



December 21st 2005

What has been achieved in the fight against poverty?

ActionAid's verdict on 2005

2005 has been an extraordinary year in the fight against poverty, both in the UK and internationally. Millions of people have spoken out against the scandal of poverty in a world of unprecedented plenty, and demanded decisive action from their political leaders. Without this massive public pressure for action – on more and better aid, debt cancellation and just trade rules – poverty would not have climbed so high up the agenda of the UK government, the EU and the G8. And without the millions of campaign actions this year, and thousands of people demonstrating on the streets of Edinburgh and other cities, the progress made in recent months would not have been possible.

But ActionAid's supporters, and others who joined the Make Poverty History campaign, also recognise that this progress was insufficient, and that 2005 was the start of a long process. Pledges on aid and debt do not go as far as we called for, and – as recent backtracking on the promise of debt cancellation for 18 countries shows – major question marks hang over their implementation. On trade, the outcome of the Hong Kong World Trade Organisation Ministerial is bitterly disappointing for millions of people in developing countries whose livelihoods depend on the conclusion of a genuinely pro-development trade round. This unfinished business underscores the need for continued pressure if this year's progress is to be sustained and built upon.

ActionAid's campaigning in the UK and around the world

ActionAid has played a lead role in Make Poverty History, the campaign launched in January 2005 by UK development agencies, religious groups and unions to call for action by the UK on more and better aid, debt cancellation and trade justice. Thousands of our supporters were involved in campaign actions including the trade justice vigil in April, which brought 25,000 people to Whitehall for the night. In November some 8,000 people took part in a mass

lobby of parliament on trade, meeting 375 MPs in a single day – a new record. In Edinburgh in July, 250,000 people came together behind the campaign demands, and formed a human white band around the centre of the city.

Many thousands more sent postcards, email actions and letters to Members of Parliament and government ministers, and wore the White Band. Overall, the campaign has raised public awareness of the structural injustices that make people poor, and has recruited a new generation of activists who have been motivated by the realisation that collective pressure can help move governments to take positive action.

The success of the Make Poverty History campaign in the UK has been matched internationally by the rapid growth of similar campaigns under the Global Call to Action against Poverty (GCAP), which is now active in 84 different countries and has resulted in nearly 40 million individual campaign actions. ActionAid has played a key part in the establishment of GCAP, which will continue after 2005 to campaign to make poverty history. This unprecedented linking of campaign activity North and South demonstrates the growing breadth and depth of public concern about extreme poverty, and marks an important new phase in global civil society's own development.

This North-South campaigning was reflected in ActionAid's work in the run up to the G8, when a bus travelled from Johannesburg to Britain, via six countries, to bring African policy demands to the G8 leaders gathered in Gleneagles. In Nairobi, the bus was met by a rally of 5,000 people demonstrating for treatment for HIV and AIDS, and in London by Tony Blair at 10 Downing St. where a book of messages from Africa was handed over.

Policy successes in 2005

As part of Make Poverty History, ActionAid was calling for action by the UK government and the wider international community in 3 key areas: on aid, debt and trade. Our demands were ambitious. But they were also realistic given the scale of the challenge in the world's poorest countries. As the table below shows, what was agreed by the G8 and other governments falls far short of what we believe is needed to set the world on course to make poverty history. Despite our disappointment at the limited success, however, some important commitments have been made this year. These commitments do not go as far as we had hoped, but provide a basis for further progress:

At the international level –

- Agreement by donor countries to cancel the debts of some of the poorest countries to three multilateral institutions: the World Bank, the International Monetary Fund and the African Development Bank
- A commitment by the EU and US to a significant scaling up of aid by 2010, with half of the increase going to Africa
- A recognition in the G8 communiqué that poor countries should be free to 'decide, plan and sequence their economic policies to fit with their own development strategies'

- An agreement to achieve, as closely as possible, universal access to treatment for HIV and AIDS by 2010

At the UK level –

- The UK government adopted a new policy on aid conditions, which committed to ending the use of aid to buy economic policy changes
- A new UK policy on Economic Partnership Agreements – trade deals being negotiated between the EU and African, Caribbean and Pacific countries – has agreed to drop investment from the agenda, and give countries more time to open their markets

ActionAid’s lobby and campaigns work has played a key role in helping bring about some of these changes. Our work on aid conditions helped bring about a new UK government position on the issue in March 2005, which strongly influenced the language on countries’ freedom to develop their own economic policies in the final G8 communiqué. Our work on Economic Partnership Agreements helped inform the UK’s Commission for Africa report, and resulted in a new government position on the issue. Our ‘phoney pharmacy’, which travelled to universities and city centres around Britain, highlighted the barriers to essential treatment for HIV and AIDS and influenced the UK government’s decision to press for a new universal treatment target of 2010 at Gleneagles. And our Real Aid report, which drew attention to the problem of ‘phantom aid’ that fails to benefit poor countries, helped ensure that the EU aid pledges were matched by a commitment to improve the quality of that aid, by meeting 12 new OECD targets by 2010.

