the funds necessary to: abolish school user fees

worldwide; and provide universal access to HIV and AIDS treatment by 2010. This is why we are encouraging developing countries to develop ambitious and fully-costed 10 year plans on health, AIDS education and water and sanitation, and encouraging donors to respond to those plans with firm, long-term financing commitments to help implement them.

The CfA report gave great emphasis to the need for **Growth and Poverty Reduction** in order to achieve all the other targets, and the importance of investment in infrastructure to underpin this growth. An Infrastructure Consortium for Africa was launched in October 2005. Among early planned outcomes, it has committed to broker funding by June 2006 for five African priority projects. The Investment Climate Facility and the Africa Enterprise Challenge Fund, both designed to boost private sector growth in Africa, will be launched this year. More work is needed to ensure sufficient donor funding is secured. Given the importance of agriculture for growth and poor people's livelihoods in Africa, the UK is also supporting the Comprehensive Africa Agriculture Development Programme (CAADP) to increase agricultural productivity. Finally, climate change and environmental pressures will have a huge impact on growth and poverty reduction in all developing countries, which is why the UK is encouraging all donors and developing countries to integrate these issues fully into their plans.

Trade reform is vital to the future growth of all poor countries, and the UK continues to press for a positive outcome to the Doha Trade Round by the end of 2006, which delivers real benefits to the poorest countries. The lack of progress at the **World Trade Organisation (WTO) Ministerial Conference** in Hong Kong in December shows how difficult this will be. **Positive steps** include the agreement to end cotton subsidies this year, abolition of agricultural export subsidies by 2013 and duty free access for 97% of Least Developed Countries' exports (the EU already provides this). Substantial 'aid for **trade**' has also been pledged to help developing countries build the capacity to take advantage of trading opportunities and to adjust to reforms, including £100m per year from the UK by 2010. In Africa, the increased investment in transport infrastructure will also make it easier for producers to reach their markets.

Resources. The donor commitment to an extra US\$50 billion a year in aid by 2010 – of which half will be for Africa, so doubling its aid between 2004 and 2010 – is based on individual donor commitments. Delivery of these commitments will be monitored by the Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD DAC), the EU, G8 and other institutions. The UK is on track to achieve the UN target to provide 0.7% of national income as aid by 2013 – ahead of the EU target of 2015. The UK met its commitment to provide £1 billion in aid to Africa in 2005. The G8 proposal to cancel 100% of debts owed by eligible Heavily Indebted Poor Countries (HIPC) has already been implemented by the International Monetary Fund (IMF) for 19 countries (13 in Africa). The World Bank's International Development Association and the African Development Fund should implement it by the middle of this year. The UK is also providing additional relief to low income countries not covered by the G8 initiative, and will continue to encourage other donors to follow suit. Nigeria

had US\$18 billion in debt written off by the Paris Club and is developing poverty reduction programmes that will be funded from the US\$1 billion annual savings, employing an extra 120,000 teachers and sending 3.5 million children to school. Further work is needed to increase the effectiveness of aid, by improving the way in which donors work together behind country-owned plans, and reducing the conditionality attached to aid. The UK has reformed its approach so that aid is no longer conditional on specific policy decisions by partner governments.

Making it Happen. Various monitoring mechanisms have been put in place to track whether developed and developing countries deliver on their 2005 commitments, including the Africa Partnership Forum (APF) which will publish an annual progress report from October. However, monitoring alone will not ensure that the aid is delivered and is effective – this will not happen until all developing countries develop fully costed 10-year plans to meet the MDGs, and donors respond with commitments to the long-term, predictable financing needed for implementation. The major international institutions concerned with development are all working to increase the scale and effectiveness of their support, including through reform of the UN and African Development Bank; the World Bank's Africa Action Plan; and the EU's strategic partnership with Africa. The challenge for developing countries, developed nations and all development institutions is now to ensure that the political commitment and funding is made available, so these efforts deliver tangible improvements in the lives of poor people.

Governance and Capacity Building

Investing in capacity building

CFA RECOMMENDATIONS

- Political and financial support to pan-African and regional bodies and programmes, including the African Peer Review Mechanism.
- African governments should draw up comprehensive capacity-building strategies. Donors should align support accordingly.
- International community should commit in 2005 to provide US\$500 million a year, over 10 years, to revitalise Africa's institutions of higher education and up to US\$3 billion over 10 years to develop centres of excellence in science and technology, including African institutes of technology.

RELATED EXTRACTS FROM G8 COMMUNIQUÉ

- Help strengthen the AU and NEPAD, including through:
 - support, for the African Union and other Pan-African institutions such as the Pan-African Parliament;
 - support to the African Peer Review Mechanism (APRM);
 - co-ordinated support for implementation of good governance national strategies, including APRM recommendations.
- It is up to developing countries themselves and their governments to take the lead on development. They need to decide, plan and sequence their

(Continued)

CFA RECOMMENDATIONS	RELATED EXTRACTS FROM G8 COMMUNIQUÉ
	economic policies to fit with their own development strategies, for which they should be accountable to all their people.
	Help develop skilled professionals for Africa's private and public sectors, through supporting networks of excellence between African's and other countries' institutions of higher education and centres of excellence in science and technology institutions.

Investing in capacity building

Progress to date and planned next steps

Development depends on **good governance**. Effective states are essential to govern justly, provide basic services and create the conditions for economic growth – and their citizens have to be able to hold them to account for doing so. In recent years, there have been encouraging advances, although much remains to be done. As this section highlights, pan-African institutions are taking the lead in several areas, complementing national and regional institutions.

The UK and other donors continue to support the development of a strong **African Union** (AU) to find and implement African solutions to African problems, such as peace-keeping missions. We and other donors are increasingly looking to the AU, often working with the New Partnership for Africa's Development (NEPAD) or other pan-African institutions such as the UN Economic Commission for Africa (UNECA) or the African Development Bank, to set out action plans that we then use as the basis for our support (as we are doing on higher education and science and technology – see below).

The AU and leaders of NEPAD have demonstrated their determination to develop democracy and good governance across the continent. The innovative **African Peer Review Mechanism (APRM)** launched in 2004 provides the opportunity for African states to be voluntarily peer reviewed against a set of best practice, political, economic and corporate governance standards. The review identifies shortcomings and good practice and provides advice to a country's government on how to improve. To date,

26 countries have signed up to this initiative, representing over half the population of Africa. Seven reviews are underway (Algeria, Benin, Kenya, Mauritius, Nigeria, South Africa and Uganda). Rwanda's review has been done. Ghana has completed the process. We understand that three more reviews will be completed this year. The UK has provided US\$2 million out of total donor contributions of US\$7 million to the APRM Trust Fund to support the country reviews and oversight of the final reports and country plans of action to address report findings. It is essential that these action plans are incorporated into country Poverty Reduction Strategies and budget processes. The UK is supporting these efforts as well as wider national governance reforms in partner countries. We understand that there will be a progress review by the APRM Secretariat in mid 2006.

Other Pan African organisations that are promoting better governance and increased capacity in Africa include the **African Development Bank and the UN Economic Commission for Africa.** The new President of the African Development Bank is restructuring it to improve its ability to reduce poverty, including through better programming in countries. The UN Economic Commission for Africa (UNECA) has long been at the forefront of the development of better policies for poverty reduction in Africa. This includes work on improving poverty reduction strategies, economic integration, understanding HIV and AIDS and its reports on economic growth and governance. The UNECA is also supporting an initiative aimed at supporting media development in Africa (see under *Increasing Accountability and Transparency, Corruption* below).

Lack of capacity is a serious constraint on development in Africa. Addressing this will take a long time and require action in many different areas. This ranges from changing the way donors deliver their aid so that this supports national systems rather than setting up parallel systems (which is being tackled through the Paris process on Aid Effectiveness, outlined under Resources below); to addressing the reasons why so many health workers leave Africa to work overseas, or training new teachers to replace those lost because of the AIDS crisis (some innovative approaches are discussed under Investing in People below). Capacity to trade is also essential (see under More Trade and Fairer Trade below). The UK already places substantial emphasis on capacity building. We have established an Africa Capacity Building initiative, to help make the skills and expertise of the UK public sector available ito respond to African priorities. As noted in the introduction, the bulk of the UK's financial support to Africa is focused around implementation of national Poverty Reduction Strategies. Many of these already include action to build capacity (including civil service reform, strengthening financial management, procurement and improving access to justice). The UK and other donors are discussing with African partners (including the AU) what more we can do to help build capacity, including the option of comprehensive country-led capacity building strategies.

The UK recognises the importance of countries building up expertise and experience in science and technology and increasing access to higher education in Africa. Our work is based around African initiatives. In September 2005, African countries agreed a five year Consolidated Plan of Action for Science and Technology (with an initial funding target of US\$160 million over a five year period). The UK provided funding to support the development of the Plan. With other donors, we are discussing with African partners how we can best support the Plan's implementation; and will be looking at a significant

UK contribution to its funding. The AU and NEPAD envisage an 'African Science and Innovation Facility' being developed to channel funding for pan-African flagship research and development programmes. On **Higher Education**, the AU and NEPAD are developing a new framework that will identify priority areas for action. The UK will review its support for higher education once this is in place. In the meantime, DFID is supporting regional planning meetings, the second of which has taken place at the Association of African Universities in Ghana at the end of February. African Education Ministers have also agreed to establish six working groups, including one on higher education and another on science, technology and vocational education. South Africa has offered to host the first meetings of these groups in March or April. We are encouraging the AU and NEPAD to develop common criteria for identifying regional 'centres of excellence' across all sectors.

Increasing accountability and transparency, corruption

CFA RECOMMENDATIONS

Parliaments should establish partnerships to strengthen parliaments in Africa, including the Pan-African Parliament.

- Independent media institutions, public service broadcasters, civil society and the private sector, with support from governments, should form a consortium of partners, in Africa and outside, to provide funds and expertise to create an African media development facility.
- Developed country governments, company shareholders and consumers should put pressure on companies to be more transparent in their activities in developing countries and to adhere to international codes and standards for behaviour.

RELATED EXTRACTS FROM G8 COMMUNIQUÉ

- Rigorously enforce laws against the bribery of foreign public officials, including prosecuting those engaged in bribery; strengthening anti-bribery requirements for those applying for export credits and credit guarantees, continue support for peer review; encourage companies compliance programmes and report solicitations of bribery; and by committing to cooperate with African governments to ensure the prosecution of those engaged in bribery and bribe solicitation.
- Increase support to the Extractive
 Industries Transparency Initiative and
 countries implementing EITI. Call on
 African resource-rich countries to
 implement EITI or similar principles of

(Continued)

CFA RECOMMENDATIONS

RELATED EXTRACTS FROM G8 COMMUNIQUÉ

- Political and financial support to schemes such as the Extractive Industries Transparency Initiative (EITI)
- Principles of transparency should be extended to other natural resource sectors, including forestry and fisheries.
- Timber importing countries should ensure they do not trade in illegally acquired forest products and should procure only legally sourced timber and products.
- Export Credit Agencies (ECAs) should be more transparent, in their support for projects in developing countries.
 Developed countries should implement the OECD Action Statement on Bribery and Officially Supported Export Credits.
- Countries should take all necessary legal and administrative measures to repatriate illicitly acquired state funds and assets, and should report on progress.
- All states should ratify and implement the UN Convention against Corruption during 2005 and should encourage more transparent procurement policies.

