

**DON'T MAKE
POVERTY**

**WHAT THE G8
MUST DO TO
MAKE POVERTY
HISTORY**

MAKEPOVERTYHISTORY

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EXECUTIVE SUMMARY

ON JULY 6, THE LEADERS OF THE WORLD'S MOST POWERFUL AND PROSPEROUS COUNTRIES WILL GATHER IN SCOTLAND FOR THE ANNUAL G8 SUMMIT. AFRICA IS TOP OF THE AGENDA. THE DECISIONS TAKEN THERE HAVE THE POTENTIAL TO RADICALLY TRANSFORM THE LIVES OF MILLIONS OF THE WORLD'S POOREST PEOPLE.

2005 REPRESENTS AN UNPRECEDENTED OPPORTUNITY FOR CHANGE IN AFRICA THAT NEITHER THE G8 LEADERS – WHOSE CREDIBILITY IS ON THE LINE – NOR AFRICANS CAN AFFORD TO SEE SQUANDERED. BUT CHANGE CAN ONLY HAPPEN IF THE G8 FUNDAMENTALLY RE-CASTS ITS RELATIONSHIP WITH AFRICA. THIS DEMANDS TWO KEY ACTIONS. FIRST, THE G8 MUST STOP MAKING POVERTY. THIS REQUIRES AN END TO UNJUST TRADE RULES THAT DESTROY LIVELIHOODS, DISMANTLING THE BARRIERS TO UNIVERSAL TREATMENT OF PEOPLE LIVING WITH HIV AND AIDS, AND A CONCERTED EFFORT TO TACKLE CLIMATE CHANGE. SECOND, THE G8 MUST TAKE THE NECESSARY STEPS TO SUPPORT AFRICAN EFFORTS TO MAKE POVERTY HISTORY. ACTIONAID INTERNATIONAL IS CALLING FOR DECISIVE ACTION IN FIVE AREAS:

TRADE JUSTICE

STOP FORCING AFRICAN COUNTRIES TO OPEN THEIR MARKETS, END DAMAGING EXPORT SUBSIDIES, AND STOP CORPORATE ABUSE OF BASIC RIGHTS

DROP THE DEBT

WRITE OFF UNPAYABLE DEBT AND PREVENT A FUTURE DEBT CRISIS

MORE AND BETTER AID

DOUBLE AID AND REACH THE 0.7% AID TARGET, END ECONOMIC POLICY CONDITIONS, UNTIE AID AND SUPPORT UNIVERSAL ACCESS TO EDUCATION, HEALTH AND WATER

FIGHT HIV AND AIDS

SUPPORT UNIVERSAL ACCESS TO TREATMENT AND FULLY FUND THE GLOBAL FUND

TACKLE CLIMATE CHANGE

CUT CARBON EMISSIONS AND SUPPORT MEASURES TO HELP AFRICA ADAPT TO THE IMPACT OF CLIMATE CHANGE

“WE ARE POOR FARMERS STRUGGLING TO EARN JUST A LITTLE BIT YET IN THE LOCAL MARKET OUR FRESH TOMATOES NOW HAVE TO COMPETE WITH TINNED TOMATOES FROM EUROPE. THEY ARE GROWN WITH BIG SUBSIDIES THAT MAKE THEM VERY CHEAP. I AM CALLING ON WORLD LEADERS TO STOP THIS – IT IS BECOMING DIFFICULT FOR US TO SURVIVE.”

ANINA GYARKO, TOMATO FARMER, GHANA

THE G8’S TRACK RECORD ON AFRICA IS NOT A GOOD ONE. G8 LEADERS HAVE USED PREVIOUS SUMMITS TO MAKE GRAND SPEECHES ABOUT WAGING WAR ON POVERTY. BUT ON PAST EVIDENCE, THEY ARE FIRING BLANKS. THE EXCUSE THAT AFRICA MUST GET ITS OWN HOUSE IN ORDER BEFORE THE G8 CAN DO MORE IS WEARING INCREASINGLY THIN, ESPECIALLY AT A TIME WHEN AFRICA ITSELF IS CHANGING. THIS CHANGE IS FRAGILE AND UNEVEN, BUT OFFERS REAL HOPE: SOME OF THE REGION’S MOST INTRACTABLE CONFLICTS ARE BEING RESOLVED, POLITICIANS ARE BECOMING MORE ACCOUNTABLE AND ECONOMIC GROWTH IS IMPROVING.

TONY BLAIR’S COMMISSION FOR AFRICA HAS ARGUED THAT, IN AN INCREASINGLY INTERCONNECTED WORLD, BUSINESS AS USUAL IS NO LONGER SUSTAINABLE AND THAT ACTION ON AFRICA IS IN OUR COMMON INTEREST. BUT JUSTICE ALSO DEMANDS IT. THE G8 MUST HONOUR ITS EXISTING COMMITMENTS: ON MORE AND BETTER AID; ON TRADE RULES THAT RECOGNISE THE INTERESTS OF POOR COUNTRIES; ON A LASTING RESOLUTION TO THE DEBT CRISIS; ON HIV AND AIDS AND ON CLIMATE CHANGE. THESE COMMITMENTS MUST BE FOLLOWED THROUGH IN A WAY THAT ALLOWS AFRICANS TO PLOT THEIR OWN PATHS TO DEVELOPMENT, WHILE GIVING THE REGION THE SUSTAINED FINANCIAL AND POLITICAL SUPPORT IT NEEDS.

DURING 2005, CIVIL SOCIETY AROUND THE WORLD IS MOBILISING TO PRESS FOR ACTION TO FIGHT POVERTY AND REALISE BASIC RIGHTS. AT GLENEAGLES, ACTIONAID AND ITS SUPPORTERS WILL BE JOINING MILLIONS OF PEOPLE TO CALL FOR A BREAKTHROUGH ON AFRICA. BREAKING WITH THE VICIOUS CYCLE OF POVERTY, BAD GOVERNANCE AND INSTABILITY THAT HAS AFFLICTED AFRICA IN RECENT DECADES REQUIRES FAR-REACHING CHANGE THAT IS LED BY AFRICANS. BUT MANY OF THE OBSTACLES TO CHANGE LIE OUTSIDE THE REGION, AMONG THE WORLD’S RICHEST AND MOST POWERFUL COUNTRIES. AT THE G8, THAT WEALTH AND POWER MUST BE HARNESSSED TO STOP MAKING POVERTY, AND MAKE POVERTY HISTORY.

INTRODUCTION

Aderonke Afloabi lives in Lagos, Africa's biggest city. Like more than 25 million fellow Africans, Aderonke has HIV. But she counts herself lucky. Just 5% of the essential services required to fight AIDS in Africa, including voluntary counselling and testing, antiretroviral therapy, condom access and orphan support, are available. Aderonke is lucky to have access. For millions of other people across Africa, poverty, crumbling health systems, the high cost of drugs and global trade rules have conspired to keep life saving treatments out of reach. At 42 years of age, Aderonke can now plan for the future. "But many people here are dying," she says, "and few have access to the drugs. HIV/AIDS are big words that demand a big response."

When the leaders of the world's most powerful economies sit round the table at the Group of Eight summit in Gleneagles, millions of people across the globe will be looking to them to deliver a big response on Africa. Not just on HIV and AIDS, but also on the other critical obstacles to progress – from unjust trade rules to a crippling debt burden – that prevent millions of people from realising their basic rights.

Now is the moment to act. Africa is at the top of the international agenda and the G8 is faced by a once-in-a-generation opportunity to help transform the region's prospects. When cast against the G8's history of broken promises to the world's poor, that opportunity is also an exceptional challenge. This report lays out what they must do to seize that challenge and help set Africa on course to make poverty history.

The status quo is not an option. In an era of unprecedented prosperity and technological innovation, twelve and a half thousand children across Africa are dying daily from preventable illness. Forty-five million children are denied their right to an education. Hundreds of millions go to bed hungry each night. Africa is the one region of the world where the percentage of people living in extreme poverty has risen in recent years.

But Africa is also changing. Solid progress has been made towards expanding access to education, health care and clean water. African countries, realising that they need to work together to end conflict, improve economic growth and become more accountable to their citizens and to each other, have developed regional structures and systems for greater cooperation.

This recent progress offers real hope, but it is also fragile. The G8 must fundamentally change its own approach towards Africa if this progress is going to be built on. First, the G8 countries must do no harm. This isn't happening at present: export dumping of agricultural goods is destroying poor Africans' livelihoods; international trade rules are

preventing people with HIV and AIDS from receiving life saving treatments; carbon emissions threaten long term ecological damage. Second, the G8 must act decisively to support African countries' own efforts to eradicate poverty, by giving more and better aid, by writing off unpayable debts and by ending unfair trade rules.

Acting on these issues may be in our common interest. But justice demands it too. A just outcome for Africa at the G8 does not mean more grand initiatives aimed at 'saving Africa from the Africans'. Instead, it is time for long overdue promises to be honoured. G8 countries must do this in a spirit of genuine partnership that allows Africans to plot their own paths to development. They must also work in a spirit of mutual accountability: where African countries deliver their side of the bargain, by improving democratic governance, resolving conflicts and tackling poverty and corruption, G8 countries must match them by giving the sustained support they need.

