



ODI Commentary on the Lough Erne Accountability Report

4 June 2013

The G8 has made a significant contribution to international cooperation on poverty reduction. In 2005, the Gleneagles summit generated major new pledges on aid and debt relief. Subsequent summits produced commitments in areas ranging from child survival and maternal health, to education and food security. There is little question that the combined effect of G8 summits has been to generate resources for development that have saved lives, expanded opportunity and supported economic growth.

The G8 Accountability Report reviews delivery against commitments. ODI strongly welcomes the report, which is part of the wider effort to strengthen aid transparency and enhance the quality and effectiveness of development assistance. However, the report suffers from a number of weaknesses, some of which can be traced to problems associated with the choice of benchmarks and the reporting system itself. These include::

- exaggerated claims for the delivery record in some key areas
- inconsistent and uneven benchmarking
- the use of benchmarks in some areas that are at best weakly related to the development goals endorsed by the G8, including those applied to food security and education
- failure to recognise trends that threaten to undermine past efforts, including reductions in aid in 2010/11
- the absence of benchmarks for individual donors, with aggregated conclusions obscuring marked differences between individual G8 members
- the use of divergent reporting standards by different donors
- a failure to recognise that G8 policies in some areas (e.g. agricultural subsidies, support for biofuels, energy and trade) may undermine goals promoted through aid (e.g. food security, climate adaptation and inclusive growth in poor countries).

While ODI concurs with the overall thrust of the Accountability Report, our appraisal produces a lower overall score. It also suggests the case for more robust and independent scrutiny of the delivery record. The Lough Erne summit provides an opportunity to strengthen G8 accountability reporting which the members should seize.

This review has two further sections: firstly a review of the detail of the reporting on particular areas of commitment (except health which we have not covered as it is not an area of specialist expertise for ODI); and finally issues for future consideration by the G8 in their accountability reporting.

Assessment of G8 performance on specific areas of commitment

Area 1 – Aid, aid effectiveness and debt

Overall we concur with a ‘satisfactory’ assessment, with the qualification that on the key commitment (1 on aid volumes) there was considerable variation in ambition. This area comprises five commitments, all from Gleneagles 2005. In summary:

Commitment 1 - To increase international assistance: The ‘Satisfactory’ assessment is reasonable, with the qualification that performance across G8 countries was variable. The report fails to recognise that total G8 ODA (excluding Russia) has fallen for two consecutive years and that [DAC Country Programmable Aid](#) projections are not promising (will increase by 9% in 2013, before stagnating 2014-16). *In other words there are clear warning signs of fading commitment.*

Commitment 2 - Implementation of Paris Principles on Aid Effectiveness: Based on target delivery an assessment of ‘Satisfactory’ looks fair. However, there should also be an emphasis on the number of Paris targets the G8 members met by their 2010 deadline (Japan met 4; Canada and the UK 3; France, Germany and Italy 2; USA 1). In addition, few (if any) G8 countries have elaborated a comprehensive strategy for implementing the [Busan commitments](#). The consequences are evident, for example, individual donors have made cuts in aid with little regard for the overall financing requirements in the countries and sectors affected, raising questions about the degree of coordination.

Commitment 3 - Focus aid on low-income countries; The ‘satisfactory’ assessment is questionable given that G8 flows to LICs have declined since 2006, however this may be due to countries graduating from the LIC category, and therefore this commitment would merit re-examination. Many LMICs should be seen as valid recipients of aid as they contain a large proportion of the world’s poorest people. Many of the remaining LICs will be conflict-affected/fragile, so the quality of engagement by development partners is more important than aid volumes.

Commitment 4 - Fund ‘our share of the shortfall in the HIPC initiative’: G8 performance outstrips the target and the ‘excellent’ rating is justified.

Commitment 5 - Cancel all outstanding debts of eligible HIPC to IMF, IDA and African Development Fund, while ensuring no reduction of financing capacity of those institutions: We agree that this has been fully delivered and support the excellent rating.

Area 2 - Economic development

The overall scorecard rates economic development as ‘good’, which is reasonable in terms of the benchmarks selected but generous in light of wider considerations. There has indeed been commendable progress in some areas (e.g. Aid for Trade) but less in others (e.g. remittances).

The Report tracks 7 commitments on economic development all of which (apart from DFQF) are aid-related G8 economic policies on issues such as trade-related subsidies or financial market policies. More attention should be paid to the impact on economic development of wider G8 policies.

