



# MEDIA BRIEFING

## The G8 Summit in Deauville, France - May 2011

**What's at stake?** The world seems to face at least one new crisis every year, without last year's crisis getting resolved. What is on the news will dominate the agenda of the G8: the Arab Spring, nuclear security, and our ongoing global economic woes. But today's headline issues do not negate the need to also deal with crucial problems that have long been on the table. In 2000 world leaders made a promise to the world's poorest people to halve poverty by 2015 and to put people first. With only four years to go on that commitment, they are dangerously off track. Today, around 25,000 people will die because of hunger related causes and one in seven of us will go to bed hungry. Despite crisis after crisis, the G8 still has the capacity to make the difference and reverse this trend. Indeed, the G8 still have the power to act meaningfully on the challenges we all face in today's world, and that includes the fight against poverty.

**Is the G8 still relevant?** Yes, but the G8 is suffering a leadership crisis. A G8 that refuses to keep its word, a G8 that fails to meet the unprecedented challenges facing the world's poor – that is a G8 in crisis. As G8 leaders continue to meet and invite leaders from other nations, especially developing-country leaders, to participate, they must prioritize action to deliver a safer and more prosperous world. We will continue to push them on this. The G20 is shaping up to become an important international forum, but this doesn't mean that the G8 can walk away from the promises made to the world's poorest people. Promises that so far, are being broken

**What broken promises?** Six years ago, the G8 promised to increase aid by US\$50 billion, but this promise too has been missed by \$19 billion. **Worse yet, the G8 are cooking the books to make it seem like they have only missed their promise by just over \$1 billion!** In their Accountability Report launched the week before the Summit, the G8 missed their opportunity to demonstrate any real accountability, and instead reduced their reporting to a smoke and mirrors exercise by massaging the figures upwards to claim they have delivered more aid than they really have. On their pledge to deliver a \$25 billion increase in aid to Africa, donors have only delivered \$11 billion - less than half of what they promised. Broken promises and cooked books don't feed anyone.

**Does aid really work?** No doubt about it, aid, when done well, works. Aid has reduced the number of children who die before their fifth birthday by 4 million since 1990, put 33 million more children in the classroom, and increased tenfold the number of people receiving HIV/AIDS medication.

**What must the G8 do?** The G8 must look beyond their struggles at home and get their global commitments back on track. They must start by reaffirming their Gleneagles, L'Aquila and Muskoka commitments, and setting out an emergency plan to deliver the overall shortfall in aid promised of \$19 billion. And this must be new money. The G8 must also take seriously the innovative financing options that are already on the table to deliver additional money for fighting poverty and climate change. A global financial transaction (or 'Robin Hood') tax on banks could raise up to \$400 billion a year. And emissions trading schemes for international aviation and shipping and using Special Drawing Rights as capital, 'green bonds' could be issued, raising \$40 billion per year for clean energy investments in developing countries. Finally, following the Dodd Frank Act voted in the US, other G8 members must implement a mandatory country by country financial reporting by extractive industries. This non-costly measure for G8 countries will enable citizens to hold their governments accountable for the use of huge natural resources revenues they make.

**What's Oxfam?** We are a development and humanitarian organization working with local partners in over 98 countries around the world. We call on G8 leaders to deliver on their promises and invest in the future of all people.

**Who should you talk to?** In this briefing pack you will find short biographies of spokespeople available for interviews in Paris and Deauville, as well as short briefings on key issues at the Summit: broken aid commitments, food security and the ongoing food price crisis, climate change, maternal and child health and the financial transaction tax. We will be issuing comments and reactions during and after the Summit. To ensure you receive all our updates and advisories, please send your contact details to one of the e-mail addresses below. And do not hesitate to contact any of us should you require any additional information!

Sincerely, the Oxfam G8 Team

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# Oxfam Spokespersons

**Emma Seery** [Deputy Advocacy and Campaigns Director, Oxfam International] is also Head of Oxfam's campaigning on health, education and development finance. She has attended the G8 Summits in the UK, Germany, and Italy, as well as last year's MDG Summit in New York City. *Interviews in English.*

**Luc Lamprière** [Executive Director, Oxfam France] is a former journalist who has been based in France, USA, Japan, Korea and also worked as a consultant in Mexico, Sudan and Kenya. He can speak across development issues and about the role of France in the G8 and the G20. *Interviews in French, English and Spanish.*

**Mamadou Biteye** [West Africa Regional Director, Oxfam Great Britain] has worked for Oxfam since 2002. He also headed the Senegalese organization "Association for Grassroots Development", and worked for the African Development Foundation. *Interviews in English, French, Russian, Portuguese, and Wolof.*

**Sébastien Fourmy** [Policy and Advocacy Director, Oxfam France] has worked on development policy since 2002, especially on ODA, health, agriculture and food security, FTT, World Bank and IMF and climate change. He has attended and commented on a number of G8 Summits. *Interviews in French and English.*

**Joern Kalinski** [Head of Lobby and Advocacy, Oxfam Germany] is one of the founders of Oxfam Germany and has attended and commented on a number of G8 Summits. He can speak to the role of Germany in the G8 and G20. *Interviews in German.*

## Broken Aid Commitments

**In 2005, leaders at the G8 Summit in Gleneagles, Scotland promised that by 2010 their total annual aid would increase by \$50 billion compared to 2004 levels.** A \$25 billion aid increase (half of the overall pledge) was to go to Africa.