During 2005, civil society organisations around the world including ActionAid have come together in the Global Call to Action Against Poverty – of which Make Poverty History is a part – to press for decisive action by the international community on aid, trade, debt and governance. In this report, ActionAid sets out key recommendations for change on these issues. We examine the impact of the G8's legacy of broken promises on Africa, but also look at the opportunities for change. We have drawn on more than 30 years of experience of working on long-term development programmes with thousands of communities in over 20 African countries. Drawing on our work, we have woven the experiences of eight African countries into the report – stories about debt, aid and trade, but also about education, HIV and AIDS and climate change. Many of these stories are from countries where ActionAid has travelled as part of our 'Get on Board' project. This is a 12,000-kilometre journey we have taken over recent months in a matatu – or African bus – from Johannesburg to the G8 in Scotland, through Mozambique, Malawi, Tanzania, Uganda and Kenya. During the journey we have listened to the stories of African people and collected their messages to take to the leaders in Gleneagles. The extent to which the G8 makes a positive and lasting difference to the lives of these people, and millions of others living across Africa, will be the real test of whether 2005 marks a turning point from making poverty to making poverty history.

“THOSE POWERFUL MEN THAT WILL BE SITTING THERE – THEY HAVE THE KNOWLEDGE, THEY HAVE THE RESOURCES, THEY HAVE THE CAPACITY AND POWER TO MAKE DECISIONS. PLEASE TELL THEM TO USE THEIR POWER TO MAKE THE RIGHT DECISION. GIVE PEOPLE, HUMAN BEINGS, SIMPLY THE RIGHT TO BE BORN, TO GROW, TO LIVE, TO BE FULL, JUST TO BE HUMAN.”

GRACA MACHEL, 2005

BOX 1: A TALE OF TWO WORLDS

- at \$25,910, average income per person in the G7 countries is 57 times the average income in Africa (\$450) *
- one African child in every six will die before their fifth birthday. In the G7, the figure is almost one in two hundred
- average life expectancy in G7 countries is 78 – 31 years more than in Africa
- a child growing up in a G7 country can expect to spend 15 years in school, compared with seven years in Africa
- basic education in Africa received \$400 million in aid from the G7 in 2003 – one third the cost of a single Stealth bomber
- internet use in G7 countries is 40 times higher than in Africa, energy consumption per person is eight times higher and carbon emissions are 13 times higher.
- every day, Africa spends \$30 million servicing its debt – enough to provide antiretroviral therapy to every African person who needs it
- on average \$8 is spent on healthcare for each HIV positive African. In the USA, \$13,500 is spent on each person living with HIV
- the total cost of the Gleneagles summit is £100 million – enough to fund Ghana’s entire health service for nine months
- by untying aid, the richest countries could boost the value of that aid by up to \$7 billion, enough to provide every child in Africa with a quality primary education

* G7 countries exclude Russia



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DON'T MAKE POVERTY

CHANGE IN AFRICA MUST BE LED BY AFRICANS. BUT SOME OF THE GREATEST OBSTACLES TO CHANGE LIE OUTSIDE THE REGION, IN THE WORLD'S RICHEST AND MOST POWERFUL COUNTRIES. IN THE DAYS APPROACHING THE GLENEAGLES SUMMIT, TENS OF THOUSANDS OF PEOPLE WILL CONVERGE ON SCOTLAND TO CALL ON THE G8 TO HELP 'MAKE POVERTY HISTORY'. BUT ALONGSIDE THE NEED FOR POSITIVE ACTION, THE G8 MUST ALSO ACT URGENTLY TO STOP MAKING POVERTY. IN SHORT, THE G8 IS HARMING AFRICA NOT JUST THROUGH WHAT IT IS FAILING TO DO, BUT ALSO BY WHAT IT IS CURRENTLY DOING. AT GLENEAGLES, THE G8 MUST TAKE TWO STEPS – END PRACTICES THAT ARE HARMFUL TO AFRICA, AND THEN TAKE THE POSITIVE STEPS NEEDED TO SUPPORT CHANGE IN THE REGION.

“THE CASE FOR ACTION IS COMPELLING. DESPITE ITS GREAT POTENTIAL...THE MANY INITIATIVES DESIGNED TO SPUR AFRICA’S DEVELOPMENT HAVE FAILED TO DELIVER SUSTAINED IMPROVEMENTS TO THE LIVES OF INDIVIDUAL WOMEN, MEN AND CHILDREN.”

G8 AFRICA ACTION PLAN, EVIAN, 2003

1.1 TIME TO ACT

Africa stands apart. It is the only region in the world where poverty is rising, and life expectancy is falling. Thirteen per cent of the world’s people live in Africa, but it accounts for 28% of people living in poverty and 70% of people living with HIV and AIDS. Africa’s share of global trade has fallen by two thirds in the past 25 years, to less than 2% of the total. Since the end of the Cold War, Africa is estimated to have accounted for 90% of conflict-related deaths. These stark facts underscore the urgent need for action, by Africans and the international community, to achieve the most basic economic, social and political rights.

Five years ago, motivated partly by Africa’s grave situation, the international community committed to a series of ambitious goals for the year 2015. These goals – which will be reviewed by heads of state at a United Nations summit in September – include a halving of poverty and hunger, cutting childhood and maternal deaths and realising the right to education. The eight Millennium Development Goals (MDGs) face their greatest challenge in Africa. So far, progress has been slow or non-existent:

- Extreme poverty has increased from 44% to 46% since 1990. Even in countries that have achieved growth, extreme inequality means that the impact on poverty has been limited. In Uganda, which experienced average rates of economic growth of 6% between 1999 and 2003, poverty actually increased from 34% to 38%.
- Hunger has been reduced by just 2% since 1990, despite a commitment to cut it by half. On current trends, the target for reducing the number of underweight children will not be reached until 2070.
- Progress towards universal primary education is too slow to achieve the 2015 goal. Although some progress has been made in countries such as Zambia, Kenya and Uganda, on current trends 40 million African children will remain out of school by the target date. The goal of equal school enrolments for boys and girls by 2005 – the first of the MDGs to fall due – has already been missed. Sixty per cent of children being denied a basic education in Africa are girls.

- The target of cutting infant mortality by two thirds is massively off track in Africa. Seventeen children in every hundred die before their fifth birthday, 43 times the rate in the European Union. On current trends the target will not be reached until 2250. In the year 2015 alone, 3.5 million children will die if the goal is missed.
- Despite the target of a two-thirds reduction by 2015, deaths in pregnancy and childbirth are rising, with a 1 in 16 risk of death over an African woman’s lifetime – 2,800 times the risk in a rich country.

Yet by the same measure, action now to get Africa back on track will yield massive benefits. If the goals are met, by 2015:

- 500 million more people would be lifted out of poverty
- 30 million child deaths would be averted
- 350 million more people would have safe drinking water
- 300 million fewer people would experience hunger
- 2 million deaths of women in childbirth would be prevented

The G8 in Gleneagles comes at a critical juncture. Unless there is a breakthrough on debt, aid and trade, Africa cannot expect to get itself on track to achieve these goals by 2015, and will find it increasingly difficult to sustain the limited progress that has been made in areas like education. Concerted action is needed now to deliver on the promises that the G8 has already made to Africa.

“WILL THE LEGACY OF OUR GENERATION BE MORE THAN A SERIES OF BROKEN PROMISES?”

NELSON MANDELA, 2001

1.2 BROKEN PROMISES

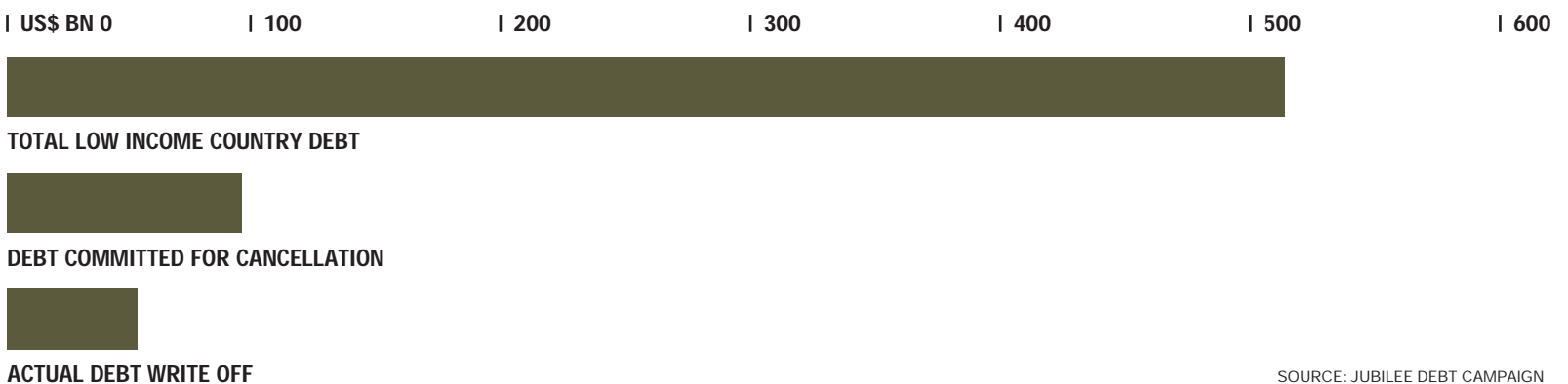
Successive G8s have been billed as summits for Africa, with promises, pledges and commitments to the region filling the communiqués. But all too often, once the photos have been taken and the leaders have returned home, these promises have been broken. As a survey of the past seven summits demonstrates, when it comes to a range of issues that are critical for Africa’s development – from debt to education and climate change to trade – the G8 has failed to match rhetoric with action:

- **DEBT** – in **Birmingham** in 1998, G8 leaders pledged to extend debt relief to all ‘Heavily Indebted Poor Countries’, or HIPC’s, by 2000. They also committed to ensuring that all countries receive speedy relief when they qualify. Yet in 2005, of the \$523 billion owed by the world’s poorest countries, just \$48 billion – or half of what’s been pledged – has actually been cancelled. Twenty of the 42 HIPC’s have yet to reach ‘completion point’ where their debt gets cleared. G8 foot-dragging has carried an especially heavy price for countries such as Rwanda (see Box 2).
- **CLIMATE CHANGE** – in **Cologne** in 1999, the G8 – which accounts for half of total carbon emissions – recognised its responsibility for tackling climate change, and committed to ‘early entry into force’ of the Kyoto Protocol. But in 2005, the USA – the world’s largest polluter – has jettisoned Kyoto, while the G8 countries as a whole have seen their carbon emissions rise. As Box 3 shows, for countries like Malawi, this failure to act threatens massive economic and environmental damage.
- **AID** – in **Okinawa** in 2000, G8 leaders promised to end the practice of tying their aid to purchases of goods and services from their own companies. Yet in 2005, over a fifth of all aid to Africa continues to be tied – despite the OECD’s own evidence that tying is hugely wasteful. The US and Italy have failed to report on the extent to which they tie their aid, while almost 50% of Canada’s aid remains officially tied.

BOX 2: RWANDA – THE PRICE OF DEBT RELIEF

The genocide of 1994 devastated Rwanda, already one of Africa’s poorest countries. Infrastructure was destroyed, skilled workers were killed and fled the country and millions of people were left traumatised. Rwanda was also left with a crushing debt burden, which by 2000 was equivalent to \$170 for every person – in a country with an average annual income of just \$220. Rwanda qualified for debt relief under the World Bank and International Monetary Fund’s Heavily Indebted Poor Country initiative in 1999. But having already been betrayed by international inaction over the genocide, Rwanda would have to wait another six years to see its debt written off. Rwanda had been due to receive debt relief in 2002, but when it missed the International Monetary Fund’s budget deficit target the IMF suspended its loan to the country. Major donors that follow the IMF’s ‘signal’, including the UK, then withheld aid equivalent to half of Rwanda’s budget. For six months, government struggled to function, and large parts of the country’s Poverty Reduction Strategy had to be shelved. In 2005, Rwanda finally reached HIPC completion point, after having demonstrated its commitment to reform by following IMF and World Bank conditions on privatisation.

THE DEBT REALITY GAP



SOURCE: JUBILEE DEBT CAMPAIGN

- **HIV AND AIDS** – in **Genoa** in 2001, the world’s richest countries, with the UN secretary general, launched a Global Fund to Fight AIDS, Tuberculosis and Malaria. They committed \$1.3 billion. Yet donor country delays and insufficient funding meant that by 2005, only \$873 million has been disbursed. There is a \$700 million shortfall for the latest round of funding, which has already been postponed.
- **EDUCATION** – in **Kananaskis** in 2002, the G8 adopted an ambitious ‘Africa Action Plan’ that set out the G8’s response to the New Partnership for Africa’s Development (see Box 4). Under the plan, the G8 pledged to scale up its support for poor countries to achieve universal primary education. But three years on, the Education Fast Track Initiative has been scaled down and starved of finance. Basic education faces a \$2.3- \$3.1 billion funding shortfall over the next two years.
- **WATER** – in **Evian** in 2003, the G8 agreed an action plan to halve the number of people without access to clean water by 2015. Yet at \$2.7 billion a year, aid for water remains less than half of the \$6-7 billion needed to reach the goals, and just 40% of that aid goes to the countries in greatest need – most of them in Africa.
- **TRADE** – in **Sea Island** last year, the communiqué called for the removal of trade barriers in G8 countries and a resumption of the ‘development round’ of trade talks through the World Trade Organisation. Yet the G8 countries continue to subsidise their farmers to the tune of \$300 billion, while dumping of EU and North American food surpluses is destroying thousands of livelihoods in Africa. Eighty per cent of textile and clothing exports from poor countries still face trade barriers.

BOX 3: CLIMATE CHANGE AND MALAWI

In recent years, Malawi has experienced increasingly extreme weather and rising average temperatures. Farmers have noticed more erratic rainfall and delays in the start of the growing season. In a country where almost 90% of people rely on rain-fed, smallholder agriculture to earn a living, and where the tobacco crop accounts for three quarters of exports, climate change’s effects are being felt by millions of people living in poverty. In 2001, heavy flooding hit two thirds of the country’s districts, destroying crops, drowning livestock and damaging vital infrastructure such as rural roads. One year later, the most severe drought for a decade affected almost three million Malawians, or one quarter of the population. Although widespread famine was averted, 500 people died. Emergencies such as this are predicted to become much more frequent as a result of climate change. Yet so far, the G8 have been slow to recognise their responsibility to countries like Malawi, given their role as the world’s main polluters. In 2002, the UK was the only G8 country to reach its emission target under the Kyoto Protocol on Climate Change. If current trends continue, rich countries’ emissions will be 30% above their target by 2010. In Malawi itself, donor agencies have been slow to respond to the threat. Government has already identified hunger, water supplies, energy and health as priority areas where action is needed to manage the impact of climate change. But at the moment, no G8 country is giving any direct support. Aside from limited assistance through a special fund for Least Developed Countries, there are few other sources of money. A ‘Special Climate Change Fund’ has been created, but success in getting hold of funds depends on being able to write competitive proposals. Countries like Malawi, with limited capacity, are likely to lose out to middle income countries in other regions as a result.

“I LOST MY JOB AS A MINER BECAUSE I BECAME ILL. I RETURNED HOME TO MOZAMBIQUE AND FOUND OUT I WAS HIV POSITIVE. I AM SCHEDULED TO BEGIN ARV THERAPY AND HOPE I CAN BEGIN TO WORK AGAIN.”

ALFONSE ZUNGOZA, MOZAMBIQUE

1.3 LIFE AND DEATH – THE COST OF BUSINESS AS USUAL

HIV AND AIDS: ACCESS TO CARE, TREATMENT AND SUPPORT IN MOZAMBIQUE

This list of broken promises has carried a high cost for the millions of Africans who live in poverty. In many cases, the ‘business as usual’ approach favoured by the G8 is a matter of life and death. In Mozambique, one of Africa’s poorest countries, just 7,000 people living with HIV and AIDS are receiving life-saving antiretroviral medicines, out of an estimated 200,000 people in need of the treatment. Etelvina, a 52-year-old widow in Gege, a village in Boane district, is one of 1.3 million people in Mozambique who are HIV positive. Although she is being treated for tuberculosis, which has helped her to sleep better and given her more energy, she has been unable to go back to work as a cleaner and has had to leave her daughter’s home because she can no longer contribute to household bills. She now sleeps on the floor of a local charity’s office. If she was able to get to Maputo, the capital city, there is a chance she might be one of the lucky few to get free treatment. However, even getting to Maputo is a problem for someone who is ill and without resources. “It is difficult for me,” she says. “I am already staying on someone else’s property, and I don’t want to ask for money to travel to the city.”

The G8 has made a succession of promises to help people like Etelvina get access to essential medicines. But their actions tell a different story. While the Mozambican government struggles to respond to competing interventions from different donor agencies, just 60% of the \$26 million committed to Mozambique by the Global Fund has been released. Meanwhile, the USA’s grant to spend on ARVs through the President’s Emergency Plan for AIDS Relief (PEPFAR) requires Mozambique to buy branded pharmaceuticals from US companies, rather than the generic versions that on average cost half as much – making it even more difficult to expand treatment to everyone who needs it in a country where health spending per person is just \$11 a year. In 2003, G8 countries agreed to compromise on WTO rules on intellectual property, known as TRIPS, which were preventing exports of generic copies of drugs to countries like Mozambique. In theory, this ruling enables the poorest countries to avoid paying European prices for ARVs. The government in Maputo has since passed legislation licensing the import of generic drugs. However, countries are being put under huge pressure not to use this change in the rules and the EU and US are resisting demands to make this waiver permanent. India, which accounts for half of all generic ARVs going to Africa, recently passed patent protection laws under pressure from G8 countries, which could severely restrict the export of ARVs.

BOX 4: THE G8 AFRICA ACTION PLAN

The G8 launched an Africa Action Plan in 2002 that set out goals for peace and security, governance, trade, debt, education, health and water. This was a response to the New Partnership for Africa’s Development, or NEPAD, which was adopted by the African Union (AU) in 2001 and aims to increase investment and growth and improve governance. The G8 communiqué committed countries to reporting back on the Action Plan in 2005.

