

Compliance Report
Okinawa 2000
Development

Commitments

1. Debt

Para. 24: “We welcome the efforts being made by HIPCs to develop comprehensive and country-owned poverty reduction strategies through a participatory process involving civil society. IFIs should, along with other donors, help HIPCs prepare PRSPs and assist their financial resource management by providing technical assistance. We are concerned by the fact that a number of HIPCs are currently affected by military conflicts which prevent poverty reduction and delay debt relief. We call upon these countries to end their involvement in conflicts and to embark quickly upon the HIPC process.”

- a) We agree to strengthen our efforts to help them prepare and come forward for debt relief, by asking our Ministers to make early contact with the countries in conflict to encourage them to create the right conditions to participate in the HIPC Initiative.
- b) We will work together to ensure that as many countries as possible reach their Decision Points, in line with the target set out in Cologne, giving due consideration to the progress of economic reforms and the need to ensure that the benefits of debt relief and targeted to assist the poor and most vulnerable.
- c) We will work expeditiously together with HIPCs and the IFIs to realize the expectation that 20 countries will reach the Decision Point within the framework of the Enhanced HIPC Initiative by the end of this year. In this regard, we welcome the establishment of the Joint Implementation Committee by the World Bank and the IMF. We for our part will promote more responsible lending and borrowing practices to ensure that HIPCs will not again be burdened by unsupportable debt.

Assessment

Compliance with this debt commitment is assessed at the institutional level examining the extent to which the International Monetary Fund (IMF) and World Bank have followed through on commitments a), b), and c).

Commitment	Lack of Compliance -1	Work in Progress 0	Full Compliance +1
Assistance for Countries in Conflict		0	
Decision Points	-1		
Enhanced HIPC Initiative			+1
Overall		0	

Assistance for Countries in Conflict

The World Bank website refers to 10 countries that are at war and ineligible for debt relief. Although there is clearly contact being made with these countries at diplomatic and ministerial levels, there is no information on how this contact is being directed to “create the right conditions to participate in the HIPC initiative” apart from the obvious way of stopping the conflict. As such, compliance with this commitment is a “work in progress” and receives a score of 0.

Decision Points

The issue of how effective the HIPC Initiative is at tackling the larger issue of equity is not clear. There are many organizations critical of the HIPC Initiative for emphasizing macroeconomic reform at the expense of equity. The World Bank website materials do not fully explain all the conditions involved with the decision point. Since there is no available evidence to support that the G8 countries have “worked together” through the International Monetary Fund and the World Bank to ensure that “as many countries as possible reach their decision points,” compliance with this commitment receives a score of -1.

For a different perspective on compliance with this initiative, please refer to the notes in the Appendix.

Enhanced HIPC Initiative

Thus far, 22 states have reached their decision point under the Enhanced HIPC Initiative: Benin, Bolivia, Burkina Faso, Cameroon, Gambia, Guinea, Guinea-Bissau, Guyana, Honduras, Madagascar, Malawi, Mali, Mauritania, Mozambique, Nicaragua, Niger, Rwanda, Senegal, São Tomé and Príncipe, Tanzania, Uganda, and Zambia. These 22 countries are now receiving relief that will amount to some \$34 billion over the next few years. Uganda, having reached its completion point, is clearly above the promises made in Okinawa. This is clearly higher than the 20 countries that were committed to.

In addition, these countries are in the process of reaching their decision point and are expected to reach it in 2001: Burundi, Central African Republic, Chad, Congo, Cote d'Ivoire, Ethiopia, Liberia, Myanmar, Sierra Leone, Somalia, Sudan, and Togo. (Ghana and Lao PDR have asked not to be included.)

NOTE: There was one site that stated the number of decision point countries to be 15. As the majority of sources claimed the total to be 22 by December 2000, this figure is used in this assessment.

Because more than 20 countries reached their decision point in 2000, compliance with this commitment receives a score of +1. The issue of whether the HIPC Initiative leads to a more equitable distribution is beyond the scope of this report.

2. Health

Para. 29: “We therefore commit ourselves to working in strengthened partnership with governments, the World Health Organization (WHO) and other international organisations, industry (notably pharmaceutical companies), academic institutions, non-governmental organizations and other relevant actors in civil society to deliver three critical UN targets”:

- a) Reduce the number of HIV/AIDS-infected young people by 25% by 2010
- b) Reduce TB deaths and prevalence of the disease by 50% by 2010
- c) Reduce the burden of disease associated with malaria by 50% by 2010

Assessment

Country	Lack of Compliance -1	Work in Progress 0	Full Compliance +1
Britain			+1
Canada			+1
France			+1
Germany			+1
Italy			+1
Japan			+1
Russia		N/A	
United States			+1
Overall			+1

Canada

Canada contributed over C\$32 million to fight tuberculosis and to promote HIV/AIDS education and advocacy through Canadian International Development Agency and the Ministry of International Cooperation.

France

The EU Commission approved an initiative to help the developing world combat HIV/AIDS, malaria, and tuberculosis.

Germany

Proposed a plan of action to reduce AIDS, malaria, and tuberculosis in April 2001.

Italy

Italy began asking major corporations and governments to contribute to a billion-dollar fund aimed at financing drug development for malaria and other diseases in developing countries.

Japan

At the Okinawa Summit, Japan led the way with the Infectious Diseases Initiative, allocating US\$3 billion over the next five years.

Russia

Information not available at the time of this assessment.

United Kingdom

The Performance and Innovation Unit was asked to report to the Prime Minister by summer of 2001 on how to achieve better availability of drugs to treat HIV/AIDS, tuberculosis, and malaria in developing countries.

United States

There is a 7% increase in budget of the Department of Health and Human Services to finance research efforts to develop an AIDS vaccine. The Senate promised to allocate US\$1 billion for AIDS initiatives by 2003.

Appendix: Jubilee 2000: End of Year Statement

(<http://www.j2000usa.org/j2000/updates/endyear.html>)

At this point, the U.S. Congress and the Administration have made a commitment to cancel 100% of the bilateral debt of some 30 heavily indebted poor countries. Congress has also approved funding to assist with the partial cancellation of multilateral debts owed by these countries to international financial institutions—earmarking funds for the Inter-American Development Bank. These are remarkable achievements, considering that U.S. funding for this initiative represents a more than ten-fold increase in the amount allocated for debt relief in the foreign aid budget. So far Congress has appropriated \$545 million toward an ongoing commitment to bilateral and multilateral debt cancellation. This U.S. funding will encourage other creditor countries to fulfill their pledges totalling \$27 billion. These funds should suffice to cancel between \$90–\$100 billion worth of debt and reduce the actual debt service payments of at least 22 heavily indebted poor countries by an average of 30.7 percent between now and 2005. The total debt itself, or the “debt stock,” will be cut on average by 33.3 percent for 22 countries. Congress has also authorized the use of gold sales for the IMF in order to free up funding within the IMF for debt relief. These commitments mean more than the monies appropriated, because they represent broad bipartisan acknowledgment of the severity of the debt burden.

Debt cancellation must not be conditioned on IFI-imposed macroeconomic reform programs, such as Structural Adjustment Programs (SAPs). These programs have not been formulated and implemented with transparency or authentic democratic participation of civil society. By imposing policies on countries that they have designed, the IMF and World Bank have undermined democracy and national sovereignty. These programs have often increased poverty, inequality and environmental degradation in much of the global South. We join Jubilee 2000 coalitions throughout the world in condemning these destructive macroeconomic policies.

Compiled by Jacob Young and Serena Yoon