Commitment 6 - To reduce the costs of remittances - (L’Aquila 2009) This is scored as ‘below expectations’. The G20 has adopted a similar commitment, so more effort is needed by both the G8 and G20 to fulfil it.

Commitment 7 – Aid for Trade (AfT): There has been good progress (St Petersburg 2006), and the G8 should be applauded. However, the Report could have been more critical and precise in measuring this commitment. The various components of AfT should be monitored, and it should also be noted that overall AfT by all OECD DAC donors appears to have fallen in real terms in 2011 so we need up-to-date and more ambitious targets. The collective score of ‘excellent’ is not justified: we would score this as ‘good’.

Commitment 8 – Duty-Free Quota-Free access (DFQF): There has been progress, however the commitment appears only for ‘originating’ imports from LDCs, so rules of origin (RoO) should also be monitored, which is not done consistently. It is a concern that there is no monitoring of how other G8 trade barriers (e.g. non-tariff barriers (NTBs)) mitigate the positive effects of DFQF. The G8 should report on the restrictiveness of NTBs and RoOs of each member.

Commitment 9 – Supporting regional integration and trade: There has indeed been a great deal of activity in this area (Heiligendam 2007), but as the Report points out, there are still challenges that limit the benefits for African countries.

Commitment 10 - Support for the international infrastructure consortium: Support has been met (Gleneagles 2005) and no further monitoring is required. However, whilst the G8 has complied, it might be of interest to examine the impact of this over time. Given the scale of infrastructure financing deficits in the poorest countries, we also ask whether the initial commitment lacked ambition.

Commitment 11 - The Partnership for Making Finance Work for Africa: This was successfully established in June 2008 and as the Report states, it no longer requires specific action from G8 countries (Helligendam 2007).

Area 4 - Water and Sanitation

The scorecard on water and sanitation provides an overall rating of ‘Good’. Given the benchmarks adopted under the two G8 commitments and the sub-indicators chosen to measure progress we generally agree with this assessment. However, this is a stark example of where questions must be asked over the choice of benchmarks and commitments themselves. Progress towards the MDG targets on water and sanitation – especially the latter – has been a poor.. Yet neither area has received sufficient attention from the G8 - and slow progress has hampered efforts to secure gains areas such as child survival, nutrition and poverty reduction.

Commitment 30 - Implementation of the G8 Evian Water Action Plan: Progress toward this commitment was rated as ‘Good’ (Gleneagles 2005, L’Aquila 2009). Overall, we agree that partnerships have been strengthened, coordination improved and spending increased, albeit from a low base. However, evidence is lacking regarding successful implementation of the Evian Water Action Plan. The Plan described 23 specific undertakings, but without clear indicators to monitor progress. The G8 Water Experts Group 2009 Progress Report described relevant country activities, but failed to link them to the 23 undertakings, nor did the 2010 Muskoka Accountability Report. This leads us to question the degree to which the G8 has provided effective leadership. We recommend that all G8 water and sanitation activities are tagged to the 23 undertakings to enable better monitoring and evaluation in the future.

Commitment 30, Indicator 1 was rated as ‘Good’. We generally agree, based on the benchmarks selected. However, more could be done. For example, the Sanitation and Water for All partnership only includes four of G8 countries so far (USA, UK, Germany and France). Likewise, only Germany, the EU, and the USA participate in the African Ministers’ Council on Water, while the African Water Facility is only G8-funded by Canada, France, the UK, and the EU. **Indicator 2** asks whether G8 aid to the sector has quantitatively increased. Progress toward this indicator was rated as ‘Excellent’. We agree that G8 aid to the sector has increased – but ‘excellent’ is a questionable score. Our own estimates based on OECD DAC data suggest that the average proportion of total G8 ODA spent on this sector has barely increased from 2003 to 2011, and falls well below spending on other ‘social’ sectors. Given the role water and sanitation play in supporting other MDGs, this issues should be addressed as a matter of urgency.

Commitment 31 - Strengthened Africa-G8 partnership on water and sanitation: Progress toward this commitment was rated as ‘Good’ (L’Aquila). Overall, the original Africa-G8 partnership from L’Aquila lacked any specific new G8 targets or financing. Likewise, the 2010 Muskoka Accountability Report did not evaluate whether the original goal of ‘tangible progress ... by the end of 2009’ was accomplished. The new G8 and African commitments made at the 2012 Sanitation and Water for All High Level Meeting were noteworthy and, along with the other partnerships highlighted, contribute to progress on the original L’Aquila document. However, we emphasise the need for greater G8 member participation in these various partnerships to accelerate progress.