Judging progress is difficult, because the Action Plan is vague about how its 132 commitments will be met, or by what date. However, some achievements have been made in peace and security, with the G8 significantly scaling up its support for AU-led peacekeeping efforts in Africa through a network of training centres. Notwithstanding early difficulties, AU peacekeepers have already made important interventions in Sudan and Burundi. But overall, the picture is disappointing at best. On governance, no G8 country has so far ratified the UN Convention Against Corruption. On health and education, G8 aid agencies with competing agendas have held back a coordinated approach to achieving the development goals. Where debt relief has been provided, it has been ‘double counted’ from existing aid budgets. Trade is probably the issue where the G8 have performed worst – by pushing the discredited ‘Singapore Issues’ on investment liberalisation that led to the collapse of WTO trade talks at Cancun, and by continuing to push a free trade blueprint on Africa while refusing to dismantle trade-distorting subsidies to their own farmers.



HALF OF ALL TOMATOES GROWN IN GHANA GO TO WASTE, MAINLY BECAUSE OF THE DUMPING OF SUBSIDISED TOMATOES BY ITALY AND OTHER SOUTHERN EUROPEAN COUNTRIES

TRADE AND INVESTMENT: LIVELIHOODS IN GHANA AND SOUTH AFRICA

Samwel Abora, a tomato farmer in northern Ghana, is also feeling the effects of the G8's broken promises. In the late 1970s, Samwel started growing tomatoes on his farm to sell onto local factories that processed them into puree for the West African market. Strong demand grew his business to the point where he purchased a tractor, and gave him a steady income that enabled him to send his four daughters and three sons to school. But during the 1990s, the World Bank and International Monetary Fund required Ghana to open its markets to heavily subsidised imported tomatoes as a condition of further loans and aid. Today, two of Ghana's three tomato processing plants have shut down, and Samwel finds it increasingly difficult to find a market for his produce. He is not alone. An estimated three million Ghanaians live in households that derive an income from tomato farming. According to the CEO of a food multinational working in the country, half of all tomatoes grown in Ghana now go to waste, mainly because of dumping of subsidised tomatoes from Italy and other southern European countries. Samwel has meanwhile diversified into growing different crops such as maize, but finds that it no longer provides him with the regular income he used to receive – so that meeting health bills and school fees has become a real struggle.

Despite the evidence that dumping destroys livelihoods, the G8 continues to pursue a free trade agenda in Africa that locks countries in to grossly unequal economic relationships. Proposed Economic Partnership Agreements (EPAs) between the European Union and African countries are a case in point. EPAs could require Ghana to eliminate all of their taxes on imports of European tomatoes and other subsidised EU products, as part of 'reciprocal liberalisation' between the world's richest and poorest countries. At the moment, the EU is refusing to put any alternative trade deal with Africa on the table. At the same time, members of the G8 – led by France and the USA – are stalling on an end to direct and indirect export subsidies to their own farmers and transnational corporations, which undercut African smallholders like Samwel. These subsidies are 15 times what the G8 gives in official aid to Africa – in fact, a single Japanese cow receives in subsidy 56 times what the average African person receives from the G8 in aid.

Skewed trading relations between the G8 and Africa are hitting workers as well as farmers. Tawana Fraser is employed on a large fruit farm in South Africa's Western Cape, where she picks pears for export to the UK supermarket, Tesco. Tawana receives weekly pay of 278 rand (about \$50) for eleven hour days, five days a week. This is less than the minimum wage, and must support 13 other household members. Tawana explains that she's unable to pay her daughters' school fees, or buy uniforms. Her situation is typical – over 80% of women working in the fruit export industry in the province are living below the poverty line. Shortcuts are being taken with safety as well as pay. Workers are not provided with protective clothing when pesticides are sprayed on the orchards, and Tawana describes how colleagues have suffered rashes, sore throats and red eyes.

The pay and conditions of fruit pickers in rural South Africa might appear to have little to do with the actions of G8 countries. But Tawana's situation is the direct consequence of an under-regulated trading system that squeezes workers at the bottom of global supply chains in order to boost corporate profits in the world's richest countries. Major corporations' buying power, tough technical standards and 'just in time' purchasing carry costs for suppliers, which are then passed on to workers through lower wages and more flexible contracts. Since the end of apartheid, G8 countries have worked closely with the government to create favourable conditions for foreign investors, through a mix of donor-funded 'technical assistance' and behind-the-scenes-influencing. Foreign direct investment can create jobs and help reduce poverty, but only where it is designed and managed to promote national development goals. Yet G8 countries recently chose to block the adoption of new regulations, based on the UN's Human Rights Norms for Business, that would make corporations like Tesco more accountable for the treatment of workers in their supply chains.

G8 SUMMITS AND VALLEYS

BIRMINGHAM 1998

SUMMIT: PLEDGED TO GIVE DEBT RELIEF TO ALL HEAVILY INDEBTED POOR COUNTRIES BY 2000

COLOGNE 1999

SUMMIT: COMMITTED TO INCREASING DEVELOPMENT AID

OKINAWA 2000

SUMMIT: PROMISED TO FUND THE EDUCATION FOR ALL FAST TRACK INITIATIVE

GENOA 2001

SUMMIT: THE GLOBAL FUND TO FIGHT AIDS, TUBERCULOSIS AND MALARIA WAS LAUNCHED. THE SUMMIT COMMITTED TO A "QUANTUM LEAP" IN THE FIGHT AGAINST INFECTIOUS DISEASES

VALLEY: IN 2005, 20 OF THE 42 COUNTRIES COVERED BY THE INITIATIVE HAVE YET TO REACH 'COMPLETION POINT'

VALLEY: OVER THE FOLLOWING TWO YEARS, AID FROM THE G7 COUNTRIES FELL

VALLEY: IN 2003 AID FOR EDUCATION WAS AT THE SAME LEVEL AS IN 1999, THE YEAR BEFORE THE PLEDGE WAS MADE

VALLEY: IN 2005, THE GLOBAL FUND DISBURSED \$875 MILLION, IN CONTRAST TO THE \$7-10 BILLION A YEAR THE UN SECRETARY GENERAL HAS CALLED FOR JUST TO COMBAT HIV AND AIDS

KANANASKIS 2002

SUMMIT: COMMITTED TO COMPLETING A 'DEVELOPMENT ROUND' OF TRADE TALKS BY THE END OF 2004, THAT REFLECTED DEVELOPING COUNTRY PRIORITIES AND RESISTED PROTECTIONIST MEASURES BY RICH COUNTRIES

EVIAN 2003

SUMMIT: ANNOUNCED AN ACTION PLAN TO HALVE THE NUMBER OF PEOPLE WITHOUT ACCESS TO CLEAN WATER BY 2015

SEA ISLAND 2004

SUMMIT: THE SUMMIT ANNOUNCED THE LAUNCH OF THE 3R ENVIRONMENTAL INITIATIVE (REDUCE, REUSE, RECYCLE)

VALLEY: A YEAR LATER, TRADE TALKS COLLAPSED IN CANCUN, AS G7 COUNTRIES ANNOUNCED PROTECTIONIST SUBSIDIES TO FARMERS. TRADE TALKS WILL NOT BE COMPLETED BEFORE 2006 AT THE EARLIEST

VALLEY: AT \$2.7 BILLION A YEAR, AID FOR WATER IS LESS THAN HALF WHAT IS NEEDED TO ACHIEVE THIS GOAL

VALLEY: IN 2005, THE US JETTISONED THE KYOTO PROTOCOL THAT IT HAD COMMITTED TO IN EARLIER SUMMITS IN 1998, 1999 AND 2000, WHILE G8 COUNTRIES AS A WHOLE HAVE SEEN THEIR CARBON EMISSIONS RISE

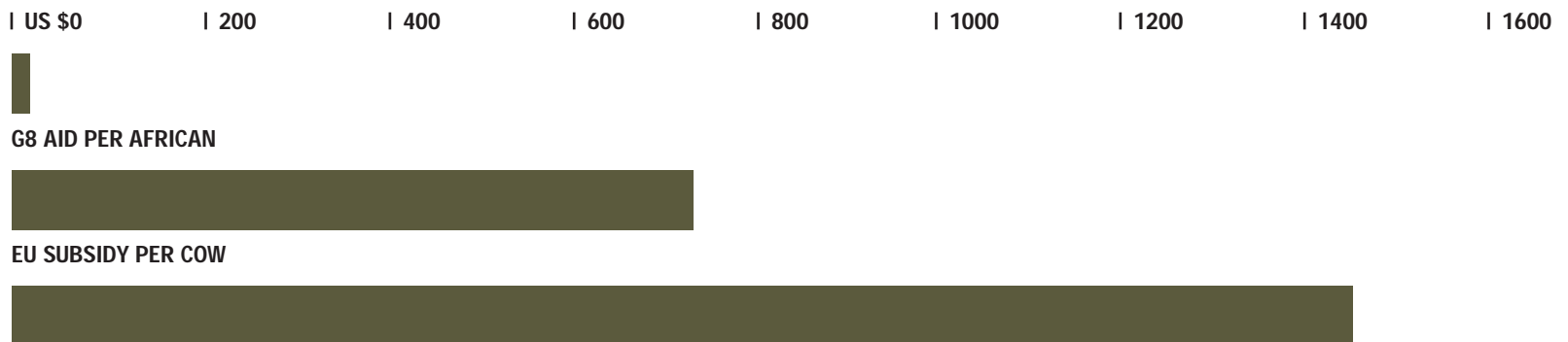
THE IMPACT OF AID: WATER IN TANZANIA

In Dar es Salaam, Tanzania's largest city, Mwaura Hassan faces a daily struggle of a different kind – to obtain safe drinking water. She has a water connection in her house, but nothing comes through it. Despite this, she received a \$400 bill from the municipal water company, until recently run by a UK multinational, Biwater. The privatisation programme was the brainchild of the World Bank, but was also strongly supported by G8 shareholders on the World Bank's board. The UK government even paid the free market consultancy firm, Adam Smith International, to produce pop songs and radio dramas to win over a sceptical Tanzanian public.

