

## 2003 Evian Interim Compliance Report Development: Official Development Assistance

### Commitment:

2003 – 15: “We welcomed the report of our Finance Ministers’ discussions on our increased resources and on financing instruments. We invite them to report back to us in September on the issues raised by the financing instruments, including the proposal for a new International Finance Facility”.

### Background:

Official Development Assistance is required to address the needs of the world’s least developed countries (LDCs). Geared towards basic social services such as health, education, transportation, housing, safe water and nutrition, tied and untied ODA is crucial to the development of the majority of the world’s population, as outlined in the United Nations Millennium Declaration (2000) and the Monterrey Consensus (2002). G8 countries bear the majority of the world’s wealth and share a responsibility to reduce global poverty for the benefit of all. Each G8 member has committed to achieve ODA/GNP levels of 0.7 percent, yet each donor country remains below the target. The Organization for Economic Co-operation and Development (OECD) notes that ODA from G7 countries has fallen about US\$15 billion since 1992, a reduction of almost 30%. Evian resulted in the above commitment to fight global poverty and to help developing countries achieve the development goals set out in the Millennium Declaration.

While ODA in the G8 member countries remains below set targets, these interim scores represent the countries’ compliance with the commitment as outlined above. The September 2003 meeting of the Finance Ministers in Dubai fulfills the first part of the commitment and, in the official communiqué issued by the Finance Ministers, they affirm that they have discussed “financing issues and results based measurement” and that they have requested “the IMF and the World Bank to do further work on aid effectiveness, absorption capacity, financing facilities and results-based measurement mechanisms, and report at the Annual Meetings in September 2004.”<sup>173</sup>

### Assessment:

Score	Lack of Compliance -1	Work in Progress 0	Full Compliance +1
Canada			+1
France			+1
Germany			+1
Italy			+1
Japan			+1
Russia		0	
United Kingdom			+1
United States			+1
Overall		0.875	

<sup>173</sup> G7 Finance Minister and Central Bank Governors, “Statement of G7 Finance Ministers and Central Bank Governors,” September 20, 2003, Dubai, [www.g8.utoronto.ca/finance/fm030920.htm](http://www.g8.utoronto.ca/finance/fm030920.htm).

## Individual Country Compliance Breakdown:

### 1. Canada: +1

Canada was present at the G7 meeting of Finance Ministers on 20 September, 2003 in Dubai.<sup>174</sup> As of May 2003, Canada has put 0.28% of GNI towards ODA, with a plan to raise it by 8% each year, in order to reach its millennium goal of doubling ODA by 2010.<sup>175</sup> In a UN press release dated 11 December 2003, Kevin Rex, Canadian delegate to the Second Economic and Financial Committee of the United Nations reaffirmed this goal, as well as Canada's commitment to the development goals of the Monterrey Consensus.<sup>176</sup> In a press release dated 18 February 2003, Finance Minister John Manley announced that there would be an increase in Official Development Assistance to approximately CDN\$3.2 billion in 2003, and to CDN\$3.4 billion the following year.<sup>177</sup> Manley also added approximately CDN\$373 million to the International Assistance Envelope (IAE) for the year that ended March 2003, amounting to an increase of CDN\$820 million to the base for the IAE by 2004/05, and a cumulative increase of CDN\$1.8 billion available for new spending. The CDN\$500-million Canada Fund for Africa created to support the objectives of NEPAD and the G8 Africa Action Plan ended its initial year of operation on March 31, 2003, having disbursed CDN\$70 million.<sup>178</sup> Canada is also currently establishing the Canada Investment Fund for Africa, which will attempt to channel at least CDN\$200 million to finance commercially sustainable projects in Africa. Half of these funds will come from the Canadian Government.<sup>179</sup>