- transparency and on the World Bank, IMF and regional development banks to support them. Transparency should be extended in other sectors, as the G8 is doing in pilot projects. (Extension of EITI to Timber agreed by G8 Environment and Development Ministers in March 2005.)
- Early ratification of the UN Convention Against Corruption and start discussions on mechanisms to ensure its effective implementation. Work to establish effective mechanisms, for the recovery and return of assets, to promulgate rules to deny entry and safe haven, to officials and individuals found guilty of public corruption, those who corrupt them, and their assets.

Increasing accountability and transparency, corruption

Progress to date and planned next steps

National and regional parliaments have a vital role to play in holding governments to account. The UK has worked with other donors and African partners to strengthen the capacities of national parliaments, for example in Kenya, Malawi, Nigeria, Sierra Leone and Tanzania. We are also supporting the sharing of experience between members of different parliaments, and measures to improve election processes. **The Pan-African Parliament** was inaugurated in March 2004 and has published a strategic plan setting out priorities for the next five years.

African **media** also play an essential part in the development of democratic, accountable and effective governments, not least in encouraging public debate. In order to establish a clear and effective continental mechanism for strengthening the media in Africa, the UK will be working with two principal partners, the UN Economic Commission for Africa (UNECA) and the BBC World Service Trust. The first strand of our work is to investigate the state of the media in Africa and consult with interested groups, including **civil society**. The UNECA is carrying out Africa-wide consultations on ways to support the media in Africa. The second is a major research project which is being undertaken by the BBC World Service Trust and a selection of African universities to find out the structural strengths and weaknesses of African media. The two strands will form the basis of a conference in Johannesburg in mid-2006. This meeting will discuss options, as well as the resources required. The outcome of the Johannesburg meeting should form the basis for a donors' conference before the end of 2006. It is anticipated that this will lead to the setting up of the media development facility proposed by the CfA.

The poor suffer disproportionately from **corruption**. The extent of corruption remains difficult to measure, since it covers not just the sums of money misappropriated, but also wider economic, social and political implications. To tackle it requires action both in developing countries and in developed countries. This must address prevention, criminal law enforcement, international legal cooperation, asset recovery and monitoring.

On 9 February 2006, the UK became the 46th country and second G8 country to ratify the UN Convention Against Corruption (UNCAC). To date, 15 African countries have ratified (Algeria, Benin, Djibouti, Egypt, Kenya, Lesotho, Madagascar, Namibia, Nigeria, Senegal, Sierra Leone, South Africa, Tanzania, Togo and Uganda). The UK is encouraging other governments to ratify quickly. Countries signing up to the Convention must establish effective anti-corruption practices and agree to co-operate with one another in every aspect of the global fight against corruption. We are providing technical assistance to several countries to assist them to upgrade their legislation to be compliant with the UNCAC. The Conference of States Parties (ie those who have ratified) is expected to agree monitoring mechanisms for implementation when it meets in Jordan in late 2006.

To ensure that the UK can contribute to the global effort to fight corruption, the UK has strengthened its **domestic legislation**. A consultation process has also been launched on ways to improve the legal framework for implementation of these laws. Investigative action is also progressing. For example, UK Authorities recently arrested a Nigerian State Governor who is now facing 40 counts of money laundering in Nigeria. In the case of another Nigerian State Governor, information provided by the UK enabled the South African Authorities to seize more than £1 million worth of assets.

The UK Proceeds of Crime Act 2002 and Serious Organised Crime and Police Act 2005 provide for the early freezing of criminal proceeds and more effective means of investigating **money laundering**. Improved Whitehall co-ordination has been established to ensure better use and management of intelligence on stolen assets. The UK hosted a G8 asset recovery workshop in Nigeria in December 2005 which discussed practical steps to help African countries repatriate stolen assets. A further meeting may be scheduled in mid-2006 depending on interest. This could identify a pilot country or countries to trial implementation.

The G8 'Lyon' and 'Roma' groups are leading work on combating transnational organised crime and money laundering, respectively. The UK has been at the forefront of work within these groups to set up rapid response teams of experts to help recover stolen assets. In February 2006, the UK and the USA made a joint presentation to Zambia's Foreign Ministry to explain the initiative and to offer G8 assistance. A similar offer will be made to a second country within the next few months. The UK is doing a stocktake of current and planned assistance to African states. A report of the findings should be presented to the G8 Justice and Home Affairs Ministerial meeting in June 2006. It is clear that the UK and other donors are providing a wide range of support to those in African countries working to tackle corruption. UK support is helping to improve judicial systems in Kenya (where three Ministers have recently resigned following allegations of corruption), Uganda, Nigeria and Sierra Leone, and assisting anti-corruption commissions in Sierra Leone, Malawi, Uganda and Zambia. The UK also supports civil society organisations, such as country chapters of Transparency International, in their advocacy to tackle corruption. We are also helping to strengthen media scrutiny and to provide training and capacity building on professional conduct, the rule of law, access to justice, anti-corruption and money laundering.

The UK is heavily involved in a number of **other international initiatives** to promote transparency and tackle corruption. This Government encourages UK companies to become engaged and abide by international principles. These include the Extractive Industries Transparency Initiative (see below), the UN Global Compact, the OECD Guidelines on Multinational Enterprises, the Global Reporting Initiative, the International Labour Organisation (ILO) Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy, as well as NEPAD Business Declarations and the Africa Corporate Sustainability Forum.

Good progress has been made in improving transparency surrounding oil and gas companies' payments to governments, and the accountability of these governments to

their own citizens, through the Extractive Industries Transparency Initiative (EITI), launched in 2002. 14 African countries (covering the majority of all extractive industry countries in Africa), and 18 companies are now members of the EITI. Of the African countries, Nigeria has been the first to publish comprehensive interim results (mid-January). The UK and other donors are helping other African countries to raise the standard of their figures to EITI standards. We are also working to improve the process in all implementing countries, to ensure data gathering and disclosure is developed and agreed with the involvement of local civil society groups and companies. The UK-based EITI Secretariat is assisting the work of the EITI International Advisory Group (IAG) to devise a way of assessing how well implementing countries are doing against internationally agreed criteria and also to agree on future (non-UK) management arrangements. The assessment methodology is due to be endorsed by all EITI members at a Conference this October.

Building on progress to date, the UK would like to see EITI adopted as industry best practice and its membership extended. A UN General Assembly Resolution on EITI would give additional profile to EITI and help to underpin EITI implementation criteria as good practice for responsible behaviour and good governance in the extractives sector. More importantly, the emerging economies, such as China, Brazil and India and their companies are increasingly important actors in the oil and gas industry. It is critically important to ensure that they now engage in EITI.

The EITI has succeeded because of its focus on oil, gas and mining, which are very similarly structured industries. But there are also strong lessons to be learnt from the transparency principles it has used in terms of working with a range of stakeholders, particularly with big business. Good progress has been made in transporting these principles to fisheries and forestry. Representatives from the forest industry and government agreed at a meeting in December to a shared set of actions on transparency, procurement and finance. A Reference Group made up of '25+' industry representatives and UK government officials was formed to take forward action in these three areas. The Forest Law Enforcement and Governance (FLEGT) Regulation adopted by the EU Council under the UK's Presidency provides a mandate for the negotiation of EU partnership agreements with timber producing countries. Discussions with potential partner countries are in progress, including Ghana, Cameroon, Congo-Brazzaville, Gabon and Democratic Republic of Congo. Under these agreements, development assistance will be provided to help partner countries improve the way in which they manage their forests and trade in timber. In January, DFID announced a contribution of £24 million to take this work forward in Africa and Asia over a five year period.

The UK's **Export Credits Guarantee Department** (ECGD) is in the middle of a consultation on whether the changes to its anti-bribery and corruption procedures introduced in December 2004 strike the right balance between rigour and practicality. A formal response by Government is expected in the first half of 2006. The UK has pushed for the **OECD Action Statement on Bribery and Officially Supported Export Credits** to be improved.

Better information

CFA RECOMMENDATIONS

RELATED EXTRACTS FROM G8 COMMUNIQUÉ

- Provide the additional amount required to help Africa improve systems to collect and analyse statistics, to meet criteria normally regarded as an acceptable minimum (estimated at about an additional US\$60 million per year).
- No direct commitment in 2005 to improving systems to collect statistics but emphasis on support to greater transparency in public financial management and capacity building.

Better information

Progress to date and planned next steps

Information can be vital for change. By providing a picture of society, it can foster greater awareness and understanding of issues, and provide evidence for people within and outside government to make and implement policy reforms. The quality of national data systems in most African countries is dismal. Important social and economic information is often not available or of inadequate quality. Even where good data does exist they are often poorly disseminated and used.

Strengthening systems to collect and analyse statistics is a high priority for the UK government, which is involved in a number of global initiatives aimed at building capacity on statistics. We continue to support 'Paris 21', which brings together those who use and produce statistics. Paris 21 has concentrated its efforts on supporting countries to develop their own national plans to improve the quality of their statistics. DFID has provided funding to support these, for example in Uganda where a £6 million project is supporting monitoring and evaluation across government.

DFID has also provided over £3 million to support the IMF's General Data Dissemination System which aims to improve the quality of key economic, financial and socio/demographic statistics and to enhance the capacity of national statistical systems. DFID is in discussions with the World Bank, IMF, UN Statistics Division and Paris 21 about a number of new initiatives aimed at improving information systems in Africa. The World Bank has put together a proposal for a new 'Accelerated Data Programme' to improve information systems, initially in six African countries. DFID is considering how it can best support this proposal.

Peace and Security

Tackling the causes of conflict, and building the capacity to manage them

CFA RECOMMENDATIONS

All donors, the international financial institutions (IFIs), and the United Nations should assess how to reduce the risk of violent conflict and improve human security in formulating their country and regional assistance strategies.

- No later than 2006, open negotiations on an **international Arms Trade Treaty** (ATT).
- Adopt more effective and legally-binding agreements on territorial and extraterritorial arms brokering, and common standards on monitoring and enforcement.

RELATED EXTRACTS FROM G8 COMMUNIQUÉ

- Strengthen transfer controls over small arms and light weapons, take effective action in Africa to collect and destroy illicit small arms, to build a consensus for action to tackle the undesirable proliferation of conventional arms, including international standards in arms transfers, including a common understanding of governments' responsibilities
- Implement UN sanctions regimes more effectively by improved co-ordination of existing monitoring mechanisms.
- Combat the role played by 'conflict resources' such as oil, diamonds and

(Continued)

CFA RECOMMENDATIONS

RELATED EXTRACTS FROM G8 COMMUNIQUÉ

- Agree a common definition of 'conflict resources'
- Create a permanent Expert Panel within the UN to monitor the links between natural resource extraction and violent conflict and the implementation of sanctions.
- Develop and implement comprehensive OECD guidelines for companies operating in areas at risk of violent conflict.
- timber, and other scarce natural resources, in starting and fuelling conflicts.
- Work with the UN Global Compact and develop OECD guidance for companies working in zones of weak governance.