Mrs Hassan, who supports four children and four other relatives in her house, remains unimpressed. She reported buying water from a well dug by a neighbour for a daily fee of 800 Tanzanian shillings, or about 80 cents. She described how some families in Tabata, the low-income area where she lives, cannot afford this and go to more shallow, contaminated wells. "If they bathe in this water, it makes them itch. It also makes them ill, and this costs money because they must then buy medicines." Just 2% of the project costs for the privatisation and upgrade of the water system were allocated to poorer areas like Tabata. Across Africa, the World Bank has tied aid money to municipal water privatisation. G8 countries such as France, the UK, Germany and the USA that have large private water companies continue to promote this agenda through their own bilateral aid programmes, and through the EU Water Fund that is designed to scale up private sector involvement in water. The expulsion in May 2005 of Biwater by the Tanzanian government for alleged breaches of contract is the latest example in a line of botched utility privatisations pressed on African countries in the face of evidence that poor people have failed to benefit.

Experiences like those of Etelvina, Samwel, Tawana and Mwaura are repeated daily across Africa. Through policy decisions taken in rich countries' capital cities, IMF and World Bank board meetings and international summits, the G8 has a direct impact on the rights and choices of millions of people living in poverty. To date, G8 leaders have been unaccountable when they have walked away from their promises and carried on with business as usual. In an era of growing interdependence, this approach is no longer sustainable. It was never justifiable. At Gleneagles, justice for Africa demands decisive action on past promises.

ANNUAL G8 AID TO AFRICA AND TO COWS



JAPANESE SUBSIDY PER COW

SOURCE: COMMISSION FOR AFRICA, WORLD BANK

BOX 5: A CALL FOR MEDICINE

During ActionAid's Get On Board bus journey from Johannesburg to Scotland, we stopped in Mwanza, Malawi, to talk to local people about access to treatment for HIV and AIDS. The Mwanza AIDS Support Organisation, which is supported by ActionAid, provides counselling and testing to members of the community, and works together with the local district hospital. "One of our biggest problems," explains Edith Mwachu, who is on the staff of the organisation, "is proper nutrition. There's not enough food to go round." In response, the community has created a kitty to buy maize and vegetables for people who are too sick to farm. Although Malawi has received funding from the Global Fund, no one in Mwanza has access to life saving antiretroviral drugs. "We have heard about them, but never seen them," says Dismus Nkhoma, another staff member. "It would be good to have free provision of these medicines so that I can afford to send my nephews to school and stop them from becoming child labourers."

YOUNG AFRICAN WOMEN ARE PARTICULARLY AT RISK FROM HIV, AS A RESULT OF A SERIOUS LACK OF ATTENTION TO THEIR RIGHTS AND EDUCATION



G8

A MANIFESTO FOR AFRICA

ACTIONAID'S RECOMMENDATIONS

IT IS TIME FOR THE G8 TO DELIVER ON ITS PROMISES TO AFRICA. AT THE GLENEAGLES SUMMIT, THE LEADERS OF THE WORLD'S RICHEST COUNTRIES MUST GIVE FULL FINANCIAL AND POLITICAL BACKING TO GLOBAL EFFORTS TO MAKE POVERTY HISTORY, BY ACTING FOR TRADE JUSTICE, DROPPING THE DEBT, GIVING MORE AND BETTER AID, FIGHTING HIV AND AIDS AND BY TACKLING CLIMATE CHANGE.

TRADE JUSTICE

STOP FORCING AFRICAN COUNTRIES TO OPEN THEIR MARKETS – THE G8 MUST GIVE COUNTRIES A CHOICE ON TRADE POLICY AND STOP USING AID, BILATERAL TRADE AGREEMENTS AND ITS WEIGHT IN THE WORLD TRADE ORGANISATION TO BULLY AFRICAN COUNTRIES INTO ACCEPTING A FREE TRADE BLUEPRINT THAT SERVES G8 INTERESTS AT THE EXPENSE OF AFRICA

END G8 EXPORT SUBSIDIES THAT DESTROY LIVELIHOODS – THE EU, USA AND OTHER G8 COUNTRIES MUST STOP GIVING TRADE DISTORTING SUBSIDIES TO THEIR FARMERS AND TRANSNATIONAL CORPORATIONS, AND STOP UNDERCUTTING POOR AFRICANS BY DUMPING THE SURPLUS

MAKE LAWS THAT STOP CORPORATE INVESTORS FROM VIOLATING BASIC RIGHTS – THE G8 MUST PASS NATIONAL LEGISLATION THAT HOLDS COMPANIES ACCOUNTABLE, AND AGREE AN INTERNATIONAL REGULATORY FRAMEWORK DRAWING ON THE UN BUSINESS NORMS

DROP THE DEBT

CANCEL ALL UNPAYABLE DEBTS WITH NEW MONEY – THE G8 MUST WRITE OFF UP TO 100% OF DEBT STOCK IN ALL LOW INCOME AFRICAN COUNTRIES, ON THE BASIS OF EACH COUNTRY'S FINANCING REQUIREMENTS FOR ACHIEVING THE MILLENNIUM DEVELOPMENT GOALS

INTRODUCE A FAIR AND TRANSPARENT PROCESS FOR PREVENTING FUTURE DEBT CRISES – THE G8 MUST PREVENT A REPEAT OF THE DEBT CRISIS, BY REPLACING LOANS WITH GRANTS, AND BY CREATING A NEW ARBITRATION PROCESS FOR WHEN COUNTRIES DEFAULT ON THEIR REPAYMENTS

MORE AND BETTER AID

DOUBLE AID AND REACH THE 0.7% TARGET – THE G8 COUNTRIES MUST PAY THEIR FAIR SHARE OF A DOUBLING OF AID TO AFRICA, AND MAKE BINDING COMMITMENTS TO REACH THE UN AID TARGET OF 0.7% OF NATIONAL INCOME BY 2010

END ECONOMIC POLICY CONDITIONS – THE G8 MUST STOP USING AID TO PUSH RISKY AND UNPROVEN ECONOMIC POLICIES IN AFRICA

UNTIE AID – THE G8 MUST ACT IMMEDIATELY TO UNTIE ALL AID TO AFRICA, INCLUDING FOOD AID AND TECHNICAL ASSISTANCE

SUPPORT UNIVERSAL ACCESS TO BASIC SERVICES – THE G8 MUST GIVE THE NECESSARY FINANCIAL AND POLITICAL BACKING TO ACHIEVE UNIVERSAL ACCESS TO QUALITY EDUCATION, HEALTHCARE AND CLEAN WATER

FIGHT HIV AND AIDS

SUPPORT UNIVERSAL ACCESS TO TREATMENT – THE G8 MUST GET BEHIND TONY BLAIR'S AFRICA COMMISSION GOAL OF ENSURING ACCESS TO ANTIRETROVIRAL MEDICINES FOR ALL WHO NEED THEM BY 2010. THE G8 MUST PROVIDE THE SUSTAINED AND RELIABLE SUPPORT THE GLOBAL FUND NEEDS TO FIGHT THE AIDS PANDEMIC

TACKLE CLIMATE CHANGE

CUT CARBON EMISSIONS – ALL G8 COUNTRIES MUST IMPLEMENT THE KYOTO PROTOCOL AS A FIRST STEP, WITH A VIEW TO REDUCING CARBON EMISSIONS

FUND CLIMATE CHANGE MITIGATION IN AFRICA – THE G8 MUST FINANCE A FULL RISK ASSESSMENT OF THE COSTS OF CLIMATE CHANGE TO AFRICA, INVEST IN DISASTER PREPAREDNESS AND IN STRATEGIES TO ADAPT TO ITS IMPACT, AND SUPPORT RENEWABLE ENERGY IN THE REGION



02

MAKE POVERTY HISTORY

JUST AS THE WRONG DECISIONS BY THE G8 HAVE HINDERED AFRICA'S DEVELOPMENT EFFORTS, SO THE RIGHT ACTIONS BY THE G8 WILL BOLSTER AFRICA'S PROSPECTS OF MAKING POVERTY HISTORY. THE OPPORTUNITY TO MARK 2005 AS A TURNING POINT IN THE FIGHT AGAINST POVERTY IS THERE TO BE GRASPED AT GLENEAGLES: AFRICA FACES MASSIVE CHALLENGES, BUT IT IS FAR FROM BEING WITHOUT HOPE.

“IF FREE PRIMARY SCHOOLING WAS NOT THERE, MY CHILDREN WOULD NOT HAVE BEEN ABLE TO STUDY AT ALL. SO I SAY ‘LONG LIVE UNIVERSAL PRIMARY EDUCATION!’”