Area 5 - Assessment of food security

Overall, the assessment of ‘good’ seems fair in terms of the commitments made and the targets adopted. However, the slow pace of progress in reducing global malnutrition raises questions about the level of ambition adopted by the G8.

Progress has indeed been made in providing G8 aid for agriculture and food security since 2008. Substantial funds have been committed and disbursed, and a better architecture for international efforts has been created

and has effectively mobilised and disbursed funds rapidly. A better balance between food aid and investment for future production, as the latter's share in aid rises, can be discerned. Compared with the early 2000s when agriculture and food security struggled for attention, this is as good or better than many observers would have thought possible. Individual scores for **Commitments 32 on food security** (L'Aquila 2009, Camp David 2012), **33 on country-led action** (Hokkaido Toyako 2008), **34 on reform of international architecture** (L'Aquila 2009), and **35 on the New Alliance for Food Security and Nutrition** (Camp David 2012) seem reasonable.

While the G8 track record on its narrow commitments is good, we would note that these commitments and subsequent actions do not touch on some potentially important areas – for example *international trade rules and disciplines*, the role of *biofuels* and related policies which have increased price volatility, and the risks and benefits associated with large scale land acquisition.

Area 6 - Education

The scorecard on education provides a 'satisfactory' rating. This is overly generous. The assessment exercise suffers from three fundamental problems, namely: failure to assess overall aid commitments against the financing requirements needed to achieve global Education for All goals endorsed by the G8; a highly restrictive benchmark for measuring performance; and failure to differentiate between different G8 donors.

The accountability report notes that G8 and other donors are committed to delivering on the Education for All (EFA) agenda (**Commitment 36**, Helligendam 2007, **Commitment 37**, L'Aquila 2009). The 2005 Gleneagles communiqué included a provision that the G8 would support the efforts of African partners 'to ensure that by 2015 all children have access to and complete free and compulsory primary education of good quality'.

Benchmarking for financial delivery should be measured against these objectives. UNESCO's 2010 Education for All *Global Monitoring Report* (GMR) put the aid financing gap for the poorest countries at US\$16bn annually to 2015 in order to achieve the above goals, taking into account increased resource efforts by developing countries. More recent estimates by the GMR put the gap at US\$26bn, reflecting financing shortfalls in the intervening years.

The Accountability Report treats the EFA financing gap as equivalent to a declared shortfall in donor support for the Global Partnership for Education (formerly the Fast Track Initiative). That shortfall is identified as US\$1.2bn in 2011 (or some US\$400m annually over a three year financing cycle). It appears to reflect an estimated gap between commitments to GPE and assessments of potential funding requests. The upshot is that the G8, which accounts for some 70 per cent of overall aid, has selected a performance target on education that represents less than 2 per cent of the Education for All financing gap.

The GPE provides the sole benchmark used in the report. There is some encouraging evidence that the performance of the GPE itself may be improving, though independent evaluations have raised a number of concerns with respect to its effectiveness over the period covered. Moreover, exaggerated claims are made in the report even with respect to the performance of the G8 on GPE replenishment. The 2012 financial replenishment exercise sought funding of US\$2.5bn for 2011-14, and pledges of just under US\$1.5bn were received. However, this figure included around US\$350m allocated to GPE under previous budget headings. Support across the G8 has been highly uneven: the UK accounted for more than twice the contribution of all other G8 countries, France made no new commitments, and commitments from the US and Japan were just US\$ 4.4m. After a period of stagnation aid for education in the poorest countries is now in decline from a low base. Against this backdrop, we recommend that the G8 (i) establishes a new benchmark for measuring performance linked to the overall financing requirements for EFA and MDG targets and (ii) that future accountability reports look beyond collective delivery to the performance of individual donors. There are also grounds for considering what is scored as aid for education, not least given the large share of French and German development assistance geared towards domestic education for overseas students.