Tackling the causes of conflict, and building the capacity to manage them

Progress to date and planned next steps

Africa has demonstrated real leadership on peace and security, recognising this as a fundamental requirement for growth and sustainable development in the continent. The three aspects highlighted by the CfA and covered in the next three sections of this report are very much interlinked.

The UK is consolidating its approach to conflict in Africa through the work of the Africa Conflict Prevention Pool which brings together programmes of the Foreign and Commonwealth Office (FCO), Ministry of Defence (MOD) and DFID. Policy reviews in DFID and FCO in 2006 will look at how security and development can be more effectively addressed in UK development and diplomatic activity overseas. We will share lessons from our experience with other development partners.

The UK wants to see a UN-based process launched to work on an international treaty on the arms trade (ATT). In 2005, we secured support for the launch of a UN process from both the EU and the Commonwealth. In 2006 we will seek further support, with the aim of launching a negotiation at the earliest opportunity. The UK is also committed to supporting the UN Programme of Action on Small Arms and Light Weapons, and is working to secure agreement on common standards for transfer controls at the Programme's July Review Conference. We would like to see the Group of Government Experts on Brokering set up as soon as possible after the Review Conference. We hope that this will result in an open ended working group to establish a fully transparent and legally binding brokering instrument.

The UK is providing support to **build African governments' capacity to collect and destroy illicit weapons** through the Global Conflict Prevention Pool. The UK is coordinating its work on conflict resources through a cross-Whitehall Working Group, bringing together colleagues from DFID, Foreign and Commonwealth Office (FCO) and the Department for the Environment, Food and Rural Affairs (DEFRA). We are raising general awareness of the issue amongst international partners through the UN.

The issue of **conflict resources** was discussed at a recent international conference, cosponsored by DFID and involving other governments, non-governmental organisations (NGOs) and academics. A UK NGO has done further legal work to draft a definition of conflict resources. The forward work programme agreed at the Forum will include further discussion of this proposal.

We are exploring ideas for improved coherence in **sanctions** monitoring, including the merits of a permanent UN Expert Panel and how such a mechanism might best work.

DFID is looking at the **role of the private sector in fragile states**, including the role of companies operating in conflict areas.

Building regional and global capacity to prevent and resolve conflict

CFA RECOMMENDATIONS

- Fund at least 50% of the **AU's Peace Fund** from 2005 onwards. As far as possible, unearmarked and provided jointly on an annual basis.
- UN and regional organisations to clarify their respective roles and responsibilities, the criteria for taking action to prevent and resolve conflict, and establish effective co-ordination mechanisms.
- UN to establish **Peacebuilding Commission**.

RELATED EXTRACTS FROM G8 COMMUNIQUÉ

- Provide co-ordinated support to the AU for the African Standby Force, planning and all elements of operational deployment at the African Union HQ and its regional brigades.
- Providing support, including flexible funding, for African peace support operations including transport, logistics and financial management capacity.
- Support the UN Peacebuilding Commission.

Building regional and global capacity to prevent and resolve conflict

Progress to date and planned next steps

The UK, G8 and other international partners continue to provide financial support for the African Union's mission in Sudan (Darfur). Agreement has also been reached in the EU on replenishing the EU Africa Peace Facility, which provides significant and flexible funding to the AU for peace support missions and for capacity building.

The UK is working with the AU and international partners to support the development of the African Standby Force (ASF). The G8 set a target at their Sea Island Summit to train 75,000 peacekeepers by 2010. The UK's Gleneagles Plan of Implementation sets a milestone of 20,000 troops able to deploy by the end of 2006. Our judgement is that this target will be met. Regional brigade structures are being put in place, and continental policy for how the force will deploy is being agreed. A network of peacekeeping training centres has been established. A Centre of Excellence for Stability Police Units (COESPU) has also been opened. The UK also stands ready to support the AU's plans to provide an early warning mechanism for conflicts and to build an enhanced mediation capacity, through the Panel of the Wise.

The UN Peacebuilding Commission was established in December 2005 by the Security Council and General Assembly. Its functions are to a) marshal resources for peacebuilding; b) advise and approve strategies for reconstruction and institution building and; c) extend the period of international attention on particular countries. It can assist States at risk of lapsing into conflict. We expect a first meeting of the organisational committee in late March 2006, with a country specific meeting soon after. The Peacebuilding Commission will be supported by a small support office and a standing fund is being developed by the UN Secretariat. In February 2006, the Japanese-initiated 'TICAD' Conference on Consolidation of Peace brought donors and African partners together in Ethiopia to address the issue of how to enhance African ownership of peace and security initiatives at the government and community level. The AU is establishing a plan of action for engagement on Post Conflict Reconstruction. It will be important to ensure good co-ordination between this and the UN's Peacebuilding Commission.

Post-conflict peacebuilding

CFA RECOMMENDATIONS

RELATED EXTRACTS FROM G8 COMMUNIQUÉ

- Donors should fund the rapid clearance of arrears, and allocate long-term and predictable grant financing sufficient to meet the reconstruction needs of postconflict countries.
- Providing rapid and flexible multilateral and bilateral debt relief for post-conflict countries, where appropriate.

Post-conflict peacebuilding

Progress to date and planned next steps

The international community has recognised the special needs of countries emerging from conflict. For example, the World Bank's International Development Association can provide some **grants**, and special allocations, to post-conflict countries for a transitional period. The UK provides substantial support for **post conflict reconstruction** through DFID programmes, including the Democratic Republic of Congo, Sudan, Somalia, Sierra Leone and Angola. Specific contributions include: a US\$545 million pledge over three years to assist with reconstruction in Sudan, following a Joint Needs Assessment (JNA) by donors; a similar assessment is taking place in Somalia. It is particularly important in post-conflict countries to ensure that donors provide their support in a co-ordinated manner, since these countries often have particularly weak institutions.

The UK stands ready to consider the case for assistance with **clearance of individual post-conflict countries' debt arrears** as and when the need arises and when appropriate given each country's circumstances. We continue to play an active part in Paris Club discussions of bilateral debt relief for post conflict countries when appropriate. We also provide targeted support to help post-conflict countries progress through the various stages of the Heavily Indebted Poor Countries Initiative (HIPC).

Investing in People

Education

CFA RECOMMENDATIONS

- Donors and African Governments must meet commitments to achieve Education for All (EFA); donors should provide an additional US\$7 to 8 billion per year as African governments develop comprehensive national plans to deliver quality education.
- In their national plans African governments must identify measures to get **girls** as well as boys into school with proper allocation of resources. Donors should meet these additional costs.
- African governments should undertake to remove school fees for basic education, and donors should fund this until countries can afford these costs themselves.

RELATED EXTRACTS FROM G8 COMMUNIQUÉ

- Support the Education for All agenda in Africa, including continuing our support for the Fast Track Initiative (FTI) countries to develop the capacity and have the resources necessary to implement their sustainable education strategies.
- Invest more in better education, extra teachers and new schools.
- Ensure that, by 2015, all children have access to and complete free and compulsory primary education of good quality, and have access to basic health care (free where countries choose to provide this).

(Continued)

CFA RECOMMENDATIONS

RELATED EXTRACTS FROM G8 COMMUNIQUÉ

- To ensure quality education is delivered, African governments must invest in teacher training, retention of staff and professional development. Teacherchild ratios should be brought to under 1:40 in basic education. Donors should commit to predictable long-term funding to enable this.
- Donors should fund regional networks to support development of more appropriate curricula.
- African governments must take leadership in explicitly promoting youth employment for young people, both women and men, in their policies for growth. Donors should assist African governments in formulating and implementing national action plans on employment through the Youth Employment Network, as endorsed by the African Union

 Support youth employment in Africa for both men and women, including vocational education and training relevant to market demands.

Education

Progress to date and planned next steps

Ensuring that all children have access to free, high quality primary education is a top priority for the UK. The **Education for All Fast Track Initiative** aims to accelerate progress towards the related MDG targets by coordinating donors and facilitating increased funding to countries that prioritise education. In December 2005, a high level meeting of members of the Fast Track Initiative in Beijing gave a boost to current efforts when it agreed that aid to basic education should be doubled, that school fees should be removed, and that efforts to boost girls' participation and female literacy should be stepped up. A draft Joint Action Plan for achieving EFA in 2015 was endorsed for further development by United Nations Educational, Scientific, and Cultural Organisation (UNESCO).

In the past year several donors have stepped up their support to the Fast Track Initiative (FTI), including £50 million over the next three years from the UK and US\$62 million from the US. However, a financing gap of US\$500 million remains for the current 20 FTI countries, which will rise to a gap of over US\$2 billion as the FTI hopes to expand to 40 countries over the next two to three years.

Most *G*8 members (and other donors) prioritise *Girls' Education* in their programmes. The UN Girls' Education Initiative promotes information sharing, and is also involved in advocacy. The FTI agreed in Beijing (December 2005) to strengthen their appraisal guidelines for education plans to include explicit reference to gender equality. For the UK, DFID's Girls' Education strategy is being followed through in a number of countries, notably Rwanda, Zambia and Nigeria. Advocacy is continuing in African countries where girls' participation is particularly low, with new partnerships being developed in Niger through a delegated partnership with the French and through a joint United Nations Children's Fund (UNICEF) and UNESCO partnership in Somalia.

The EFA High Level Group and the FTI meetings in Beijing re-affirmed the need to work towards free primary education. The World Bank and UNICEF are carrying out further research on the issue of **school fees**, with a view to supporting selected countries in reducing costs for users. A review workshop is planned for March, to consider and agree an Operational Guidance Paper. DFID is doing further work on this issue in the context of wider work on scaling up access to health and education services. In Burundi, last year the UK provided £2 million to support the new government's decision to remove school fees – on the first day of school 300,000 additional children turned up to school. In Zambia, the UK has recently committed £14.5 million over five years to support the Government's decision to abolish health user fees. Adequate monitoring mechanisms will be needed to track the impact of removing fees here and elsewhere.

Investment in **teacher training and retention** is an issue for all governments in sub-Saharan Africa. A new AU working group on quality will tackle problems with professional career paths, low teacher morale and incentives. DFID has been supporting a NEPAD survey of regional teacher training initiatives to help identify where NEPAD should focus its efforts.

Making sure that **curricula** in schools are appropriate is important. The Association for the Development of Education in Africa (ADEA), which DFID supports along with all other donors to education, held a conference on this issue in Cotonou in December 2005. As part of the follow up to this, DFID is exploring whether and how work at the pan-African level (for example, by the AU, NEPAD and the Association of African Universities) might be able to add value to work on curriculum development in higher education.

Department for Education and Skills (DfES) is supporting **educational development** in sub-Saharan Africa by ensuring ready access to UK domestic experience of educational reform. DfES and the Office of Science and Technology (OST) are providing funding to set up an Africa Unit at the Association of Commonwealth Universities, to promote partnerships between the UK and Africa, making the most of skills and resources.