### 2. France: +1

France attended the meeting of the G7 Finance Ministers in Dubai in September 2003, thus meeting the present commitment. President Jacques Chirac declared that France is to adopt new guidelines for increasing official development assistance, which is to be better focused on clearly defined priorities, namely the Millennium Development Goals and support for NEPAD. French official development assistance will be rebalanced around its multilateral, European, and bilateral components, as well as between project-aid, program-aid and technical assistance.<sup>180</sup> In a parliamentary debate of the National Assembly, commitments were made once again to bring

---

<sup>174</sup> G7 Finance Ministers and Central Bank Governors, "Statement of G7 Finance Ministers and Central Bank Governors" Dubai, United Arab Emirates. September 20, 2003, [www.fin.gc.ca/activty/G7/g7200903e.html](http://www.fin.gc.ca/activty/G7/g7200903e.html)

<sup>175</sup> United Nations, "Status of ODA Commitments of OECD/DAC Countries (as of June 2003) and ODA/GNI Ratios for 2002" [www.un.org/specialrep/ohrlls/ldc/Status%20of%20ODA%20Commitments%20of%20OECD.htm](http://www.un.org/specialrep/ohrlls/ldc/Status%20of%20ODA%20Commitments%20of%20OECD.htm)

<sup>176</sup> United Nations, "Second Committee Delegates agree on need for better monitoring of Monterrey Consensus implementation as debate concludes," Press Release, December 11, 2003 [www.un.org/News/Press/docs/2003/gaef3066.doc.htm](http://www.un.org/News/Press/docs/2003/gaef3066.doc.htm)

<sup>177</sup> Canadian Council for International Cooperation, "International Development Community Applauds Foreign Aid Increases" Press Release, February 18<sup>th</sup>, 2003 [www.ccic.ca/e/004/news\\_2003-0223\\_budget.shtml](http://www.ccic.ca/e/004/news_2003-0223_budget.shtml)

<sup>178</sup> Office of the Special Advisor on Africa, United Nations, "Canada: Support to NEPAD (period 2001- 2003)" [www.un.org/esa/africa/support/Canada.htm](http://www.un.org/esa/africa/support/Canada.htm)

<sup>179</sup> Susan Whelan, Minister for International Cooperation, "Notes for remarks by Susan Whelan, Minister for International Cooperation," The Africa-Canada Parliamentary Group Meeting. Ottawa, Ontario. September 25, 2003 [www.acdicida.gc.ca/cida\\_ind.nsf/852562900065549f85256228006a0064/e88af6e7eb5e4f2d85256dac00474ee1?OpenDocument](http://www.acdicida.gc.ca/cida_ind.nsf/852562900065549f85256228006a0064/e88af6e7eb5e4f2d85256dac00474ee1?OpenDocument)

<sup>180</sup> Office of the President of the Republic, "Address by Jacques Chirac, President of the French Republic On the occasion of the presentation Of New Year's greetings From the diplomatic corps" [www.elysee.fr/ang/rech/rech\\_.htm](http://www.elysee.fr/ang/rech/rech_.htm)

France's overall ODA to 0.5% in the next five years. ODA is to be channeled towards food security and disease control.<sup>181</sup>

### **3. Germany: +1**

Germany, like the other G7 countries, attended the September meeting of Finance Ministers and Central Bank Governors in Dubai and has therefore fulfilled the terms of the commitment. However, they have not announced new directions in their ODA policy or goals for the upcoming year.

### **4. Italy: +1**

Following the Evian summit, Italy attended the G7 Finance Ministers' meeting in Dubai in September, where it reiterated its intention to meet the millennium goals for Official Development Assistance.<sup>182</sup> At the 58th General Assembly of the UN, Italian Prime Minister Berlusconi, speaking on behalf of the EU stated that "The EU has taken on a financial commitment, in line with the Monterrey objectives, to increase development assistance resources until we reach the target of 0.39% of the- Gross National Product by 2006".<sup>183</sup> He reiterated the EU's commitment to Africa and its support for NEPAD. He also stressed the importance of strengthening and updating multilateral institutions under the UN's framework in order to reach the millennium development goals. On 23 October 2003 Marcello Spatafora, Permanent Representative of Italy to the UN, reported that Italy had committed 0.21% of its GNI in 2003 towards ODA, up from 0.20% the previous year, and that it would meet its goal of 0.33% by 2006.<sup>184</sup> He also stated that the EU was committed to meeting the OECD/DOA recommendation on the untying of ODA to Least Developed Countries.<sup>185</sup>