We recommend that future reporting provides a more robust and independent assessment of the GPE as a vehicle for aid delivery within a results-oriented framework

Area 7 - Governance

The scorecard on governance provides a ‘good’ rating. While some evidence is given on progress, the assessment appears overly generous for three main reasons:

1. The commitments focus on potentially relevant but fairly disconnected and arbitrary indicators. As such they do not provide a comprehensive assessment of G8 efforts.
2. The limited evidence and poorly categorised data on ODA disbursement by G8 members does not resonate with the overall rating. This signals a potential failure to assess overall aid commitments against the financing requirements to achieve global goals.
3. The commitments relate to a narrow transparency agenda related to information sharing, with weak linkage to the wider development agenda.

Although the overall aim is ambitious (i.e. to support good governance, especially in Africa), the actual commitments are somewhat narrow and arbitrary, as a combination of APRM (**Commitment 38**), anti-corruption commissions and actions (**Commitments 39-41**) and specific transparency measures such as EITI (**Commitment 42**) does not amount to overall progress.

According to the indicators that the G8 are using to measure success on EITI (commitment 42) (including number of events organised and sponsored) progress has been good. However, it raises the question as to whether the indicators themselves are appropriate and provide any indication of the impact of the EITI.

Area 8 - Peace and security

The overall score for the peace and security scorecard is ‘good’ which does not appear to be substantiated. Two key issues affect the assessment of the chapter, and are illustrative of the Report’s shortcomings more generally.

There is either a lack of benchmarks - or the appropriateness of benchmarks is questionable. When speaking of the capabilities and training of peacekeepers, it is unclear in what areas peacekeepers were trained (e.g. International Humanitarian Law, Human Rights Law, crowd control, reporting of violations, etc.). The receipt of training should not be considered as a benchmark in and of itself. It would have been helpful to examine the curriculum (especially regarding Protection of Civilians, IHL, HRL, cultural awareness, etc.), transfer of skills from trainers to trainees back in their home countries and how the training impacted operations on the ground. Was there more or less respect for IHL or HRL? Are there mechanisms in place to monitor violations and sanction perpetrators? This is especially important when UN or AU troops become party to the conflict and as belligerents have particular responsibilities under IHL.

The definition of a ‘viable peace support operation’ should be given, and what success looks like to determine whether the training conducted in the Centre of Excellence has been effective. It is difficult to assess the commitment based purely on the number of centres that have been established or supported. Similarly, it is difficult to understand what the benchmark might have been or any clear target by which the rating is determined regarding peace operation capabilities. The report mentions 6,000 troops receiving training but this is a small fraction of those operational. The UN has over 92,000 uniformed peacekeeping personnel on the ground at present; the AU mission to Somalia 16,000 at any given time.

Insufficient evidence is provided to justify a number of the positive assessments made in this scorecard. One example is the assessment of the capability of the police within the AFS for which further evidence is needed. How have the capabilities of contributing countries been assessed? The same can be said for the Formed Police Units (FPU). Insufficient evidence is provided to justify this assessment. It is not sufficient to use ‘capacity to deploy’ as the criteria for success without also including a component on how successful such deployments are in terms of restoring law and order, providing policing in a manner consistent with human rights standards, etc.

More information should be provided of the police training and what ‘equipping’ involved. Strengthened police capacity, without emphasis on broader rule-of-law concerns and human rights can undermine rather than promote peace.

As early as 2009 the *UN Report of the Secretary General on peacebuilding in the immediate aftermath of conflict* noted the need to think beyond DDR, or have a more expansive view of what it should encompass – including not only the needs of former combatants but civilians affected by conflict and broader society. It is also unclear what prompts the decision to discontinue monitoring. Is a specific commitment monitored or the whole area of work? While a number of points (48, 49, 51) are rated as ‘excellent’ and will no longer be monitored, point 50 is rated as ‘good’ and its monitoring will also be discontinued.

Area 9 - Environment and energy

The ratings of individual commitments are more informative than the overall ‘Satisfactory’ rating. These range from quite poor progress on biodiversity objectives to good progress on support for adaptation. Lack of data for the indicators used and assessments that do not relate directly to the commitments limit the quality of reporting.

Commitment 56 - Adaptation (L’Aquila 2009): Good progress has been made towards the G8 indicators of the volume of finance provided for adaptation bilaterally and multilaterally. The lack of indicators on how well this money has been spent means the Report does not cover this. Reporting on how much of the money has been approved and disbursed to countries or programmes would add vital detail.