The UK joined the **Youth Employment Network** (YEN) in June 2005. The Department for Work and Pensions and the YEN Secretariat are discussing practical ways for the UK to contribute to youth employment programmes in Africa. This could include forming a partnership with a particular African country, to help share expertise.

In 2005, the CfA highlighted the need for greater attention to **higher education** and **science and technology**, alongside continued support for primary education. The G8 and other donors have responded to this, and are supporting African-led processes to develop medium term frameworks for the development of the entire education sector (see Investing in *Capacity Building* above).

Health

CFA RECOMMENDATIONS

African governments should invest in rebuilding systems to deliver public health services. Donors should provide US\$7 billion over five years for this, behind the Health Strategy and Initial Programme of Action, of the African Union's NEPAD programme.

- Donors and African governments should urgently invest in training and **retention** to ensure an additional one million health workers by 2015.
- African governments should meet their commitment to allocate 15% of annual budgets to health and put in place strategies for the effective delivery of health services. Donors should support with an additional US\$10 billion annually immediately, rising to US\$20 billion annually by 2015, predominantly through national budgets.
- Where African governments remove fees for basic healthcare as part of reform, donors should make a long-term

RELATED EXTRACTS FROM G8 COMMUNIQUÉ

- Investing in improved health systems at national and local levels, in partnership with African governments, by helping Africa train and retain doctors, nurses and community health workers.
- Increase support for the Polio Eradication Initiative for the post eradication period in 2006-8 toward the US\$829 million target.
- Help to meet the needs identified by the Stop TB Partnership.
- Work to scale up action against malaria to reach 85% of the vulnerable populations by 2015. Contribute to the additional US\$1.5 billion a year needed annually to help ensure access to insecticide-treated mosquito nets, adequate and sustainable supplies of Combination Therapies, presumptive treatment for pregnant women and babies, household residual spraying and the capacity in African health services.

(Continued)

CFA RECOMMENDATIONS

RELATED EXTRACTS FROM G8 COMMUNIQUÉ

commitment to fill the financing gap until countries can take on these costs.

- Donors should fully fund the Global Fund to Fight AIDS, Tuberculosis and Malaria.
- Donors should commit to full funding of the Global Alliance for Vaccines and Immunisation (GAVI) through the International Financing Facility for Immunisation. They should also meet their commitments to the Polio Eradication Initiative.
- Support the World Health Organization's strategy to provide integrated TB and HIV care.
- African governments and Donors should work together to ensure every pregnant mother and every child has a long lasting insecticide treated net and is provided with effective malaria drugs.
- Donors should ensure that there is adequate funding for the treatment and prevention of parasitic diseases and micronutrient deficiency.
- African governments must show strong leadership in promoting women's and men's right to sexual and reproductive health. Donors should support African efforts to enable universal access to sexual and reproductive health services.
- Donors should develop incentives for health research and development that meets Africa's needs, set up advance purchase agreements for medicines, and increase funding for African-led research.

• Increase direct investment and taking forward work on market incentives, as a complement to basic research, through Public Private Partnerships and Advance Purchase Commitment to encourage the development of vaccines, microbicides and drugs for AIDS, malaria, tuberculosis and other neglected diseases.

[See also under HIV and AIDS below]

Health

Progress to date and planned next steps

The UK strongly agrees with the CfA recommendation that national health services in Africa need to be strengthened if they are to tackle effectively the immense challenges facing the continent. Internationally, the High Level Forum on Health reached the same conclusion and recommended long-term, predictable finance. There are discussions underway in various places on this issue (including DFID work with the World Bank and the Global Fund to Fight AIDS, TB and Malaria). Achieving the target recommended by the CfA will require radical action. The UK has taken innovative approaches to health services in general, and the problem of recruitment and retention in particular. For example in Malawi, the UK has committed £55 million to the Malawi Emergency Human Resources Programme which aims to improve the delivery of health services as well as tackle recruitment and retention of Malawian staff. The programme supports increased salaries for staff, the expansion of Malawi's training capacity and the use of international volunteer physicians and nurse tutors.

NEPAD, G8 and other development partners have prepared a **plan of action on health and HIV/AIDS** as part of work on the Africa Partnership Forum Joint Action Plan (see *Making it Happen*). This highlights the need to strengthen national health services, amongst many other issues. The UK has provided input into the **NEPAD Initial Programme of Action** referred to by the CfA, to encourage more emphasis on nationally-led responses to delivering health services.

As noted in the introduction to this report, a major programme of work has been launched by donors in partnership with African governments on how to 'scale up' access to basic health and education services. This is motivated partly by the need to plan for the additional resources pledged in 2005 (which will be delivered in the run up to 2010). It also reflects a shared desire to achieve greater results. This work emphasises the need for donors to make long-term financial commitments, to help African governments predict what resources they will have available. Those involved have agreed to follow a country-led approach (i.e. basing support around African countries' national plans). This work is due to conclude in mid 2006. The World Bank and UN are sounding out developing countries about their interest in hosting a new-style of meeting with their donor partners, called 'Resources and Results' consultative groups. The UK believes these meetings will be key to generating more ambitious developing country plans, and mobilising more and higher quality aid behind them.

Progress against **African commitments** on health and HIV and AIDS will be reviewed by African Ministers when they meet in Nigeria in May 2006.

The most recent replenishment of the **Global Fund to fight AIDS**, **TB and Malaria** (GFATM), in September 2005, raised US\$3.7 billion for the Fund for 2006 and 2007. The UK committed £200 million, doubling its previous annual contribution levels. A mid-term review of the Fund in July 2006 will provide an opportunity to review financing needs.

The International Financing Facility for Immunisation (IFFIm) will provide US\$4 billion additional funding for immunisation and health system strengthening over the next 10 years through the Global Alliance for Vaccines and Immunisation (GAVI). This is expected to prevent five million child deaths between 2005-2015 and more than five million future adult deaths. The IFFIm was launched in September 2005, with funding commitments from France, Italy, Spain and Sweden as well as the UK. Norway has subsequently joined. The participating governments are working together to launch the first bonds (which help finance this initiative) as soon as possible.

This year, the transmission of **polio** should be stopped in all countries except Nigeria, which should become polio-free in 2007. The G8 have been major contributors to the Polio Eradication Initiative in the past. The initiative needs a further US\$575 million for 2006 to 2008 of which, US\$75 million by the end of March 2006 and a further US\$75 million by July 2006.

Global Plan to Stop Tuberculosis 2006-2015 was launched in January 2006 at the World Economic Forum by the UK Chancellor, Gordon Brown, Bill Gates and President Obasanjo of Nigeria. The UK government called for the G8 to back the plan, which identifies actions to halve deaths from TB by 2015 (implementing the plan will cost US\$56 billion).

On malaria, a 'Global Strategic Plan' was launched in Yaoundé at the Roll Back Malaria Partners' forum in November 2005. The Plan includes new targets for scaling up access to insecticide treated nets (ITN) and treatment for malaria – to reach 80% of people at risk by 2010 (complementing the G8 target to reach 85% by 2015). The UK is working with development partners to ensure that, by the end of 2007, pregnant women and children under five in all malarious countries should have an ITN to sleep under. The UK funds ITN provision through the Global Fund (GFATM) and bilateral programmes. In 2005, DFID increased support to ITN programmes in Kenya and Tanzania. In addition, the UK pledged £10 million over five years to the international Medicines for Malaria venture.

The UK fully backs the call by the World Health Organisation (WHO) for enhanced **co-ordination of AIDS and TB services** through its strategy of 'two diseases, one patient'. The UK provided £12.5 million core funding to the WHO in 2005/06, in addition to the UK's national share of WHO's budget which is provided by the Department of Health and additional funding for specific programmes (mainly at the country level). The UK is supporting a co-ordinated approach in the context of work to achieve universal access to AIDS treatments (see HIV and AIDS below): for example, we have stressed the need to include services for the main opportunistic infections of AIDS, which includes TB. The Global Fund's (GFATM) guidelines also support a co-ordinated approach, by requiring countries to address TB within AIDS proposals and vice versa.

An informal group has been set up to take forward advocacy on **neglected diseases** (i.e intestinal worms (ascariasis, trichuriasis, and hookworm), schistosomiasis, lymphatic filariasis, onchocerciasis, and trachoma). This group includes technical experts and representatives from multilateral and bilateral donor agencies. The UK has been

providing direct support to the African Programme for Onchoceriasis control and the Global Alliance to Eliminate Lymphatic Filariasis.

The UK is working with the international community in order to improve access to sexual and reproductive health (SRH) services and supplies. We continue to give long term financing to the UN Population Fund (UNFPA) and are working with other donors to increase support to reproductive health supplies in particular. Efforts will be made to make sure that support is consistent with UN reform processes and that it enhances harmonisation at country level. Under the UK presidency, the EU produced an agreed statement on December 1st 2005 on the importance of prevention in HIV and AIDS programmes and policies. This emphasised the role of SRH services and women's and men's sexual and reproductive rights. As a follow on to this the UK is trying to get commitments for SRH services and supplies as part of the international commitments to Universal Access.

The UK is involved in the Partnership on Maternal, Neonatal and Child Health, which aims to enhance political support for women's and children's health to achieve real progress against these important MDGs. We are also in conversation with the Royal Colleges of Obstetricians, Midwives and General Practitioners (GPs) to see how we can work together to improve human resources for maternal and child health. Measurement of progress on sexual and reproductive health (including maternal health) is essential. It is a priority for the UK to ensure that the agreed MDG target on SRH is monitored using appropriate SRH indicators – we are addressing this problem. The UK has also provided recent support for the Health Metrics Network, which will enhance countries' capacity to measure results in health, including SRH.

The UK has is working with the private sector to deliver **global public health objectives**. This includes support for public-private partnerships to develop new medicines, drugs, vaccines or diagnostics relevant to the developing world, or to increase access to existing health treatments and diagnostics. G7 Finance Ministers agreed in December 2005 to work with others on a pilot 'Advance Market Commitment' to develop new technologies for tackling infectious diseases. A report will be prepared for World Bank/International Monetary Fund Spring Meetings in April, on a possible pilot, setting out the choice of diseases for the pilot and a proposal for an Independent Assessment Committee (IAC)

Water and sanitation

CFA RECOMMENDATIONS

• Starting in 2005, donors must reverse the decline in aid for water supply and sanitation, to enable African governments to achieve the African Water Vision commitment to reduce by 75% percent the proportion of people without access to safe water and sanitation by 2015. The G8 should report back by 2007 on

implementation of the G8 Water Action

RELATED EXTRACTS FROM G8 COMMUNIQUÉ

 Implement the G8 Water Action Plan agreed at Evian, in partnership with the African Development Bank's initiative on rural water and sanitation, increase aid in this sector; and reinforce coordination and monitoring.

Water and sanitation

Plan agreed in 2003.

Progress to date and planned next steps

Improving access to **clean water and sanitation**, and safe hygiene practice, is vital in its own right, as well as critical to achieving other Millennium Development Goals including reducing child mortality.