### **5. Japan: +1**

Like the other G7 countries, Japan's foreign minister attended the September finance ministers' meeting in Dubai. In August 2003, Japan revised its Official Development Assistance Charter, with the aim of enhancing the strategic value, flexibility, transparency, and efficiency of ODA".<sup>186</sup> While Japan continues to affirm its commitment to the Millennium Development Goals, the government acknowledges that ODA has been declining because of "severe economic

---

<sup>181</sup> The National Assembly, "Débat sur la participation à l'aide au développement en Afrique" [www.assemblee-nationale.fr/12/cri/2002-2003/20030192.asp](http://www.assemblee-nationale.fr/12/cri/2002-2003/20030192.asp)

<sup>182</sup> "Statement of G7 Finance Ministers and Central Bank Governors," Dubai, United Arab Emirates. September 20, 2003. [www.fin.gc.ca/activty/G7/g7200903e.html](http://www.fin.gc.ca/activty/G7/g7200903e.html)

<sup>183</sup> Silvio Berlusconi, Prime Minister of Italy and President of the EU, "Statement to the 58<sup>th</sup> General Assembly of the United Nations." September 23, 2003

[www.un.org/webcast/ga/58/statements/itaeng030923.htm](http://www.un.org/webcast/ga/58/statements/itaeng030923.htm)

<sup>184</sup> Marcello Spatafora, Permanent Representative to the United Nations, "Letter from the Permanent Representative of Italy to the United Nations addressed to the Secretary-General," October 20, 2003. [ods-ddsny.un.org/doc/UNDOC/GEN/N03/578/99/IMG/N0357899.pdf?OpenElement](http://ods-ddsny.un.org/doc/UNDOC/GEN/N03/578/99/IMG/N0357899.pdf?OpenElement)

<sup>185</sup> Ibid.

<sup>186</sup> Ministry of Foreign Affairs, "Revision of Japan's Official Development Assistance Charter," August 2003, [www.mofa.go.jp/policy/oda/reform/revision0308.pdf](http://www.mofa.go.jp/policy/oda/reform/revision0308.pdf)

and fiscal conditions and critical public opinion”.<sup>187</sup> At the Dubai meeting, the Honorable Toshihiko Fukui, Governor of the Bank of Japan, spoke on the issue of Development and the Millennium Development Goals. He requested the World Bank to “analyze the transmission mechanism among infrastructure, economic growth and poverty reduction”.<sup>188</sup> He also announced that Japan is working with the World Bank in order to prepare a new Global Distance Learning (GDL) Center in Tokyo, which will be connected to other similar centres via satellite and will help with training and policy dialogues.<sup>189</sup>

## **6. Russia: 0**

The Deputy Chairman of the Government of the Russian Federation, Minister of Finance of the Russian Federation Aleksei Kudrin, did attend the meeting of the Development Committee in Dubai on 22 September 2003, though the communiqué was officially a document of only the G7 nations. He emphasized the need to improve domestic resource mobilization and said that “the best way to achieve this is to align aid flows with country-owned development and poverty reduction strategies with clear and simple conditionality derived from these strategies”.<sup>190</sup>

## **7. United Kingdom: +1**

The 2003 Department for International Development (DFID) spending review notes that the United Kingdom increased ODA from £3,420 million to £3,669 million. Spending plans for the DFID provide for total spending for their budget to increase by £1.2 billion between 2002–03 and 2005–06.<sup>191</sup> The review notes that by 2005–06 ODA will be increased to 0.40% of GNI, this indicates a strong move towards the UN target ratio of ODA. By 2005–06, 90 per cent of DFID’s bilateral **assistance** will be spent on low-income countries. Bilateral spending in Africa and Asia have been targeted towards health and universal primary education.<sup>192</sup> The United Kingdom was present at the September 2003 G7 Finance Ministers meeting in Dubai.