What we were calling for, and what was agreed

What we called for	What was agreed
MORE AND BETTER AID	
<ul style="list-style-type: none"> • \$50bn in additional aid from 2006 • Donors reach the aid target of 0.7% of national income by 2010 • Ensure aid is better targeted at poor people and comes without harmful conditions attached 	<ul style="list-style-type: none"> • \$48bn in additional aid from 2010, of which \$15-\$20bn is new money • EU countries agreed to reach 0.56% by 2010, with the goal of 0.7% by 2015 • Donors pledged to allocated half of the \$48bn to Africa. New UK position on conditionality. World Bank review falls short of relinquishing policy conditions.
DEBT CANCELLATION	
<ul style="list-style-type: none"> • Cancellation in full of the world’s poorest countries’ unpayable debts by fair and transparent needs 	<ul style="list-style-type: none"> • Agreement to cancel debts owed by 18 of the poorest countries to the World Bank, IMF and African Development Bank, worth about \$1-1.5bn a year. Paris Club agreement to cancel two thirds of Nigeria’s debt, worth \$18bn at face value.

TRADE JUSTICE	
<ul style="list-style-type: none"> • Action to ensure that governments can choose the best solutions to end poverty and protect the environment • An end to export and other subsidies that damage the livelihoods of poor rural communities • Laws that stop big business profiting at the expense of people and the environment 	<ul style="list-style-type: none"> • The EU and US continued to promote a 'forced liberalisation' agenda in WTO talks at Hong Kong, despite some positive statements from the UK. New UK position paper on Economic Partnership Agreements • A commitment to end \$2bn of annual EU and US export subsidies by 2013, but \$75bn of annual domestic trade-distorting subsidies remain intact • UK's draft company law bill contains weak language on company directors' responsibilities. A UN special representative on Business and Human Rights is appointed.
HIV and AIDS	
<ul style="list-style-type: none"> • Commitment to universal access to HIV and AIDS treatment by 2010 • Replenishment of Global Fund for AIDS, TB and Malaria 	<ul style="list-style-type: none"> • Agreement to get 'as close as possible' to universal access by 2010 • UK funds its fair share of GFATM, but some other donors failed, especially the US

Challenges going forward

Significant progress has been made in 2005 on several of ActionAid's key campaign demands. But the history of rich countries' failure to translate pledges into action underscores the importance of ongoing monitoring of implementation. Sustained campaigning in 2006 will be needed to ensure that existing promises on aid, debt and HIV and AIDS are delivered. Worryingly, some of the key commitments made this year already risk being compromised:

- The IMF is recommending to donor countries that as many as six of the 18 developing countries in the G7 debt deal should have their debt cancellation put on hold until they have satisfied further IMF conditions. This is despite the promise in the summer that the debt deal carried no new conditions.
- Half of the new aid pledged this year will come from Germany, Italy, the United States and Spain. Yet German and Italian finance ministries have made it clear that they do not regard the aid targets as binding, while at the UN World Summit in September the head of USAID raised doubts about the feasibility of American commitments at Gleneagles.

Meanwhile, the conclusion of the WTO Ministerial in Hong Kong has demonstrated the huge distance that has to be covered by the international

community before a genuine pro-development trade deal is agreed. Despite some very limited progress on ending EU and US direct export subsidies (by 2013), and some movement on countries' ability to protect a limited number of products, the key trade issue raised this year by the Make Poverty History campaign – that of developing countries' right to protect poor farmers, key industries and basic services – remains unresolved.

In the UK, a weakening of reporting requirements on companies under new Treasury rules is a backward step in efforts to make the corporate sector accountable for their impact on developing countries.

Summary verdict

For all the half-measures and disappointments of 2005, anti-poverty campaigning by Make Poverty History members has laid the foundation for significant progress in the coming years. Although the G8 agreed a partial plan on Africa, and despite the failure of the WTO Ministerial, millions of people in the UK and around the world are now following their leaders' actions, and will do everything in their power to hold them to account. The inequality and injustice that cause global poverty is less and less tolerated, and it will be increasingly difficult for politicians to walk away from their promises to respond. The international focus will move away from the UK in 2006, but ActionAid will continue, with its partners in the Global Call to Action Against Poverty, to push for a world without extreme poverty and where basic rights are realised.