FLORENCE LAKEH, MASINDI, UGANDA

2.1 CHANGE IN AFRICA

Africa is changing. Fewer conflicts are being waged across the region than at any point since the end of the Cold War. Notwithstanding the ongoing violence in the Great Lakes Region, and in parts of West Africa, fledgling African Union (AU) peacekeeping and peace building efforts – supported by the G8 countries – are a signal of growing commitment in the region to non-violent ways of resolving differences. Recent AU sanctions in Togo, in response to an undemocratic transfer of power, point to another important political shift. In the past five years, two thirds of African countries have held multiparty elections. The extent to which they have been free and fair has varied, but in countries as diverse as Ghana and Kenya there have been peaceful transfers of power. In many countries, free broadcast and print media and modern telecommunications are making it easier for Africans to hold their governments to account and demand change. A growing African civil society is mobilising, through community, religious and labour organisations, to respond to these opportunities.

Change has been happening on other fronts. Economic growth is stronger than at any point since the 1970s – half of all African countries grew their economies by more than 5% in 2003. This growth has been erratic, and often not widely distributed, and for these reasons has made slow inroads into poverty. But it has placed more resources at the disposal of African countries to invest in health, education and other priority expenditures. In some areas, this investment has started to pay off – Tanzania almost doubled enrolments in primary school after scrapping fees for primary education that were preventing the poorest children from receiving an education. Education is a central plank in Tanzania’s national development strategy. But it was also a vote-winner at the last election, showing the potential for democratisation, rights and development to work together in a virtuous circle.

The international climate of opinion on Africa is changing too. Initiatives such as the UK government’s Commission for Africa, and the UN’s Millennium Project led by the economist Jeffrey Sachs, have put Africa high on the agenda of rich countries. The aid pessimism of the 1990s has been replaced by a growing consensus that aid does in fact matter for development, and that without it Africa will not have the resources it needs to invest in education, healthcare and water, to tackle HIV and AIDS or to reduce hunger. On the back of pledges of new aid money in 2002 at the UN Summit on Financing for Development, aid is finally starting to increase to Africa. Increasingly, the debate is about how to increase aid further and improve its quality, not about whether it is necessary. Meanwhile, the UN Millennium Development Goals that were agreed in 2001 have created an internationally agreed framework for assessing progress and focusing on outcomes. Despite their limitations, the goals can be a powerful tool to hold the international community to account for its commitments. At the national level in Africa, many countries are writing and – more importantly – implementing national development strategies to achieve these goals.

Taken together, these changes represent the best opportunity in a generation for Africa to break out of the cycle of conflict, bad governance, low growth and poverty that has bedevilled the region for the past quarter of a century. But Africa cannot make it alone. In a globalising world, its fate is inextricably bound up with the G8 – as a trading partner and source of investment, as an aid donor and as a destination for a growing African diaspora. Recent experience shows that, where the G8 has actively supported African efforts to escape from poverty, it can make the critical difference between failure and success.

“MY MOTHER IS SICK AND PAYING SCHOOL FEES IS DIFFICULT. PLEASE, G8 LEADERS, ACT NOW TO HELP US. DEBT IS SLAVERY, DEBT IS POVERTY, BUT CANCELLATION IS JUSTICE.”

PAMELA RIZIKI, AGED 18, KENYA

2.2 MAKING A DIFFERENCE

For all the broken promises and failures of past G8 summits, there are also important examples of progress. These may be isolated, but they also demonstrate what could be achieved if the G8 gave sustained financial and political support to Africa. Debt relief is a case in point. The write-off under the current Heavily Indebted Poor Country initiative is too little, too late. But where it has been given, it has been used well by countries to benefit people living in poverty:

- African countries receiving debt relief under the HIPC initiative have increased spending on poverty reduction by 6%
- in Benin, 43% of the money from debt relief was spent filling teacher vacancies in rural areas. The rest was used to recruit health workers in rural clinics and to fund HIV and AIDS and anti-malaria programmes
- in Burkina Faso, debt relief has been split between health, education and rural roads. In Malawi, it has helped to train 3,600 new teachers a year

Likewise, where aid has been focused on poverty, and has backed strong national development strategies, the results have been impressive. In Uganda, four and a half million more children are in primary school today than in 1997. Eighty five per cent of the poorest children are receiving an education, and the gap between boys' and girls' enrolment has closed dramatically. This expansion happened when the government decided to scrap fees for primary schooling. Annet Akugizibwe, head teacher of Bwelyale primary school, reports how the number of children arriving for lessons has more than doubled to 1,800. “Universal Primary Education is a good thing,” she says. “It assisted very many children to come to school. Now most children in our village are in school.” But major challenges remain. Quality is a problem, as children sit in overcrowded classrooms with too few books and stationery to go round. Yet even here, the indicators are improving.

Strong political commitment by the Ugandan government was critical to the early successes of its education programme. But so too was sustained support from rich countries. Over 10% of aid – about \$100m a year – has been targeted at education. This aid has been of a higher quality than in many other countries in Africa. A large share of the money has been channelled through a Poverty Action Fund, which coordinates the donor

agencies' efforts and makes it easier for the government to predict its future income. Donor agencies have also worked with the government to ensure a bigger share of education spending gets down to the school level. Local education budgets are broadcast on the radio and pasted on the school walls so that parents and students can monitor what's happening to the money. As a result, the share of spending getting to the school has increased fourfold to 80%.

In Zambia too, remarkable strides have been taken towards achieving the right to education. Again, the decision to make basic education free of charge dramatically increased enrolments. Whereas one third of children were out of school in 2000, five years later that has been cut to 18%. The number of children dropping out of school before they've completed a primary education has also fallen, and national assessment scores have improved. Hundreds of new schools are being built and refurbished to accommodate this increase, and after the IMF backed down on a public sector wage freeze in 2004, the government has decided to recruit an extra 5,000 unemployed teachers. Forty per cent of the education budget is financed through aid, and both the donors' and government's budget commitments have risen in recent years. At the same time, more assistance is urgently needed to ensure that every child in Zambia receives an education. The World Bank has estimated that an extra \$40-\$50 million a year is required – equivalent to the British government's budget for policing the Gleneagles summit.

These stories demonstrate that change is possible in Africa and that, where the G8 works with countries, real progress is being made towards achieving the international development goals. At the G8 summit, decisive action on debt, aid, trade, HIV and AIDS and climate change can create the conditions for Africa to make rapid and sustained inroads into poverty, and end the violation of millions of Africans' basic rights.

The G8 summit comes at a critical turning point. There are important signs that Africa is changing and that with the G8 fully on board, lasting progress is possible. But this change is fragile. Without strong, sustained support from the G8, this early progress risks being jeopardised. Previous summits have left Africa with a mountain to climb. Gleneagles must be different.

“THERE CAN BE NO EXCUSE, NO DEFENCE, NO JUSTIFICATION FOR THE PLIGHT OF MILLIONS OF OUR FELLOW HUMAN BEINGS IN AFRICA TODAY. THERE SHOULD BE NOTHING THAT STANDS IN THE WAY OF OUR CHANGING IT.”

TONY BLAIR AT THE LAUNCH OF THE COMMISSION FOR AFRICA, 2005

2.3 WHAT THE G8 MUST DO AT GLENEAGLES

ActionAid is calling on the G8 to act on the following key issues to make poverty history:

TRADE JUSTICE – stop forcing African countries to open their markets, end damaging export subsidies, and stop corporate abuse of basic rights

DROP THE DEBT – write off unpayable debt and prevent a future debt crisis

MORE AND BETTER AID – double aid and reach the 0.7% aid target, end economic policy conditions, untie aid and support universal access to education, healthcare and water

FIGHT HIV AND AIDS – support the Africa Commission goal of universal access to treatment by 2010, and fully fund the Global Fund

TACKLE CLIMATE CHANGE – cut carbon emissions and support measures to help Africa adapt to the impact of climate change

1. TRADE JUSTICE

– **STOP FORCING AFRICAN COUNTRIES TO OPEN THEIR MARKETS** – the G8 is using its economic and political muscle to bully African countries into adopting a free trade model that often acts against their interests. The IMF and World Bank, backed by their G8 shareholders, continue to tie their loans to liberalisation. In effect, African countries are being pressed to throw away the few bargaining chips they have even before they have joined the WTO. Within the WTO, G8 countries have clubbed together to push for an agreement on investment, trade in services and competition – the so-called ‘Singapore Issues’. Despite this agenda being rejected by developing countries at trade talks in Cancun, G8 countries continue to push the same discredited agenda through bilateral trade agreements, such as the EU’s Economic Partnership Agreements with Africa. The G8 must:

- stop forcing African countries into negotiations on service liberalisation
- stop using aid and loans to buy trade liberalisation
- work to radically change bilateral trade agreements such as EPAs, and provide pro-development alternatives
- recognise the right of African countries to adopt their own policies to protect and promote domestic industry and agriculture as part of a strategy to reduce poverty and provide food security

– **END G8 EXPORT SUBSIDIES THAT DESTROY LIVELIHOODS** – the EU, USA and other G8 countries are giving direct and indirect export subsidies to their farmers and corporations worth \$300 million a year. These subsidies encourage over-production in G8 countries, with much of the surplus then dumped below cost in developing countries. Together the EU and US account for half of all wheat exports. On average, they export at prices one third the real cost of production. EU dumping of sugar has pushed world prices down by 17%. Poor African farmers cannot compete against such unfair rules. In Swaziland alone, an estimated 36,000 livelihoods in sugar were destroyed when the export market to South Africa was lost as a result of EU dumping. The G8 must:

- prohibit all dumping
- call publicly for the right of all developing countries to protect against dumped goods, without having first to prove injury to farmers, industry or other groups
- agree an early end date for all export subsidies
- agree to swift reform of agricultural subsidies, to shift domestic support away from production to sustainable farming, environmental protection and support for small scale farmers
- support measures to developing countries that depend on cheap food imports, so that they’re able to meet their food security needs

– **MAKE LAWS THAT STOP CORPORATE INVESTORS FROM VIOLATING BASIC RIGHTS** – G8 trade and investment has a direct impact on millions of Africans’ livelihoods. Where it is properly regulated, private enterprise can play a crucial role in the fight against poverty. But in Africa, trade and investment by corporations based in G8 countries has a dismal track record. Many companies continue to profit from the violation of basic rights – by driving down labour and environmental standards in supply chains, by benefiting from the expulsion of communities from their land, through complicity in corruption and by fuelling conflict. Meanwhile growing market concentration in agriculture is putting millions of small African farmers at the mercy of major seed, fertiliser and commodity trading companies. The G8 must:

- pass national laws that hold directors of companies accountable for the social and environmental impact of their overseas activities
- agree an international regulatory framework, taking the UN Business Norms as a starting point, to strengthen accountability of corporations to poor communities
- take action to prevent excessive concentration of market power by multinational corporations, especially in agribusiness

2. DROP THE DEBT

- **CANCEL ALL UNPAYABLE DEBTS WITH NEW MONEY** – current debt relief proposals are grossly inadequate given the scale of needs in the poorest countries. Among countries that have so far had their debts written off, two thirds are continuing to spend more on repaying loans than on healthcare. Even under the most optimistic scenario, only a few hundred million dollars of debt relief will be given under the proposals being presented at Gleneagles. The debt relief on offer will also be double counted out of existing aid budgets, and may not be genuinely new money. This backtracks on the commitment made by rich countries at the UN Financing for Development Summit in 2002 to ensure that all debt relief is additional. The current debt relief deal is slow, as well as mean – six years after the G8 summit in Cologne, only half of the promised debt cancellation has taken place. Tying debt relief to a highly subjective IMF judgement about whether countries are ‘on track’ has been a key cause of this slow progress. The G8 must:
 - write off up to 100% of debt stock in all low income African countries, on the basis of each country’s financing requirements for achieving the Millennium Development Goals
 - stop double counting, and give new money to finance debt cancellation
 - stop tying debt relief to risky and unproven policy reforms that delay debt relief and often hurt the poor
- **INTRODUCE A FAIR AND TRANSPARENT PROCESS FOR PREVENTING FUTURE DEBT CRISES** – preventing future debt crises must be part and parcel of any strategy to drop unpayable debts. At present, there is no effective framework in place to ensure responsible lending and responsible borrowing within limits poor countries can afford. There is also no system of arbitrating where countries default on their repayments that fairly balances the interests of debtors and creditors. The G8 must:
 - replace World Bank and other development agency loans with grants for the poorest countries
 - support transparent processes for contracting new loans in other countries that involve proper debate and scrutiny by parliament and civil society
 - establish a new arbitration process for when countries default on their repayments, which fairly and transparently balances debtor and creditor interests

BOX 6: RIGHTS AND DEVELOPMENT

“I work at (ActionAid partner) Muleide because I am a woman and know the pain that women experience. I want women to know more about their rights and for the government to enforce the law,” says Mama Noemia, speaking as ActionAid’s Get On Board bus, travelling to the G8, broke its journey at the Muleide offices in Maputo. The organisation exists to offer poor people advice on their legal rights. Its volunteer members are not experts, but have received some basic training. One of Muleide’s staff explains how they helped a man who was sacked from his job in a restaurant, because he was HIV positive, to take the owner to court and win his case. In another case, they supported a local woman who was forced out of her home by her husband, again because he discovered she was HIV positive. She is now in court, claiming her share of the house.

3. MORE AND BETTER AID

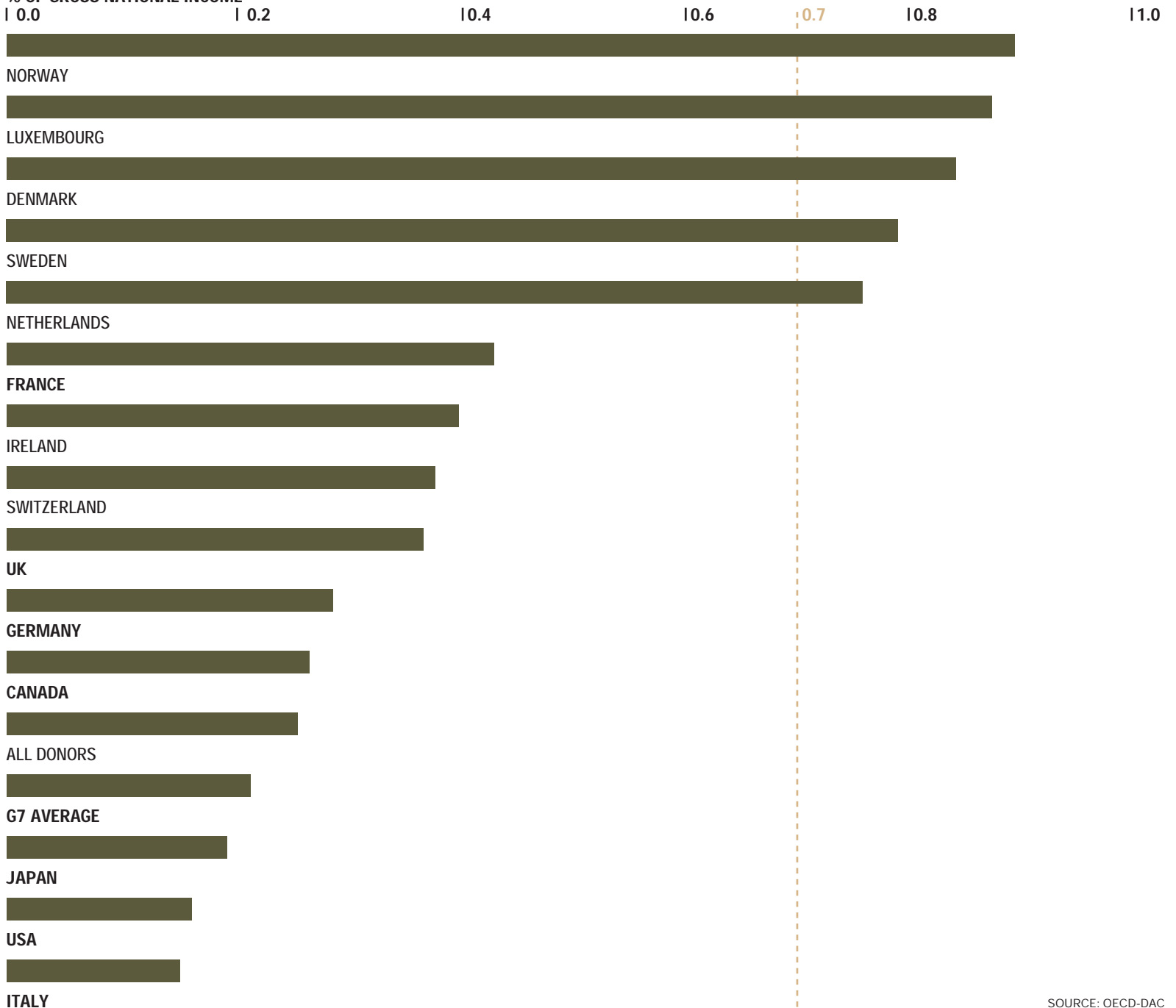
- **DOUBLE AID AND REACH THE 0.7% TARGET** – existing aid flows to Africa are less than half of what's needed to achieve the international development goals. Estimates of exact financing requirements vary, but all of them point to the current \$20 billion a year being woefully insufficient to scale up access to health and education, tackle HIV and AIDS and hunger, and support institution building. More than 30 years on from the 0.7% aid target being adopted by the international community, no G7 country has joined the G0.7. While five European countries have already reached this target, the G7 gives an average of just 0.21% of their national income in development assistance. The G8 must:
 - double aid to Africa immediately, in line with minimum requirements for achieving progress on universal basic education, health and access to water
 - adopt binding timetables for reaching the UN target of giving 0.7% of national income in aid, by no later than 2010
- **END ECONOMIC POLICY CONDITIONS** – the G8 continues to use aid to press Africa to adopt risky and unproven policy reforms. This is happening both through loans from the IMF and World Bank, whose boards are dominated by the G8 countries, and through individual countries' aid programmes. These reforms have often failed to deliver on their own terms, and in many cases have actively harmed poor people. Aid conditions are also undemocratic. They limit poor countries' ability to make their own policy choices and make governments more accountable to donor agencies than to their own citizens. The G8 must:
 - end all economic policy conditions in IMF, World Bank and other development agency programmes
 - fully disclose all remaining conditions
- **UNTIE AID** – despite the commitment to untie all aid to Least Developed Countries, some 20% of aid to Africa continues to be tied to purchases from the donor country. Tying is bad value for money – the OECD estimates that untying aid would boost its value by as much as \$7 billion. It also leads to aid being spent on inappropriate projects that do more to boost G8 companies' profits than to reduce poverty. The G8 must:
 - untie all aid, including food aid and technical assistance
 - untie aid in practice by actively promoting local procurement from African firms and organisations

BOX 7: DUMPING HITS MBALE

Mbale in Eastern Uganda was a major cotton growing area until unjust global trade rules put local people's livelihoods in jeopardy. ActionAid's Get On Board bus was visiting local cotton farmers from Ketekwi and Pallisa districts, to hear their story of how free trade has been anything but fair. In recent years, donors have tied aid to conditions requiring Uganda to liberalise the agricultural sector and remove subsidies to local farmers, arguing that these subsidies don't reach the very poorest people and prop up otherwise unprofitable activities. At the same time, Uganda has further opened its markets to imports from rich countries, including cotton, which are themselves heavily subsidised. The upshot has been a fall in prices, and local people speak of growing hunger and poverty. One farmer explains, "I want to grow cotton, but it has become very expensive because we have lost government support. We hear that the rich countries support their own cotton farmers, but then ask our government to stop helping us. Why are they doing this to us? Please, we want to work but cancel our debts and stop destroying our market. We want to have lives too."