The UK government has set itself the target to double its support to increase access to water and sanitation in Africa over the next three years (to £95 million) and is on track to meet this. The World Bank has significantly increased its spend on water and sanitation in Africa to 8% of value of new project commitments.

In March 2006, the 4th World Water Forum in Mexico will review progress against key international priorities. This involves close cooperation with the African Development Bank to promote priority actions to achieve the 75% reduction target from the Africa Water Vision referred to by the CfA, including identifying financial resources to achieve this target and strengthening monitoring – reflecting priorities in the G8 Water Action Plan agreed at Evian. The main focus of work on water and sanitation at the global level is on the Commission for Sustainable Development, which is due to meet again in 2008.

European Member States and the European Commission recognised the need for further action to facilitate peoples' access to water and sanitation as part of the December agreement on the EU's new partnership with Africa.

The UK is finalising arrangements for technical assistance to the **African Development Bank's Rural Water Supply and Sanitation Programme**, and the **Africa Water Facility**.

The new Infrastructure Consortium for Africa launched in October 2005 (see *Growth and Poverty Reduction*) will help to tackle the issue of **integrated water management** related to irrigation and power, through its support for the implementation of specific projects that form part of the NEPAD Short Term Action Plan.

In the context of wider UN reform (see *Making it Happen*), the UK would like to see the number of UN agencies working on water cut radically and an effective UN Water established to co-ordinate the remaining agencies. We believe that a lead UN agency for water and sanitation should be identified in each country and that UN Water should produce an authoritative annual report to the UN Secretary General. By providing improved monitoring on progress towards water and sanitation targets, and more effective mechanisms to support work in this area, these reforms will help to achieve the objectives of the CfA and G8. We are working with others to take these ideas forward.

HIV and AIDS

CFA RECOMMENDATIONS

• The international community must reach a **Global agreement** in 2005 to harmonise the current disparate response to HIV and AIDS, in support of bold and comprehensive strategies by African governments that take account of power relationships between men, women and young people.

 African governments and the international community should work together to deliver the right of people to HIV/AIDS prevention, treatment and care. Donors should increase their contribution by at least US\$10 billion annually within five years.

RELATED EXTRACTS FROM G8 COMMUNIQUÉ

• Develop and implement a package for HIV prevention, treatment and care, aiming for as close as possible to universal access to treatment for all those who need it by 2010. Improve health systems capability. Ensure that all children left orphaned or vulnerable by AIDS or other pandemics are given proper support. Meet the financing needs for HIV/AIDS, including through the replenishment this year of the Global Fund to fight AIDS, TB and Malaria; and implement the 'Three Ones' principles in all countries.

HIV and AIDS

Progress to date and planned next steps

Given the scale of the challenge of HIV and AIDS, the number of organisations involved in trying to tackle it, and limited financing, it is essential that action is carefully co-ordinated at every level – from the global to the local.

Globally, the UN General Assembly will hold a High Level Meeting on AIDS in June this year. In preparation for this, the WHO and the Joint UN Programme on HIV/AIDS (UNAIDS) are developing a roadmap to achieve Universal Access to Treatment, Prevention and Care. They are due to present an initial plan in March. A Global Steering Committee has been established to work with them on this (chaired by UNAIDS and DFID). Its role is to identify and prioritise obstacles holding back current efforts to scale up AIDS programmes and propose solutions.

These global efforts build on the momentum created by the G8 commitment at Gleneagles, which was taken up by the international community at the UN Millennium Review Summit. This Summit rightly stressed the need for a balanced approach to treatment, prevention and care, which is a high priority for the UK. For World AIDS Day 2005, under the UK Presidency, the EU released a strong statement on 'HIV prevention for an AIDS Free Generation'.

At the **national level**, the 'Three Ones' approach aims to tackle the problem of co-ordination, by ensuring: one agreed AIDS Action Framework that drives alignment of all partners; one national AIDS authority, with a broad-based multi-sectoral mandate; and one agreed country-level monitoring and evaluation system. The UK was instrumental in the launch of this approach in 2004 (with UNAIDS and the US) and remains a strong supporter. In January 2005, UNAIDS published a Guidance Note, based on the work of a Global Task Team (GTT), to take this approach forward. The GTT's recommendations have been agreed by the Executive Boards of key UN organisations (UNFPA, UNDP and UNICEF). The GTT's proposals on a harmonised response to HIV and AIDS focused on four key areas:

Empowering national leadership and ownership: developing strong, costed AIDS action plans, which should be prioritised in national plans and budgets.

Donor alignment and harmonisation with national frameworks linked to national poverty reduction strategies, drawing on best practice principles for aid delivery and in line with the 'Three Ones'.

Reform of the international system for improved effectiveness: Including a 'UN team' approach at the country level, a global 'bottleneck' problem-solving team of UNAIDS co-sponsors with the Global Fund to fight AIDS, TB and Malaria, a clear division of labour, increased resources for technical assistance and improved use of the UNAIDS Unified Budget and Workplan.

Accountability: participatory performance reviews at country level, with harmonised monitoring and evaluating systems.

The UK is heavily engaged in work on HIV and AIDS at all levels. DFID has committed to increase spending on HIV and AIDS to £1.5 billion over the next three years. Support to Orphans and Vulnerable Children is also a major priority (see next section).

Protecting the most vulnerable

CFA RECOMMENDATIONS

• African governments should develop social protection strategies for orphans and vulnerable children. Donors should commit to long-term, predictable support of US\$2 billion a year immediately, rising to US\$5 to 6 billion a year by 2015.

- Donors should support the African Union's NEPAD Programme to develop a rights and inclusion framework and support countries to develop social protection strategies by 2007.
- Endorse and implement the UN
 Framework for the Protection, Care and Support of the Orphans and Vulnerable Children.
- Donors and African governments should provide direct budgetary support to pan-African organisations to support their work in protecting women and children's rights.

RELATED EXTRACTS FROM G8 COMMUNIQUÉ

- Call on African countries to implement the African Charter on Human and People's Rights and its protocols in order to encourage respect for the rights of ethnic minorities, women and children.
- We will also work with our African partners to ensure that all children left orphaned or vulnerable by AIDS or other pandemics are given proper support.
- We support our African partners' commitment to ensure that by 2015 all children have access to and complete free and compulsory primary education of good quality, and have access to basic health care (free wherever countries choose to provide this) to reduce mortality among those most at risk from dying from preventable causes, particularly women and children

Protecting the most vulnerable

Progress to date and planned next steps

As the CfA highlighted, vulnerable groups need particular attention to ensure that they can benefit from the opportunities offered by progress in Africa. The AU is working on a social protection strategy for the continent, which should address this issue.

The UK is involved in a wide range of work on this issue. For example, DFID is supporting national safety net and social transfer programmes in Ethiopia, Zambia and Malawi, that can help the poor protect their assets and take the type of risks necessary to reap the benefits of greater market access. The UK also makes it a priority to ensure that the needs of vulnerable groups are addressed as part of programmes on health, education and HIV and AIDS for example. The UK co-hosted the Global Partners Forum for Children and AIDS in February 2006, which considered how to scale up to Universal Access to Prevention, Treatment and Care for children. It focused on six areas, including how to address blockages to scaling up social assistance for vulnerable children in a broad social welfare framework. This will feed into the Global Steering Committee on Scaling Up Towards Universal Access and the UN high level meeting on AIDS in June 2006, which will address funding issues.

DfES is funding a UK/African regional workshop in Kenya in May on the needs of orphans and vulnerable children with family responsibilities. It will look at improved ways of working between schools, social workers and other community-based practitioners and the possible benefits of the integration of social services.

Growth and Poverty Reduction

Promoting growth, poor people's participation in growth, promoting the role of business

CFA RECOMMENDATIONS

• Developed countries should provide an extra US\$10 billion a year investment in infrastructure up to 2010 with a further increase to US\$20 billion a year in the following five years.

- Donors and the private sector should provide co-ordinated support and US\$550m over seven years for the Investment Climate Facility
- Donors should support Africa to double the area of arable land under irrigation by 2015.

RELATED EXTRACTS FROM G8 COMMUNIQUÉ

- Build an international infrastructure consortium to facilitate **infrastructure investment**, including in cross-border infrastructure, in Africa.
- Support to the AU/NEPAD Investment Climate Facility
- Raise agricultural productivity, strengthen urban-rural linkages and empower the poor, based on national initiatives.
- Invest in SMEs and microfinance and increase access to financial services.

(Continued)

Promoting growth, poor people's participation in growth, promoting the role of business

Progress to date and planned next steps

Growth is the key to reducing poverty in Africa, particularly growth that the poor participate in. The challenge is great: Africa as a whole needs to achieve 7% growth a year if it is to attain the MDGs. Several new initiatives have been launched, reflecting renewed focus.

To help mobilise additional **funding for infrastructure**, an 'Infrastructure Consortium for Africa' has been established. This held its inaugural meeting in London on 6 October 2005. All the major donors attended (World Bank, AfDB, US, Japan, EC, UK). A Secretariat has been established in the African Development Bank. The Consortium will not be a funding body itself. Instead, its focus will be on overcoming current problems such as a lack of support for project preparation and insufficient co-ordination. The Consortium has set itself the challenge to identify financing for five projects identified as top priorities by Africa (in the NEPAD Short Term Action Plan list) by June 2006. The UK has committed US\$20 million for the Infrastructure Consortium over three years (in addition to funding already provided through country programmes and contributions to multilaterals such as the EC, AfDB and World Bank). DFID is also seconding a member of staff to the Secretariat.

The AU/NEPAD **Investment Climate Facility** will be launched in 2006. Its initial funding target is US\$120 million over three years. The UK is a major contributor, providing US\$30 million over the next three years. Other G8 countries have shown positive interest but no commitment as yet. From the private sector, Shell has committed US\$2.5 million over the next five years, and Unilever US\$1.5 million over the next three years.

The UK is working closely with NEPAD to increase **agricultural productivity** – agriculture is a priority sector for growth for many African leaders, as well as essential for livelihoods.

We are encouraging other G8 countries (in addition to the US) to work closely with us in supporting the 'Comprehensive Africa Agriculture Development Programme (CAADP). The UK is working with partners including the World Bank and the African Development Bank on ways to significantly increase the area of arable land under irrigation in Africa. Achieving the target proposed by the CfA will be a major challenge.

The Africa Enterprise Challenge Fund (AECF) is likely to focus on the financial sector and agribusiness (responding to the priorities outlined in NEPAD's CAADP). It is in the design phase and should be launched this autumn. The design will address the need to co-ordinate and work with the UNDP's Growing Sustainable Business Programme. The AECF is on track to be launched in the Autumn 2006. The UK has committed £12 million (US\$20 million) out of a target fund of US\$100 million.

To complement ongoing efforts to expand people's access to **financial services**, new indicators have been developed which will help African governments as well as donors to track whether access is improving. A series of surveys will be carried out in six African countries. The World Bank is in the early stages of setting-up a trust fund to support this work, including encouraging developing countries to make use of these tools.

