

STATEMENT ON OFFICIAL DEVELOPMENT ASSISTANCE (ODA)

“Beyond Commitment: Time for Action”

by The ODA Asia Forum
at the People’s Summit 2008
Sapporo City, Hokkaido, Japan
July 2008

We, the members of ODA Asia Forum, lend our collective voices to the call for change by colleagues in the 2008 Japan G8 Summit NGO Forum. We sound again, with greater urgency, a challenge to the world’s major industrialized powers to decisively act NOW on their commitments on crucial issues of global poverty and development, environment, peace and human rights.

The Hokkaido-Toyako Summit of the G8 Heads of State and Government meet at a critical juncture, when the world reels from one crisis after another—financial instability, escalating commodity prices of food and fuel, as well as the devastating effects of climate change. All these pose serious implications for vulnerable economies in the Region and translate to increased poverty and inequality for millions of our populations.

In Asia, poverty and great disparities persist that contrast sharply with its record of dynamic economic growth. The Asian Development Bank has indicated the “daunting” scale of deprivations in Asia and the Pacific (Kuroda 2005), pointing out that “the region has more people with inadequate nutrition, more living in slum conditions and more without access to water and sanitation than any other developing region of the world.” Asia is home to seven in 10 of humanity’s poor or about 700 million people who subsist on \$1 a day or less. Using a \$2 a day norm would yield about 1.9 billion Asians living under that global poverty line (UN Millennium Development Goals Report 2007). Furthermore, what some describe as “phenomenal”, even “miraculous” growth in Asia, was in fact achieved at great costs to the regional and local environments, as well as to the global climate system (Serrano 2007).

Under these conditions, the potential of Official Development Assistance (ODA) to relieve poverty and to contribute towards the achievement of people’s right to development becomes more significant. The continued flow of aid from the G8 countries has an impact on development in the Region. Trends as to how much and where aid is allocated, and the type and purpose it serves, often will dictate the direction of change in the lives of our people. In truth, ODA fails to make a difference for the Asian poor simply because aid has been insufficient, and what little has been given does not reach its avowed beneficiaries and often serves only the interests of donors. This deplorable situation can be resolved if the G8 governments will ACT on the following:

Deliver on promises of high-quality and quantity ODA

The G8 leaders must now fulfil their 2002 Monterrey promise of increasing ODA by 0.7% of their countries’ GNI in order to finance the accomplishment of the Millennium Development Goals. They must deliver on the 2005 Gleneagles pledge of US\$ 50 billion aid increase, and on the 2005 Paris Declaration commitments to make aid more effective by aligning it with the needs and priorities of the developing countries and their people.

To abide by the intentions of the UN Millennium Declaration, G8 countries should not charge debt relief operations as ODA. Fund disbursements for purposes associated with the War on Terror (like the large amounts that go to the Middle East and to South and Central Asia) must not be deceptively counted as ODA. Nor should aid be utilized to fund anomalous infrastructure projects that benefited a few corrupt

officials and/or corporate executives, or those that in result severe environmental destruction and social dislocation of indigenous peoples. This kind of aid money and aid-giving must stop.

In its place, we ask that G8 countries to take the lead in having the pledges of the developed countries implemented to raise the amount of funds that could be utilized for human development. Beyond servicing donors' economic agendas and the drive against terror, we demand that ODA will be primarily used for achieving MDG goals of reducing poverty and inequality, especially for access to water and sanitation, health and education. Aid should likewise be allocated in the poorest countries of the region.

The loan-grant mix of aid should be realigned so that grants significantly constitute ODA. Unilaterally-imposed conditionalities (especially in the area of political and macroeconomic policies) and the practice of tying aid to the hiring of foreign consultants, purchase of goods, etc. should be put to an end. We also call for the extension of the Gleneagles concession of debt-relief from low to middle income countries and the progressive increase from at least 30 percent to 100 percent the share of ODA allocation for social services and pro-poor infrastructure development.

Finance adaptation to climate change

The need to address the difficulties caused by climate change, which undercut the welfare of the global community is an imperative. We call on the G8 governments to assist developing countries, especially those that are most vulnerable to the negative effects of climate change in Asia, by providing funds for their adaptation efforts. This funds should be separate from and in addition to the 0.7% target of the ODA to GNI ratio.

Ensure democratic ownership and governance of ODA

We believe that the road to people-centered sustainable development should be determined primarily by aid-receiving countries, especially by the communities that will be affected by the development initiatives. We therefore ask donor countries and other partners to provide the necessary enabling environment for this type of development to proceed. Genuine aid puts people at the center and promotes inclusive, transparent, accountable development management processes that adheres to the rights-based aspirations of the poor and marginalized in society.

Processes of development and ODA planning, implementation and evaluation should therefore have substantial civil society participation. Stakeholders, especially the poor and socially excluded should have a say in the formulation of national development strategies and in the implementation and evaluation of ODA programs. Venues and mechanisms for greater democracy and accountability should be established and an alternative framework and set of indicators to measure the impact of ODA developed.

As a final note, we urge the G8 leaders gathered in Hokkaido, Japan, to translate the many commitments, made in so many G8 Summits, into ACTION NOW. Let them give the signal and lead by action in the campaign to re-orient and reform the delivery and management of aid to improve its effectiveness and increase its impact to development. Let them ensure that these concerns are decisively addressed and acted upon at the Third High Level Forum on Aid Effectiveness in Accra, Ghana, and at the UN Financing for Development Conference in Doha.

And let the Hokkaido G8 Summit be marked as the Summit that went beyond making more commitments into taking the ACTIONS that mattered. ###