**In the years that followed, the G8 repeatedly assured those living in the shadow of poverty of their commitment to deliver.** At the G8 Summit in L'Aquila in 2009, leaders declared, "We renew all our commitments towards the poor, especially in Africa" and "despite the severe impact of the crisis in our economies, reiterate the importance of fulfilling our commitments to increase aid made at Gleneagles, and reaffirmed at Heiligendamm and Toyako". But last year, at the G8 in Muskoka, the leaders were silent on their broken promises.

**Over the past five years, increasing aid and debt relief has brought unquestionable and life-changing benefits to people living in extreme poverty around the world. But G8 countries have missed their target by \$19 billion.** To place this in context, \$19 billion is just 7 days of G8 military spending and just 0.06% of their combined national income. And out of the promised \$25 billion promised to Africa, only \$11 billion has been delivered.

**Worse yet, the G8 are cooking the books!** In their recently released Accountability Report, the G8 are choosing to highlight their aid commitments in 2010 prices instead of using aid figures adjusted for inflation, so they can say they have delivered almost \$49 billion out of the promised \$50 billion instead of the accurate OECD figure of \$31 billion. They are practically fabricating almost \$18 billion, not a penny of which actually went to the world's poorest.

**Italy is the worst performer.** Its promise was to give just over \$9 billion in aid (2004 prices) but in 2010 it gave only \$2.6 billion, with a shortfall of \$6.7 billion. Its aid is only 0.15% of GNI in 2010, very far away from the promised 0.51%. Worse yet, further cuts are planned in Italy's aid budget.

**Germany is way off track from its commitment.** The difference between its promise and its disbursement is \$4.3 billion in 2004 prices. It provided only 0.38% of GNI in ODA, instead of the promised 0.51%. Worryingly, medium-term financial planning indicates significant cuts of ODA budgets for 2012 until 2015. Given the robust growth in the German economy this is particularly inexcusable.

**The French government failed to meet its promises.** It promised to give just over \$14 billion (2004 prices) by 2010, but only gave just under \$ 11 billion. However, France has nearly reached its target to provide 0.51% of GNI in ODA.

**Despite the big increase in its aid, the UK just failed to meet its target.** Its promise was to give \$14.6 billion by 2010, but it gave only \$14 billion (2004 prices), with a shortfall of \$618 million. But it did give more than the promised –

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0.51% of GNI in ODA – and is by far and away the closest to meeting its more ambitious target of 0.7 % of national income by 2013. The UK has also committed to introduce legislation that will make provision of 0.7% of GNI in aid legally binding.

**Japan missed its Gleneagles target by \$2.3 billion.** It promised almost \$12 billion in 2010 but it only gave \$9.6 billion in 2004 prices and currently provides just 0.2% of its national income as aid, the furthest after Italy from meeting its 0.7% commitment. The Japanese Government also has just announced that the aid budget will be cut by JPY50 billion, or approximately \$612 million, to help finance the domestic reconstruction efforts after the March 11 earthquake and tsunami disasters. The cut is supposed to be a temporary and immediate measure but there has been no concrete plan announced as to how to get back on track and by when.

**Canada has fallen short of its modest Gleneagles target by around \$101 million.** Canada's original promise was \$3.65 billion but in 2010 its aid was only \$3.6 billion in 2004 prices. Despite being close to meeting its smaller target, the future of Canadian aid remains uncertain: the Canadian government will freeze the aid budget at 2010 levels for the coming five years, casting doubt over whether they will finance anywhere near their fair share of efforts to achieve the MDGs by the target deadline of 2015. In 2010 the Canadian government spent more on buying 65 new F-35 Joint Strike Fighter jets than overseas aid.

**The US is the only G8 country to have met its commitments and even go beyond them, but the target was un-ambitious from such a large G8 economy.** The US delivered 0.21% of its national income as aid in 2010, giving \$26 billion in 2004 prices. This is \$2.4 billion more than it committed as part of the Gleneagles promise, but to put this in context, the US government spent 23 times more on military expenditure than it did in aid in 2010.