Commitments 57 and 58 - Biodiversity: The commitments from Heiligendamm (57) and Deauville (58) are similar but differ in indicators. In both cases the G8 has failed to meet expectations. For #57 there are clear indications that the number of species added to the IUCN Red list has not slowed, but the Report fails to outline whether the indicator of strong commitments to the CBD has been met, and what the level of ambition has been. A rating of ‘Off Track’ would be justified. Efforts to mainstream biodiversity into the additional commitments of the G8 could aid progress towards these biodiversity commitments in line with the Aichi targets.

Commitment 59 - Forests (St Petersburg, 2006): The assessment reports that while countries and country groups have made good progress towards reducing the trade of illegally harvested timber, it is not clear how G8 member country efforts are co-ordinated or co-operative in line with the commitment to international co-operation.

Commitments 60 and 61 - Energy (St Petersburg 2009): Progress on helping vulnerable countries to overcome the macro-economic shocks related to energy prices is not reported, perhaps because the indicators do not cover this. We agree with the ‘Satisfactory’ rating for progress on helping vulnerable countries overcome the longer-term challenge of facilitating access to energy for the poorest populations. Total energy ODA from G8 OECD members increased from \$3.12bn in 2005/6 to \$3.38bn in 2009/10 and the proportion for ‘clean’ (renewable) energy increased (OECD Development Co-operation Report 2012). However, it is not possible to say how much of this has specifically enabled access for the poor.

Renewable energy accounted for 18% of total final energy consumption in 2010, according to the analysis in the Sustainable Energy for All Global Tracking Framework (2013), higher than in the Accountability Report. The GTF also finds that the renewable proportion has been fairly steady for two decades. The proportion of renewables in final energy consumption or demand is reported on, but not listed as an indicator. Additional installed capacity of clean energy generation is listed as an indicator, but progress is not reported. The Report notes that progress on energy commitments is necessary to reduce greenhouse gas emissions but commitments do not relate to the substantial energy consumption of G8 members themselves.

The mismatch between the assessment and indicators for Commitment 60 could be resolved. The new GTF will provide another international mechanism to report on progress in addressing the same challenges. Future reporting to the G8 should be consistent with, if not replaced by, the GTF, which would include reporting on progress towards renewable energy and energy efficiency within G8 members.

Progress on financial support for research and development in low carbon development in LICs is not reported on specifically. Support for increasing energy efficiency is also subsumed under ODA and CIF. As noted under Commitment 60, energy ODA has increased, as have commitments to CIF. Analysis of the disbursements would be necessary to accurately determine support for energy R&D and for energy efficiency. The ‘Good’ rating may be reflective of overall progress with energy ODA, and is certainly reflective of progress on global partnerships, but it is not possible to say whether progress against the R&D and energy efficiency indicators matched this.

Looking ahead - issues for G8 accountability

We recommend that before the next accountability report a comprehensive assessment should be made of the salience of the commitments for the overall outcome goals they are geared to achieving, resulting in a new framework for assessment. This should be geared to pushing forward G8 actions in areas where there is a clear impact for the better in international development. Commitments which are framed in ways that measure performance towards a target that no longer makes sense should be retired – whether or not the target in question has been achieved.

We would also note that there are a range of issues beyond aid where the G8 needs to show more leadership if it is to continue to have a meaningful role in promoting poverty reduction and sustainable development – from climate change to international trade rules and biofuel mandates. In some of its core areas of concern (for example support to education) there is a bigger picture which is missing in the detail of the existing commitments. An effective agenda in the governance space needs more realism and broader political leadership, which is best achieved through wider global political mechanisms, such as the G20 and the post-2015 framework. We welcome the focus at Lough Erne on key issues for development beyond aid – particularly the agendas around increasing developing country tax revenues through measures to counter tax evasion and avoidance and help countries to benefit more from (and avoid risks from) investment in extractive industries and land. There is rich promise here if the issues are well framed and commitments are well targeted and meaningful.

The next comprehensive accountability report will be due in 2015, when we can expect to see two highly relevant global processes bearing fruit:

- The final definition of the post-2015 set of development goals and targets – hopefully along with a dedicated and capable UN machinery to drive forward national policy dialogue around the goal set and energised, effective global, national and local monitoring.
- A comprehensive global climate pact to drive down greenhouse gas emissions and provide robust assistance to climate adaptation in the poorest countries – to be agreed at the December COP.

This would provide an excellent moment for the G8 and the G20 to reflect on the place each forum should occupy within these critical global projects.

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