MEAN AND MEANER: G7 PROGRESS TOWARDS THE 0.7% AID TARGET

% OF GROSS NATIONAL INCOME



SOURCE: OECD-DAC

- **SUPPORT UNIVERSAL ACCESS TO BASIC SERVICES** – Africa cannot make inroads into poverty without an educated and healthy population. More fundamentally, education, healthcare and clean water are basic rights. But at present, these rights are violated on a massive scale. In primary education, 15 of the 23 countries for which data is available have fewer than 70% of children in school. At a UN education summit in Dakar in 2000, donor countries pledged to fully fund developing countries' plans to achieve universal basic education. Yet G7 aid to basic education in Africa stands at just \$400 million a year, against an estimated financing gap of \$7-8 billion. Healthcare faces similarly severe problems. Health spending per person in Africa is \$29. In many countries, public health provision outside cities is weak or non-existent and private provision is often unaffordable. Measures that save large numbers of lives, including immunisation, malaria control, antenatal care and clean water are heavily underfunded. The global financing gap for clean water is estimated to be \$16 billion, equivalent to Africa's debt service in recent years. The G8 must:
 - provide sufficient funding to ensure that efforts to achieve universal access to quality basic education are successful, in line with the commitments made at Dakar
 - ensure that the financing gap for health care and clean water is met, by giving sustained support to national development strategies and sector plans

4. FIGHT HIV AND AIDS

- **SUPPORT UNIVERSAL ACCESS TO TREATMENT** – HIV and AIDS is arguably the single greatest development challenge facing Africa. It is especially devastating in its impact to the most productive members of society – young adults. Women of all ages bear the brunt of the disease in terms of higher rates of infection, less access to treatment, care and support and daily violations of their rights. Even following the deaths of loved ones, they are often denied the right to inherit land or property, yet remain responsible for the future of other family members. Yet the G8 has failed to rise to the challenge. The current scattergun response through numerous projects and mini-initiatives has failed to build the public and private sector's long-term capacity to respond to the challenge in a coherent and comprehensive way. Only 8% of Africans who need life saving antiretroviral medicines are currently receiving treatment. Although donor funding in Africa for HIV and AIDS has tripled in the last three years, it still falls far short of what's needed. For the health sector alone, the WHO estimates that global donor funding will need to more than quadruple by 2007, from \$6 billion to

\$27 billion. Meanwhile, World Trade Organisation rules on intellectual property continue to restrict access to essential treatment. India is the source of 50% of Africa's generic drugs, but recently introduced laws to comply with global trade rules that may restrict future access. Tony Blair's Commission for Africa set the goal of getting agreement on universal access to HIV treatments by 2010. To do this, the G8 must:

- increase aid to ensure antiretroviral medicines reach everyone who needs them
- commit the financial and technical backing the Global Fund needs to fight the pandemic
- reform trade rules that prevent access to essential medicines
- harmonise their response to HIV and AIDS, by backing comprehensive national strategies that address the balance of power between men and women, and invest in education systems and in prevention

5. TACKLE CLIMATE CHANGE

- **CUT CARBON EMISSIONS** – as the world's biggest polluter, the G8 bears the greatest responsibility for the impact of climate change on Africa. Early indications are that the impact will be extremely serious. Temperatures in parts of Africa may rise by as much as 1.6% by 2050, which would hit the production of many staple foods. Rising sea levels and increasingly extreme weather will also affect the amount of land that can be cultivated. As many as 95 million more people will be placed at risk of hunger by 2080 as a result. Rising temperatures would also increase the range of diseases such as malaria. So far, the G8 has failed to respond adequately to the threat posed by climate change. The US has jettisoned the Kyoto Protocol, which would begin to address the contribution of carbon emissions. Most other G8 countries will miss the Kyoto targets and their carbon emissions are continuing to rise. The fact that rich countries subsidise their fossil fuel industries by over \$70 billion a year highlights the G8's current failure to recognise the urgency of the situation. The G8 must:
 - ratify and implement the Kyoto Protocol in full as a starting point for a cut in carbon emissions
 - scale back subsidies for fossil fuel industries and invest in alternative sources of energy
 - support African countries' own investment in alternative energy sources

“THE UNIVERSAL DECLARATION OF HUMAN RIGHTS PROCLAIMS EQUAL DIGNITY FOR ALL... HUNDREDS OF MILLIONS OF MEN AND WOMEN WITHOUT A FUTURE WOULD BETRAY OUR IDEALS. IT IS SOMETHING WE CANNOT ACCEPT. WE MUST TAKE ACTION.”

PRESIDENT JACQUES CHIRAC, 2004

- **FUND CLIMATE CHANGE MITIGATION IN AFRICA** – Africa needs money and expertise to learn how to live with the degree of climate change that cannot now be stopped. So far, the G8 has not been forthcoming. There is a huge knowledge gap in Africa about the likely impact of climate change and more scientific capacity is needed. But this knowledge needs to be coupled with strategies to mitigate the worst effects of change, and to help poor communities adapt. Promises were made at the UN Summit on Sustainable Development in 2002 to combat desertification, mobilise resources for mitigation programmes, strengthen institutional capacity and address food security. But these commitments have barely been acted upon. Each Least Developed Country has so far received just \$200,000 through the UN Framework Convention on Climate Change to fund national adaptation programmes. Among G8 countries, the USA, Japan and the UK have so far failed to contribute anything to this fund. The G8 must:
 - finance a full risk assessment of the costs of climate change to Africa
 - invest in disaster preparedness and economic and social adaptation

2.4 CONCLUSIONS

Africa faces exceptional challenges. Poverty has risen in recent years and life expectancy has declined. Africa is way off-track on meeting the 2015 international development goals. The most basic rights – to clean water, security or freedom from hunger – are routinely violated on a massive scale. And yet Africa is also changing. Many conflicts are ending. Politics are more open and accountable than a generation ago. Economic growth is improving. In education, many countries are expanding access. But this progress must be seized on if it is going to be consolidated.

When the leaders of the G8 meet in Gleneagles, they must build on this change in two ways. First, they must stop doing the things that hinder Africa. Second, they must take key actions to support Africa’s own development efforts, by delivering trade justice, giving more and better aid, dropping unpayable debt, fighting HIV and AIDS and tackling climate change. The G8 can tip the balance in favour of progress and achieve a breakthrough. But to do this, it must make a clean break with its history of half-measures and excuses on Africa. The extent to which, this time round, the G8 keeps its promises will be the real test of success, not least for millions of Africans who are living in poverty. Failure to rise to this challenge will be judged harshly, by the millions of people mobilising in 2005 for change, and by history.



IN UGANDA, FREE PRIMARY EDUCATION MEANS THAT FOUR AND A HALF MILLION MORE CHILDREN ARE IN PRIMARY EDUCATION TODAY THAN 1997.



ACTIONAID'S KEY SPOKESPEOPLE AT THE G8 SUMMIT

CAROLINE SANDE-MUKULIRA

Head of ActionAid's Southern Africa programme, based in South Africa

NJERI KINYOHO

ActionAid's Africa coordinator for the Global Call to Action against Poverty, based in Kenya

JOHN SAMUEL

ActionAid's Asia director, based in Thailand

ADRIANO CAMPOLINA SOARES

ActionAid's Americas director, based in Brazil

STEVE TIBBETT

ActionAid UK head of policy & campaigns, based in the UK

LOUISE HILDITCH

ActionAid's international policy director, based in Belgium

During the summit, spokespeople will be available in Gleneagles, Edinburgh, London, Nairobi and Johannesburg, as well as the other countries where ActionAid works, in Africa, Asia, the Americas and Europe.

For more information or to set up interviews please contact:
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GET ON BOARD

The ActionAid Get on Board bus has travelled 12,000 kilometres from Johannesburg and will deliver messages collected across Africa to the G8. To contact the bus crew call:
Karen Garvin + 44 (0)7971 576 917
<http://getonboard.actionaid.org>



GLOBAL CALL TO ACTION AGAINST POVERTY

ActionAid International is a member of The Global Call to Action against Poverty, a world-wide alliance committed to forcing world leaders to live up to their promises, and to make a breakthrough on poverty in 2005.
<http://www.whiteband.org/>



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