

## Global Partnership Not yet in Sight

A 'global partnership for development', which is the eighth goal of the Millennium Declaration 2000, appears far from attainable five years ahead of the target date, according to a UN report.

An important plank of the global partnership is official development assistance (ODA), which remains well below the United Nations (UN) target of 0.7 per cent of gross national income for most 'donors'. In 2009, the only countries to reach or exceed the target were Denmark, Luxembourg, the Netherlands, Norway and Sweden.

The largest givers by volume in 2009 were the United States, followed by France, Germany, the United Kingdom and Japan.

2010 is a milestone for European Union members of the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD). In 2005, DAC-EU member states agreed to reach a collective total of 0.56 per cent of GNI in net ODA in 2010, with a minimum country target of 0.51 per cent.

The UN Millennium Development Goals Report 2010 finds that some countries will achieve or even surpass that goal: Sweden, with the world's highest ODA as a percentage of GNI (1.01 per cent), is followed by Luxembourg (1 per cent), Denmark (0.83 per cent), the Netherlands (0.8 per cent), Belgium (0.7 per cent), the United Kingdom (0.6 per cent), Finland (0.56 per cent), Ireland (0.52 per cent) and Spain (0.51 per cent).

But others are unlikely to reach the target: ODA as a percentage of GNI is estimated at between 0.44 and 0.48 per cent for France, 0.40 for Germany, 0.37 for Austria, 0.34 for Portugal, 0.21 for Greece, and 0.20 for Italy.

This year is also special for DAC-EU ODA givers because it represents the midpoint between their 2005 commitments and the 2015 target date for meeting the 0.7 per cent GNI target.

Aid concentrates increasingly on the poorest countries, with the least developed countries (LDCs) receiving about a third of donors' total aid flows. In 2007-2008, out of an average total of \$71.6 billion of bilateral ODA that was allocated for specific purposes, \$15.2 billion focused on achievement of MDG 3 (third Millennium Development Goal) -- the promotion of gender equality and the empowerment of women.

### AFRICA SHORT-CHANGED

In 2009, net disbursements of ODA amounted to \$119.6 billion, or 0.31 per cent of the combined national income of developed countries. In real terms, this is a slight increase (of 0.7 per cent) compared to 2008 even though, measured in current U.S. dollars, ODA fell by over 2 per cent -- from \$122.3 billion in 2008, says the UN report.

If debt relief is excluded, the increase in ODA in real terms from 2008 to 2009 was 6.8 per cent. If humanitarian aid is also excluded, bilateral aid rose by 8.5 per cent in real terms, as aid

givers continued to scale up their core development projects and programmes. Most of the increase was in new lending (20.6 per cent), but grants also rose (by 4.6 per cent, excluding debt relief). At the Gleneagles Group of Eight (G-8) Summit and the UN World Summit in 2005, donors committed to increasing their aid.

Many of these pledges were made in terms of a share of gross national income (GNI). Based on expectations of future GNI, these pledges, combined with other commitments, would have lifted total ODA from \$80 billion in 2004 to \$130 billion in 2010 (at constant 2004 prices).

However, the slowdown in economic growth since 2008 has reduced the previously expected level of GNI in the developed countries and the dollar value of the commitments for 2010 to around \$126 billion (at constant 2004 prices).

"Moreover, the economic slowdown has put pressure on government budgets in the developed countries. While the majority of the initial commitments remain in force, some large donors have reduced or postponed the pledges they made for 2010. On the basis of current 2010 budget proposals and the lower GNI forecasts, according to the UN, total ODA for 2010 is projected to be \$108 billion (at 2004 prices).

The shortfall in aid affects Africa in particular. At the 2005 Gleneagles Summit, G-8 members projected that their commitments, combined with those of other donors, would double ODA to Africa by 2010.

Preliminary data for 2009 show that bilateral ODA to Africa as a whole rose by 3 per cent in real terms. For sub-Saharan Africa, bilateral aid increased by 5.1 per cent in real terms over 2008. "It is estimated that Africa will receive only about \$11 billion out of the \$25 billion increase envisaged at Gleneagles, due mainly to the underperformance of some European donors who earmark large shares of their aid to Africa," says the UN report.

This report shows how much progress has been made since the Millennium Declaration ten years ago. Perhaps most important, it shows that the Goals are achievable when nationally owned development strategies, policies and programmes are supported by international development partners. At the same time, it is clear that improvements in the lives of the poor have been unacceptably slow, and some hard-won gains are being eroded by the climate, food and economic crises.

In view of this, when heads of government and state meet at the United Nations in New York from September 20-22 to review progress, assess obstacles and gaps, and agree on concrete strategies and actions to meet the eight MDGs by 2015, they will not have much reason to rejoice. - InDepthNews ☑