The UK recognises the critical **role of the private sector** in promoting economic growth in Africa. Business Action for Africa (BAA) grew out of the Commission for Africa. Its main role is to showcase existing initiatives and to facilitate new partnerships. The BAA has 49 corporate partners and 20 strategic partners. The UK Government has provided £5,000 to help fund the organisation. The UK has also provided £250,000 to the UNDP Growing Sustainable Business Initiative.

The UK works with British businesses, operating at home and abroad, to encourage them to take account of their economic, social and environmental impacts. This includes encouraging them, wherever they operate, to use their expertise, resources and experience to make a positive contribution to development. The UK recently published an international strategic framework to promote **Corporate Social Responsibility** (CSR), which sets out objectives and priorities for CSR internationally, with a focus on practical measures. The UK believes more work is needed to identify and clarify standards of corporate responsibility and accountability with regard to human rights. To this end, we have supported the appointment of a Special Representative of the UN Secretary General, as well as elaboration of the role of States in effectively regulating and adjudicating the role of business. The UK also supports specific initiatives to further this, including the UN's Global Compact and the Voluntary Principles.

The UK has also worked with the private sector to deliver **global public health objectives** (see *Investing in People*).

The environment and climate change

CFA RECOMMENDATIONS

RELATED EXTRACTS FROM G8 COMMUNIQUÉ

- Include environmental sustainability in poverty reduction strategies
- From 2008, donors should make climate variability and **climate change risk** factors an integral part of their project planning and assessment. They should meet their commitments on funding to help African countries adapt to the risks and impacts of climate change.
- Donors should work to improve the climate observation network through the Global Climate Observation System, bilateral support, and co-ordinated capacity building.
- Work to strengthen the existing climate institutions in Africa, through GCOS, with a view to developing fully operational regional climate centres in Africa
- Invite the World Bank to develop and implement best practice guidelines for screening their investments in climate sensitive sectors to determine how their performance could be affected by climate risks, as well as how those risks can be managed; invite other major multilateral and bilateral development organisations to adopt the World Bank guidelines to develop and implement similar guidance
- Work to support efforts to help developing countries and regions obtain full benefit from GCOS such as placement of observational systems to fill data gaps, developing in-country and regional capacity for analysing and interpreting observational data, and development of decision-support systems and tools relevant to local needs; and in particular, work to strengthen the existing climate institutions in Africa, through GCOS, with a view to developing fully operational regional climate centres in Africa.

The environment and climate change

Progress to date and planned next steps

At the beginning of 2005, the Prime Minister identified climate change as one of the UK's priorities for its G8 and EU Presidencies, along with Africa. Important progress was made, including greater recognition of the links between development and climate change.

The G8 agreed to put **climate risk management procedures** in place for donor-funded development investments, to increase their resilience to the impact of climate change. The UK will put these procedures in place by 2008, in line with the CfA's recommendation. A pilot phase will be implemented between now and then, working with the World Bank and other donors. This will cover three country programmes in Asia and three in Africa, to include a range of climate risk and socio-economic vulnerabilities. DFID Bangladesh will be the first country office to participate in the pilot. This work is expected to begin in the Spring and should be completed by the Autumn.

An international group of development partners, including DFID, the World Bank, UNDP and United Nations Environment Programme (UNEP), is working on a set of guidance and tools to strengthen consideration of environmental issues in Poverty **Reduction Strategies** (PRS), through initiatives like the Poverty-Environment Partnership. DFID has employed a variety of approaches in its own country programmes, such as the secondment of a specialist into the government in Tanzania, joint analytical work on the contribution of natural resources to economic growth in Ghana, and input in Ethiopia and Rwanda to dialogue between the government and donors on coverage of the environment in PRS. Recognition of environmental sustainability issues in PRS documentation remains highly variable. Even where this is achieved, it is a significant challenge to ensure that identified issues are addressed in actual implementation. Future work will need to tackle this challenge. We will aim to work with partners to facilitate integration of identified issues into the principal planning mechanisms and implementation plans through which PRSs are delivered, especially line ministry and sectoral plans. An example of the way this can be done is the DFID support to the Kenyan Ministry of Planning and National Development and the Ministry of Environment and Natural Resources. This aims to integrate environmental issues into national and district planning and policy processes related to implementation of the Economic Recovery Strategy for Employment and Wealth Creation.

Work on the **Global Climate Observation System** (GCOS) is also moving ahead. The GCOS Secretariat is co-ordinating the design process for the programme. A workshop (partly funded by DFID) is planned for mid April, to be hosted by the UN Economic Commission for Africa. The UK plans to provide £5 million over five years. Other G8 members have been approached to participate at the workshop and to contribute to the programme but have not yet made firm funding commitments. The US International Research Institute for Climate and Society is undertaking a gap analysis to scope out where

the opportunities lie for more effective use of climate information in development policies and practice in sub-Saharan Africa, from the perspective of decision-making groups central to poverty reduction. This will be an important input into the April workshop.

Since Gleneagles, the World Bank has been working with the Regional Development Banks (RDBs) and the private sector on ways to encourage investment in energy efficiency and lower carbon energy. They are making good progress. The UK is providing support to the RDBs to assist them with this. We expect the World Bank to issue a report shortly. This will form the basis for the Development Committee discussion in April at the World Bank's Spring Meetings.

More Trade and Fairer Trade

Improving Africa's capacity to trade

CFA RECOMMENDATIONS

- Africa should remove its own internal trade barriers; increase integration and co-operation within African regions.
- Africa should improve the economic environment for farmers and firms, backed up by donor support including for transport and communication.

RELATED EXTRACTS FROM G8 COMMUNIQUÉ

 Help build the physical, human and institutional capacity to trade, including trade facilitation measures. International Financial Institutions (IFIs) to submit proposals for additional assistance including for trade adjustment.

Improving Africa's capacity to trade

Progress to date and planned next steps

Many African countries lack the physical, human and institutional capacity to take advantage of growing trade opportunities. Better infrastructure, an enabling climate for the private sector and more, better and flexible exports are crucial if sub-Saharan Africa is to reduce poverty permanently.

Regional integration has been declared a priority many times by African leaders and Ministers at both pan-African and regional levels. The African Union is undertaking work on the rationalisation of Regional Economic Communities (REC), given the way they currently overlap in many areas. Each region has it own particular circumstances that will make RECs different in priorities, character and function. The progress shown by a region such as Community of Eastern and Southern Africa (COMESA) on enhancing regional trade and investment shows what can be done. Getting regional integration right will mean continued commitment both within each region and from development partners. Some good steps forward have been taken. There is still much to do to improve the environment for trade and investment and better Africa's capacity to trade, including through work on regional infrastructure, customs, monetary unions and standards.

Donors are supporting African efforts, including by providing assistance to the RECs to increase their capacity. DFID is supporting pan-African institutions and RECs in Southern, Eastern and Western Africa in a range of areas, including trade, agriculture, the economic environment and infrastructure. For example, DFID's Regional Trade Facilitation Programme in Southern Africa has given significant support to the Least Developed Countries group to analyse their trading interests. This means they are better informed when it comes to trade negotiations. Also in Southern Africa, in response to the CfA report, DFID is developing two new trade programmes: one to implement 'One Stop Border Posts' to make cross-border trade easier; and a second to help the region produce more goods of export quality.

In 2005, the international community recognised the need for additional assistance to help African countries tackle the obstacles that prevent them taking advantage of the trading opportunities they already have, and to help their economies adjust when trade reforms are introduced. Many countries lack the physical, human and institutional capacity to trade competitively and successfully. Better infrastructure, an enabling climate for the private sector as well as more and higher quality exports are crucial. This issue received high level attention, not just at the G8 Summit, but also the UN Millennium Review Summit, the World Bank/IMF Annual Meetings, the WTO Ministerial and the EU Council. The G8 has pledged to provide US\$4 billion 'aid for trade'. For the UK, the Prime Minister announced DFID's commitment to provide £100 million per year by 2010. New initiatives include the Investment Climate Facility and the Infrastructure Consortium for Africa. DFID has announced commitments worth US\$50 million to these initiatives, as well as support for the Comprehensive Africa Agricultural Development Programme (CAADP) (see Promoting Growth, Poor People's Participation in Growth, Promoting the Role of Business). This is in addition to long-standing support to help countries provide the enabling environment for business and growth: for example, the Public-Private Infrastructure Advisory Facility (PPIAF) or the Emerging Africa Infrastructure Facility (EAIF).

Improving Africa's access to the markets of the rich world

CFA RECOMMENDATIONS

Development must be given absolute priority at the December 2005 meetings of the WTO in Hong Kong and the Doha Round should conclude no later than the end of 2006.

- Agree in Hong Kong to eliminate immediately trade-distorting support to cotton and sugar, and commit by 2010 to end all export subsidies and all tradedistorting support in agriculture. Agree to reduce progressively all tariffs to zero by 2015, and reduce non-tariff barriers.
- Higher-income developing countries should do more to reduce their tariffs and other barriers to trade with Africa.
- Liberalisation must not be forced on Africa through trade or aid conditions and must be done in a way that reduces reciprocal demands to a minimum. Individual African to sequence their own trade reforms, at their own pace, in line with their own poverty reduction and development plans. Additional financial assistance to support capacity building and adjustment to more open markets.
- Rich countries should apply a
 development test, including an impact
 assessment, when designing product
 standards, to minimise the barriers they
 may create, and urgently provide help to
 meet them.

RELATED EXTRACTS FROM G8 COMMUNIQUÉ

- An ambitious and balanced conclusion to the Doha Round which focuses on the core issues to create new market opportunities: substantially reducing trade-distorting domestic support and substantially improving market access; eliminating all forms of export subsidies and establishing disciplines on all export measures with equivalent effect on a credible end date. Commit to opening markets more widely to trade in non-agricultural products, expanding opportunities for trade in services, improving trade rules and improving customs and other relevant procedures to facilitate trade.
- Ensure appropriate flexibility in the Doha Development Agenda (DDA) negotiations for least developed countries helping them plan and sequence their overall economic reforms in line with their country-led development programmes and their international obligations.
- Provide resources and training to help
 African producers meet current and
 new health and safety standards for
 food exports and other products.
 Encourage our national standard setting
 and regulatory bodies to work with
 African exporters and national
 authorities, and support African nations
 in playing their full part in the relevant
 international standard setting bodies.

Improving Africa's access to the markets of the rich world

Progress to date and planned next steps

The World Trade Organisation Ministerial Conference in Hong Kong in December 2005 did not achieve as much as the Government would have wished. However, many development issues were put centre stage, for example duty and quota free access for Least Developed Countries and finance for trade related capacity building. Additional funding was agreed at and around Hong Kong, (see *Improving Africa's Capacity to Trade* above)

Subject to the conclusion of the whole WTO round, Trade Ministers agreed to end cotton subsidies in 2006, abolish all agricultural export subsidies and equivalent measures by 2013, and that this should be frontloaded to 2010. In addition, Ministers reaffirmed the deadline for completing the round – the end of 2006 – and agreed milestones to that end, such as agreeing, by 30 April 2006, 'modalities' (frameworks) for non-agricultural market access (NAMA) and agriculture, and for final offers on services and comprehensive draft schedules of commitments based on agriculture and NAMA modalities by 31 July 2006. Reforms were agreed to the EU's sugar regime in 2005 under the UK Presidency, which will cut the guaranteed price for sugar by a third and thus reduce dumping on world markets. But adequate and timely assistance must be provided to help developing countries adjust to this new environment. We are working hard to persuade the European Commission and EU Member States to make this assistance available.