## **8. United States: +1**

The FY 2004 Budget of the United States Government requests US\$1.3 billion for the new Millennium Challenge Account (MCA). The MCA marks a first step towards the President’s commitment of annual US\$5 billion in development assistance by 2006. In 2004 the MCA will begin to consider countries eligible to borrow from the International Development association

---

<sup>187</sup> Ministry of Foreign Affairs, “Outline of the 2002 White Paper on Official Development Assistance (ODA), April 2003, [www.mofa.go.jp/policy/oda/white/2002/index.html](http://www.mofa.go.jp/policy/oda/white/2002/index.html)

<sup>188</sup> Toshihiko Fukui, “Statement by the Honorable Toshihiko Fukui, Governor of the Bank for Japan at the Joint-Annual Discussion,” September 2003, Dubai, on the website of the Ministry of Finance, [www.mof.go.jp/english/if/if030923.htm](http://www.mof.go.jp/english/if/if030923.htm).

<sup>189</sup> Ibid.

<sup>190</sup> Ministry of Foreign Affairs, Russia, “On the participation of the Deputy Chairman of the Government of the Russian Federation, Minister of Finance of the Russian Federation, Aleksei Kudrin on the Sixty-Eighth Meeting in Dubai, United Arab Emirates,” 22 September 2003, [siteresources.worldbank.org/DEVCOMMIT/Resourses/Fall2003Statements/DCS2003-0042-Kudrin.pdf](http://siteresources.worldbank.org/DEVCOMMIT/Resourses/Fall2003Statements/DCS2003-0042-Kudrin.pdf)

<sup>191</sup> Department for International Development, “2003 Spending Review,” [www.officialdocuments.co.uk/document/cm55/5570/5570-14.htm#muscat\\_highlighter\\_first\\_match](http://www.officialdocuments.co.uk/document/cm55/5570/5570-14.htm#muscat_highlighter_first_match).

<sup>192</sup> Government of the United Kingdom, “2003 Budget Report,” [www.officialdocuments.co.uk/document/cm55/5570/5570-05.htm](http://www.officialdocuments.co.uk/document/cm55/5570/5570-05.htm).

(IDA) which have per capita incomes below US\$1,435.<sup>193</sup> The United States Agency for International Development Sub Saharan Africa overview states that USAID plans to increase aid for economic and agricultural sectors to US\$223 million.<sup>194</sup> In November 2003, USAID and the Shell Petroleum Development Company of Nigeria Limited (Shell) announced they are to be partners in a US\$20 million sustainable development program in Nigeria.<sup>195</sup> The United States was present at the September 2003 G7 Finance Ministers meeting in Dubai where official development assistance issues were further addressed.

*Compiled by* Kartick Kumar, Clare Paterson, Ioulia Smirnova, and Sonali Thakkar  
University of Toronto G8 Research Group

---

<sup>193</sup>Office of Management and Budget, “Budget of the United States Government FY 2004”  
[www.whitehouse.gov/omb/budget/fy2004/state.html](http://www.whitehouse.gov/omb/budget/fy2004/state.html).

<sup>194</sup>United States Agency for International Development, “Sub-Saharan Africa Overview”  
[www.usaid.gov/policy/budget/cbj2004/sub-saharan\\_africa/index.html](http://www.usaid.gov/policy/budget/cbj2004/sub-saharan_africa/index.html).

<sup>195</sup> United States Agency for International Development, “USAID and Shell Launch \$20 Million Nigerian Development Program” [www.usaid.gov/press/releases/2003/pr031118.html](http://www.usaid.gov/press/releases/2003/pr031118.html)