## Food Security

**Almost a billion people will go hungry today.** The dramatic increase in hunger in the last few years is the result of the food price crisis in 2008 and the global financial crisis that followed swiftly behind. To make things worse, climate change is already exacerbating volatility in yields and markets and undermining food availability and the livelihoods of millions of people, especially in sub-Saharan Africa.

**At the height of a food price crisis two years ago, the G8 committed to invest \$22 billion in aid for agriculture and food security with a particular focus on smallholder and sustainable agriculture and women, and supporting the implementation of country and regional led plans.** Today, the accountability report discloses that about half the aid pledged at L'Aquila has been scheduled for disbursement. But little if no information exists regarding where this aid has been delivered, how much has been used to support national and regional led plans and how effective it has been in meeting the needs of smallholders. The Global Agriculture and Food Security Program, a fund created to channel part of the money pledged in L'Aquila, is virtually empty. The West Africa regional plan on food and agriculture is still waiting to receive needed funds from donors.

**The fight against hunger will not be won without bold action from donors and a full implementation of their commitments.** The G8 and other donors must dramatically increase aid for agriculture and food security in order to achieve the MDG target on hunger. Innovative sources of finance, such as a financial transaction tax, could play a crucial role in helping make these investments a reality. These resources must be invested in developing country-led plans to increase the long-term capabilities of poor people to produce their own food and increase their resilience to shocks.

## Maternal Health

**Every year, some 350,000 women die in pregnancy or childbirth.** The four major killers are bleeding, infections, unsafe abortions and obstructed labor. The medical solutions to avoiding or managing these four major killers are well known. In most cases, basic health care intervention in the form of a trained midwife, with obstetric equipment and medicines, and a well-equipped referral hospital staffed by trained doctors will save the mother's life. The Millennium Development Goal to reduce maternal mortality by 75% before 2015 is achievable but it is one of the MDGs that is the farthest behind.

**The G8 recognized this last year and pledged \$5 billion for maternal and child health over a period of three years.** Yet even that minimal promise has eluded all but two of them. Only Canada and Germany are making

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good on their commitments. The others are falling far behind and will have to find the money fast if they are to save the lives of women and children as they committed to do.

## Transparency in the Extractives Sector

**Every year, oil, gas and mining companies pay governments billions of dollars for the right to extract natural resources.** Secrecy in these payments fosters government corruption and violent conflict in resource-rich countries that are home to more than half of the world's poorest people. And too often, oil money intended for a nation's poor ends up lining the pockets of the rich or is squandered on showcase projects instead of productive investments. Mandatory reporting laws, such as the recently passed Dodd-Frank Act in the US, force the disclosure of such payments and will arm citizens with information they need to hold their governments accountable. The French, UK and German governments are supporting the creation of a new European law matching the US Dodd-Frank Act, and we hope the G8 follows suit in offering support to mandatory disclosure.

## Climate Change

**The G8 has been a significant forum for discussing action on climate change, agreeing on the objective to keep global warming below 2°C.** This year the G8 must agree a plan to collectively strengthen their mitigation targets in order to keep that objective of limiting global warming in sight. Rising food prices – driving increasing numbers into hunger – show why this action is so urgently needed. Scientists have shown that global warming is already hitting production of key crops, and with temperatures projected to rise even more quickly over the years ahead, food prices and the numbers of people going hungry are set to escalate, unless governments take the action to cut their emissions and invest in the resilience of communities on the frontlines of climate change.

**Before negotiators head to the climate conference in Durban, South Africa later this year, the G8 must demonstrate their commitment to continue a legally binding international framework for tackling climate change.** The alternative is a weak, voluntary approach, where every country only does what they feel they can. This will not deliver in the fight against climate change. And only a legally binding agreement gives the poorest countries – those who have done least to cause climate change, but are affected first and worst by its impacts – the confidence they need that their citizens on the frontline, facing droughts and floods, will have a safe and prosperous future.

## Financial Transaction Tax

**The banks were bailed out but no one bailed out the millions of people who struggle to survive on two dollars a day.** A global financial transaction (or 'Robin Hood') tax on banks could raise up to \$400 billion a year. The funds raised by such a tax can be split equally between governments where the money is raised and global good causes – such as fighting poverty and climate change. This is a win-win policy allowing G8 and other rich-country governments to tackle deficits at home while helping poor people abroad as they have committed to do. Such investments can help build the resilience of communities to adapt to climate change, build effective health-care systems, ensure girls can attend school, and reduce hunger across the developing world.

**And there is support for an FTT.** A number of studies from leading academics and international institutions have demonstrated the technical feasibility of a range of different FTTs, whether applied universally or unilaterally. And recently, 1,000 economists from around the world signed a letter in support of a financial transaction tax.

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