Economic Partnership Agreements (EPAs) being negotiated between the EU and four African regions (as well as the Caribbean and the Pacific) will potentially make a major contribution to African development. In its position paper published in March 2005, the UK emphasised that liberalisation should not be forced and that African, Caribbean and Pacific countries should make their own decisions on how they open their markets through EPAs, in line with their national development strategies. The EU Development Council conclusions from its November meeting supported the objectives of asymmetry and flexibility in any liberalisation steps for African countries. Practical research and technical assistance on these issues has been provided to African negotiators by DFID. The Development Council has also agreed that financial support will be provided for building trade capacity and implementing supply side reforms for EPA implementation.

Helping Africa adjust to new trade regimes

CFA RECOMMENDATIONS

- Extend quota and duty-free access to all exports from low-income sub-Saharan countries. Allow Africa to source inputs from anywhere in the world, and requiring only that they add a minimum of 10% of value in their processing.
- Aid African economies to adjust to a more open global trade regime.

RELATED EXTRACTS FROM G8 COMMUNIQUÉ

- Commit to duty-free and quote-free market access for products originating from Least Developed Countries (LDCs).
- Improve the utilisation of our preference schemes by ensuring that rules (particularly rules of origin) are transparent and simple to follow. Help address concerns regarding trade preference erosion. Report back on progress to future presidencies.

Helping Africa adjust to new trade regimes

Progress to date and planned next steps

Already close to 100% of imports from sub-Saharan African countries enter the EU market duty-free. The EU's Everything But Arms scheme provides duty and quota free access for essentially all imports from Least Developed Countries. The US African Growth and Opportunity Act provides duty-free access to the US market for nearly all goods produced in beneficiary countries in sub-Saharan Africa.

At the WTO Ministerial Conference in Hong Kong in December 2005, WTO members committed to provide Duty Free and Quota Free access for 97% of all Least Developed Countries' exports. They also committed to provide substantially increased assistance to build countries' capacity to take advantage of opportunities offered (see *Improving Africa's Capacity to Trade* above). EU Rules of Origin have not yet been reformed. The Commission is undertaking a series of impact assessments to determine how best to proceed with reforms. The UK will engage with this process, to try to ensure developing countries' concerns are addressed.

Resources

CFA RECOMMENDATIONS

- To improve the quality of aid an annual discussion should take place between the Development Ministers of the OECD countries and African Finance Ministers, along with representatives of civil society and international organisations.
- Aid should be untied, predictable, harmonised, and linked to the decisionmaking and budget processes of the country receiving it. The length of the commitment should be related to the purpose.
- Aid to Africa should be mainly in the form of **grants**.
- Policy conditionality associated with external assistance should be strongly reduced. Ways of strengthening mutual accountability, and of monitoring implementation, should be put in place.

RELATED EXTRACTS FROM G8 COMMUNIQUÉ

- To support sound development strategies with better aid, to ensure it is used most effectively. We will implement and be monitored on all commitments we made in the Paris Declaration on aid effectiveness, including enhancing efforts to untie aid; disbursing aid in a timely and predictable fashion, through partner country systems where possible; increasing harmonisation and donor coordination, including through more programme-based approaches.
- It is up to developing countries themselves and their governments to take the lead on development. They need to decide, plan and sequence their economic policies to fit with their own development strategies, for which they should be accountable to all their people.

(Continued)

CFA RECOMMENDATIONS

- Through a new facility, donors should help African countries to address problems caused by commodity-related **shocks** and natural disasters.
- Aid to sub-Saharan Africa should be doubled, that is, increased by US\$25 billion per annum, over the next three to five years. Countries should commit immediately to their fair share. Following a review of progress towards the end of this period, a further US\$25 billion per annum should be provided, building on changes in the quality of aid and improvements in governance.
- 100% debt cancellation as soon as possible for poor countries in sub-Saharan Africa which need it, as part of a financing package to achieve the Millennium Development Goals. The key criterion should be that the money be used to deliver development, economic growth and the reduction of poverty for countries actively promoting good governance.
- A transparent debt compact to include all sub-Saharan African low-income countries – to cancel debt stock and debt service by up to 100%, and cover multilateral and bilateral debt.
- Financing should immediately be put in place to provide 100% multilateral debt service cancellation, where this is necessary to achieve the MDGs.

RELATED EXTRACTS FROM G8 COMMUNIQUÉ

- The commitments of the G8 and other donors will lead to an increase in official development assistance to Africa of US\$25 billion a year by 2010, more than doubling aid to Africa compared to 2004. The OECD estimates that official development assistance from the G8 and other donors to all developing countries will increase by around US\$50 billion a year by 2010, compared to 2004.
- The G8 has agreed a proposal to cancel 100% of outstanding debts of eligible Heavily Indebted Poor Countries to the IMF, IDA and African Development Fund, and to provide additional resources to ensure that the financing capacity of the IFIs is not reduced.
- A group of the countries above firmly believe that innovative financing mechanisms can help deliver and bring forward the financing needed to achieve the Millennium Development Goals. They will continue to consider the International Financing Facility (IFF), a pilot IFF for Immunisation and a solidarity contribution on plane tickets to finance development projects, in particular in the health sector, and to finance the IFF. A working group will consider the detailed implementation issues of these mechanisms.

(Continued)

⁷ EU: 15 Member States to reach ODA/GNI ratio of 0.51% by 2010 and 0.7% by 2015 (10 new Member States to reach 0.17% by 2010 and 0.33% by 2015). UK: 0.7% by 2013, double bilateral aid to Africa 2003/4 – 2007/8. France: 0.5% in 2007, of which 2/3 for Africa; 0.7% by 2012. US: double aid to sub-Saharan Africa 2004 – 2010. Japan: increase ODA by 10bn 2005-2010; doubling ODA to Africa 2005-2008. Canada: doubling aid 2001 – 10, aid to Africa doubling 2003/4 – 2008/9.

CFA RECOMMENDATIONS

RELATED EXTRACTS FROM G8 COMMUNIQUÉ

- Ways of financing the doubling of aid to Africa should include the immediate launch of the International Finance Facility.
- Further work to develop workable proposals for specific international levies to raise additional finance (for example from compulsory or voluntary charges on airline tickets).
- Rich countries to spend 0.7% of their annual income on aid, with plans specified for meeting this target.

 The EU has pledged to reach 0.7% ODA/GNI by 2015 with an interim target of 0.56% ODA/GNI by 2010 – a doubling of EU ODA between 2004 and 2010.

Resources

Progress to date and planned next steps

Donors' commitments during 2005, when delivered, should result in a substantial increase in both the resources available to support development in Africa, and in more efficient and effective use of these resources. The Africa Partnership Forum provides a high-level forum for discussions amongst African countries and multilateral and bilateral development partners on these issues, complemented by other technical fora (e.g. the Strategic Partnership with Africa) and civil society networks (see 'Making it Happen' below).

The Paris Declaration on **Aid Effectiveness** (agreed March 2005) provides a roadmap to more effective and efficient delivery of aid resources to African and other developing countries. This includes untying of aid (so that partner governments can choose the supplier who provides best value for money when buying goods or services with aid funds), harmonisation so that donors do not all insist on their own way of doing things and co-ordination on their plans. It also requires donors to make longer-term commitments, and provide more information about their future spending plans, to help developing countries manage their resources. Several donors have developed action plans to bring their national systems into line with the Paris commitments, including the UK. The first round of monitoring will take place in mid 2006. Centralised monitoring, co-ordinated by the OECD's Development Assistance Committee, will be complemented by processes in individual countries.

The G8 accepted the need for African and other development countries to decide, plan and sequence their economic policies to fit their own development strategies, and emphasised the need for governments to be accountable to their own citizens. In March 2005, the Secretary of State for International Development launched a policy paper 'Partnerships for poverty reduction: changing aid **conditionality**' (produced by DFID, FCO, HM Treasury (HMT))⁸. This marked a shift in UK policy, so that our aid is no longer conditional on specific policy decisions by partner governments, but is instead based on a shared commitment to five principles: developing country ownership; participatory and evidence-based policy-making; predictability; harmonisation; transparency and accountability. We are pressing others, including the World Bank, to do the same.

The **aid commitments** by the G8 and EU are expected to produce an additional US\$25 billion per year in aid for Africa by 2010, doubling aid levels compared to 2004. This is what the CfA recommended. The commitment by 15 EU Member States to provide 0.7% of their national income by 2015 goes a long way towards meeting the CfA's recommendation (with an interim target of 0.56% by 2010). The target for the 10 newest Member States is 0.33% by 2015, which will represent a substantial increase for them. The UK has set an earlier target date to reach 0.7% by 2013. Sweden, Denmark, Luxembourg and the Netherlands already meet the 0.7% target. In April, EU Development Ministers will review progress against the EU's 'Barcelona' target for 15 Member States to provide 0.33% of national income as aid this year, with the EU as a whole providing 0.39% (this commitment dates from the Financing Development Conference in 2002). All of the UK's official development assistance to Africa is provided as **grants**.

Progress has also been made on innovative sources of finance. The IFF for Immunisation (IFFIm) was launched in September 2005 with US\$4 billion funds committed by the UK, France, Italy, Spain and Sweden. Norway added their support in December. This Facility will fund the programmes of the Global Alliance for Vaccines and Immunisation (GAVI) and should save five million lives by 2015 from infectious diseases and a further five million lives after that. The first bonds will be issued in April. The UK also remains committed to the launch of the main International Financing Facility and is encouraging other countries to support this. The UK has worked particularly closely with France, to put the issue of innovative financing mechanisms on the international agenda and convince as many countries as possible to support these mechanisms. Initiatives including the IFF and the proposal for an airline ticket tax were discussed at a major international conference hosted by France in late February 2006. The UK is supporting French proposals for an International Drug Purchase Facility (IDPF) to provide a reliable source of funds over the long term for drugs, complementing existing mechanisms such as the Global Fund to fight AIDS, TB and Malaria. France and the UK are also establishing a working group to pursue further work on innovative financing mechanisms, and encouraging others to join them. This group will report back in time for the September IMF/World Bank Annual Meetings.

⁸ This can be accessed from www.dfid.gov.uk

It is important that the international community begins to **plan now for the increased development resources** that will arrive in the future. African countries need to put in place ambitious, costed plans to achieve the Millennium Development Goals (MDGs). Donors need to provide clarity on when and where their resources will go. The OECD Development Assistance Committee (DAC) and the World Bank are leading work on these issues, which were also discussed at the Africa Partnership Forum in October. Nigeria will host a conference of African Finance Ministers and major donors in May 2006 on 'Financing the MDGs' which will tackle related issues. The DAC has recently agreed new guidelines on monitoring resources to fragile states, which highlight the need to ensure these countries are not neglected.

The G8 has been instrumental in achieving progress on **debt** relief since the launch of the Heavily Indebted Poor Countries (HIPC) initiative. The leadership they showed again in 2005 has resulted already in delivery of 100% debt cancellation from the IMF for 19 countries, 13 of which are in Africa. The approval process for similar debt relief from the concessional funds of the World Bank and the African Development Bank is underway. We expect debt relief to be delivered there by the middle of the year (the African Development Bank's relief will be backdated to January this year). The IMF's debt relief has largely been paid for out of IMF internal resources. The UK has agreed to cover dollar for dollar our fair share of the costs at the World Bank and the African Development Bank and we are in the process of finalising our Financing Assurances as part of this. The UK is continuing to meet and exceed its bilateral obligations under HIPC. We also pay our share (10%) of qualifying Low Income Countries' debt service to the concessional funds of the World Bank and African Development Bank, thereby assisting poor countries not covered by the G8 initiative.

Through the Paris Club (a group of government creditors), **Nigeria** had 60% of its outstanding debts written off (worth US\$18 billion). The Nigerian government has agreed to put the annual savings of around US\$1 billion into a fund to be used for poverty reduction programmes, including employing an extra 120,000 teachers and sending 3.5 million children to school

The UK was a prominent advocate of the new Exogenous Shocks Facility (ESF) at the IMF to help countries cope with the adverse effects of **economic and other external shocks**. The UK was the first to announce a contribution, of £50 million over five years, to the facility. This was an important element in the formal establishment and approval of the ESF by the IMF at the end of 2005.

Making it Happen

CFA RECOMMENDATIONS

- Aim to make the **African Development Bank** the pre-eminent financing institution in Africa within 10 years.
- Strong support should be provided to enhance the role of the Economic Commission for Africa.
- The management of the World Bank, the IMF, and the WTO should give greater priority to accelerating Africa's development.
- The **UN** should strengthen the co-ordination of UN agencies, funds and programmes at country level, to improve their impact.
- African countries should be given a greater voice in the multilateral institutions.

RELATED EXTRACTS FROM G8 COMMUNIQUÉ

We need an effective mechanism to take forward our high-level strategic dialogue with Africa, focusing on the results of our joint efforts. We acknowledge the productive role played by the Africa Personal Representatives and the Africa Partnership Forum (APF). We agree that the APF should be strengthened. We recommend that the APF meet twice yearly at an appropriately high level, reviewing progress by all the partners involved in this joint undertaking not only by the G8 but also by Africans and other development partners. We encourage the APF to develop a process for monitoring, reporting and reviewing progress against milestones and benchmarks and to enable corrective action to be taken. There should be

(Continued)

CFA RECOMMENDATIONS

RELATED EXTRACTS FROM G8 COMMUNIQUÉ

- To ensure strategic leadership and decision-making in the IMF and World Bank, a decision-making Council, consisting of political representatives of member countries, should be established for each institution.
- Appointments of the heads of international institutions should be decided upon by open competition.
- In each recipient country, the government and donors should set up monitoring groups to assess the quality of donor assistance and co-ordination.
- The UN Security Council should be expanded to include greater African representation.
- An independent mechanism, which reflects the consultative approach of the Commission, should be established to monitor and report on progress.

sufficient support for the APF to enable effective follow up, including by the G8, on implementation between meetings, working with AU/NEPAD, OECD/DAC, UNECA and other organisations.

Making it Happen

Progress to date and planned next steps

As the CfA emphasised, achieving sustainable development and poverty reduction in Africa – and making sure that countries live up to their specific commitments to support this – will require an effective international system.

The African Development Bank has set itself the goal of becoming the pre-eminent financing institution in Africa over the next 10 years. The 10th replenishment of the concessionary arm of the AfDB, the Africa Development Fund, was agreed at the end of 2005, with a 40% increase in funds provided during the previous replenishment period. The UK contribution has risen to £178 million with an additional performance based tranche of £27 million. The new President of the Bank, Donald Kaberuka, has made it his top priority to improve the Bank's contribution to poverty reduction. DFID

has signalled its full support and is increasing its collaboration with the Bank to help improve impact and performance.

The UN Economic Commission for Africa has long been a major contributor to research, dialogue and development of economic and related social policy issues in Africa. In 2005, the UNECA contributed to important policy debates in areas including economic integration, trade negotiation and research, HIV and AIDS, Gender, Governance and support to the Africa Peer Review Process. It is beginning work on improving support for a free media in Africa. DFID has provided flexible financial support to the UNECA since 2003.

The World Bank has signalled its commitment to make Africa a priority, launching a new strategic Africa Action Plan at the Annual Meetings in September 2005. The UK has had regular discussions with the Bank since then to ensure that progress is being made. The UK has also committed £200 million to the Catalytic Fund, which the Bank proposed as part of the Africa Action Plan, to provide additional resources to countries that can use them effectively (for example, to scale up access to health and education services). Discussions have also taken place with the IMF's Africa Department on how the areas where the IMF can particularly add value to international efforts. Its focus is on how to 'scale up' access to basic services, financial sector reform, public expenditure management, trade and growth. There are on-going programmes of work in all these areas.

For the WTO, the outcome of the current Round of negotiations will be a test case of its commitment to development. It is essential that this outcome responds adequately to developing countries' needs, whether in Africa or other continents (see *More Trade and Fairer Trade* above).

There is a growing movement to improve the way **UN** agencies operate at country level, with the UN itself initiating several reforms designed to improve its effectiveness and efficiency in supporting countries to achieve the Millennium Development Goals. The UK has supported operational reforms in the UN system through its investments in UN agencies (for example, work on strategic planning, performance management systems). The UK will also support the work of the UN High Level Panel set up by the Secretary General to investigate and make recommendations on system-wide coherence. Following a twin track approach, the Panel will consider fundamental restructuring of UN agencies at the global level in tandem with reforms to increase impact at the country level. The Chancellor will represent the UK on this Panel. There is substantial opportunity to scale up the UN system to meet its 21st century challenges. Humanitarian reform is being tackled through the 'Good Humanitarian Donorship' initiative launched in 2003. This provides a forum for donors to discuss good practice in funding humanitarian assistance and other shared concerns.

Changing countries' or regions' representation in international organisations, and appointment processes for heads of international organisations, are difficult issues. But the UK is determined to see progress. In the context of the current IMF quota review (which relates to representation), the UK is considering how governance

reforms could best assist low income members. Maintaining or increasing representation of poor countries is a key UK objective for the review. We are keen to improve the voice of developing countries in the World Bank's governance structure too, but there is not yet a consensus on the way forward among shareholders. The UK has already provided support to boost the capacity of the offices of the African Executive Directors at the World Bank and IMF. The UK supports increased transparency in World Bank and IMF appointments but again there is not yet a consensus amongst member countries for a formal process. The UK has sought to ensure that the strongest possible candidates are appointed to head international organisations and that they enjoy the confidence and support of the whole membership. For recent senior appointments (eg the Head of UNDP and the UN High Commissioner for Refugees), the UN Secretary-General instituted an open and transparent process – drawing up a job specification and inviting applications from Member States. The UK welcomes this as a step forward, which helps to ensure the best candidate is found for the job.

Country level monitoring groups to assess the quality of donor assistance and ensure co-ordination are already in place in several countries and are being expanded in the context of follow up to the Paris Declaration on Aid Effectiveness, and also the work on scaling up resources (see under *Resources* above).

The UK continues to advocate reform of the **UN Security Council** to make it a more representative body, as part of the wider effort to increase its effectiveness and authority. The UK supports greater African representation on an enlarged Council, including permanent membership.

The G8 identified the **Africa Partnership Forum** as the key body to track implementation of its commitments, on the basis of a Joint Action Plan. The APF met in October 2005 and agreed to develop such a Plan, bringing together African and developed country commitments. As highlighted in the introduction, there are a range of other bodies, both government and non-government, that will be tracking progress against commitments made in 2005 and the impact of these. It will be important to ensure co-ordination between these, so that they do not duplicate each others' work each focus where they can make a real difference.

List of Abbreviations

ADEA Association for the Development of Education in Africa

AECF Africa Enterprise Challenge Fund

AfDB African Development Bank
APF Africa Partnership Forum

APOC African Programme for Onchoceriasis control

APRM African Peer Review Mechanism

ASF African Standby Force

ATT International Treaty on the Arms Trade

AU African Union

BAA Business Action for Africa

CAADP Comprehensive Africa Agriculture Development Programme

CfA Commission for Africa

COESPU Centre of Excellence for Stability Police Units

CSR Corporate Social Responsibility

DAC Development Assistance Committee (of OECD)

DDA Doha Development Agenda

DEFRA Department for Environment, Food and Rural Affairs

DfES Department for Education and Skills
DWP Department of Works and Pensions

EAIF Emerging Africa Infrastructure Facility

EC European Commission

ECAs Export Credit Agencies

ECGD Export Credits Guarantee Department

EFA Education for All

EITI Extractive Industries Transparency Initiative

EPA Economic Partnership Agreements

ESF Exogenous Shocks Facility (at the IMF)

EU European Union

FCO Foreign and Commonwealth Office

FLEGT Forest Law Enforcement and Governance

FTI Fast Track Initiative

G8 Group of 8 Industrial Nations

GAELF Global Alliance to Eliminate Lymphatic Filariasis.

GAVI Global Alliance for Vaccines and Immunisation

GCOS Global Climate Observation System

GFATM Global Fund to fight AIDS, Tuberculosis and Malaria

GNI gross national income

GSC Global Steering Committee

GTT Global Task Team

HIPC Heavily Indebted Poor Countries Initiative

HMT HM Treasury

IAC Independent Assessment Committee

IAG EITI International Advisory Group

IDA International Development Association

IFF International Financing Facility

IFI International Financial Institutions

ILO International Labour Organisation

IMF International Monetary Fund

ITN insecticide treated nets

JNA Joint Needs Assessment

LDC Least Developed Countries

MDG Millennium Development Goal

MOD Ministry of Defence

NAMA Non-Agricultural Market Access

NEPAD New Partnership for Africa's Development

NGO Non-Governmental Organisation

ODA Official development assistance

OECD Organisation for Economic Co-operation and Development

PPIAF Public-Private Infrastructure Advisory Facility

PRS Poverty Reduction Strategy

RECs Regional Economic Communities
SPA Strategic Partnership with Africa

TICAD Tokyo International Conference on African Development

UN United Nations

UNAIDS United Nations Programme on HIV/AIDS

UNCAC United Nations Convention Against Corruption

UNDP United Nations Development Programme

UNECA United Nations Economic Commission for Africa

UNEP United Nations Environment Programme

UNESCO United Nations Educational, Scientific and Cultural Organisation

UNFPA United Nations Population Fund

UNGEI United Nations Girls Education Initiative

UNICEF United Nations Children's Fund

UNPBC United Nations Peacebuilding Commission

WHO World Health Organisation
WTO World Trade Organisation
YEN Youth Employment Network

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