

Aid matters

Recent data compiled by OECD-DAC reveals a story that may come as a surprise (see charts). Since 2002, development finance in Africa has more than tripled. Domestic revenues dwarf private flows, remittances, ODA and philanthropic giving, all of which have increased, but not as fast as domestic revenues.

Private capital flows overtook ODA as the second largest source of development finance, though this slumped, as did Africa's access to global capital markets, from 2008.

Revenues have been affected by the global economic and financial crisis, but exactly how is not yet clear. The crisis increased the numbers living in poverty and set MDG progress, with profound social and political consequences, not just for those directly affected.

A diminishing share of development finance does not mean that ODA is less important. Private capital flows are concentrated in a few countries. Fragile states' ability to raise revenues is weak. Everywhere, basic social needs outstrip governments' ability to meet them. Increased revenues do not necessarily translate into more, or more socially productive, investment.

ODA, well used, plays a vital role in strengthening capacities to raise revenues, reduce illicit flows, attract remittances and private investment, achieve specific development results and create opportunities for the poor, including by strengthening accountability systems. Focus is needed on how to make aid effective to these ends.

That ODA levels are not increasing in line with Gleneagles outcomes is alarming; many donors are postponing or walking away from their pledges. Moreover, Africa has received only 34% rather than the envisaged 50% share of the increase in ODA since 2005. A conservative estimate is that this year, ODA levels to Africa will be 25% below the levels implied by Gleneagles - a \$17 bn shortfall in 2008 prices.

Aid is not the answer to Africa's problems. But it can save lives and strengthen systems. Its most credible advocates are African leaders from government, civil society, business and academia. 2010 needs coalitions between them and international development agents to press G8, and OECD countries to honour their commitments.

News Overview

One day after President Bashir said he will be the first to [recognize the independence of South Sudan](#); his [government revoked the licenses of 26 aid groups](#).

[The African continent expressed sympathy and solidarity with Haiti](#) and the earthquake victims. Some countries have offered financial aid, South Africa provided a rescue team, Senegal has offered to repatriate and donate land to Haitians and various foundations have pledged their support.

[Guinea swears in one of the country's military junta as Prime Minister](#). This is seen as a crucial step toward democracy as such a landmark agreement is unusual in this part of Africa, where coup leaders typically cling to power until death.

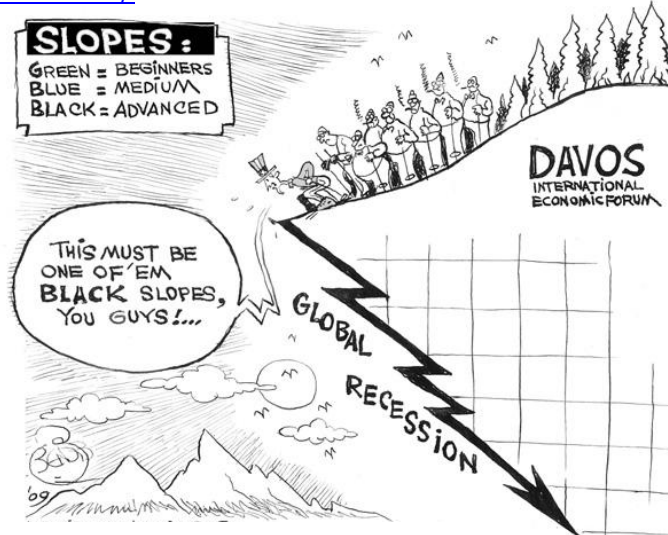
[Hosts Angola exit ANC stage after losing to Ghana](#) who will meet Nigeria in their bid for a first continental title since 1982. [Algeria will again meet Egypt for another dramatic and emotional match](#)- this time in the semi-finals.

[The recently approved constitutional changes by Angolan legislators will delay presidential elections](#) originally scheduled for 2012, thus extending President Jose Eduardo dos Santos term by nearly 3 more years.

[Brazil, South Africa, India and China will submit their plans for voluntary mitigation actions by the 31 Jan](#) deadline stipulated by the Copenhagen Accord but emphasize that the agreement reached at the end of COP15 has "no legal basis."

Last week's clashes between [Muslim and Christian communities \(allegedly for political superiority\) in Nigeria have left more than 300 people dead](#). There is further confusion as to [who has the authority to decide if President Yar'Adua is unfit to rule](#) as the Federal Executive Council states: "it is only the President who can declare himself incapacitated and not it."

The conservative leadership promised a "tough and unsentimental" allocation of Britain's aid budget after questions were raised over whether more than [£300m in taxpayers' money that has been given in aid to Malawi has been spent effectively](#).



Cartoon by Khalil Bendib
Source: [minutemanmedia.org](#)

“If the result of the referendum is separation...the Khartoum government will be the first to recognize this decision. We will support the new-born government in the south.”
Omar al Bashir, President of Sudan commenting on the future of Southern Sudan

In the blogs...

[Reuters Africa Blog: The unnumbered dead, 21 Jan. 2010](#)

A controversial report was released, which estimates 5.4 deaths in Congo's civil war. The author questions the methodology of counting the deaths.

[Huffington Post: Do not doubt a role for the UN in climate change, 27 Jan. 2010](#)

The author argues that sidelining the world body and overlooking its numerous strengths would be short-sighted. That despite all its flaws, the UN remains the preeminent body for climate governance.

[Guardian: Amnesty Int'l turns spotlight on women's health in Burkina Faso, 27 Jan. 2010](#)

Amnesty Int'l launches a new report which declares that access to healthcare that could save women's lives is a human right, a tactic that may only help save preventable deaths.

Multilateral Organizations

AfDB

[AfDB signs a loan agreement of \\$125.6 million with the government of Ethiopia to finance the Mombasa-Nairobi-Addis Road Corridor Project](#)

AU

[AU & League of Arab States commit to strengthen cooperation on climate change](#)

IFAD

[IFAD President urges Davos leaders to invest in developing countries](#)

[IFAD will provide a \\$20 million loan to support smallholder agribusiness in the Republic of Zambia](#)

ECOWAS

[The regional body will provide financial and technical assistance to ensure Guinea's upcoming election meets international standards](#)

UN

[The UN anti-crime agency is supporting efforts to rebuild a safe and stable Guinea-Bissau by facilitating the construction of a training centre for the nation's security forces](#)

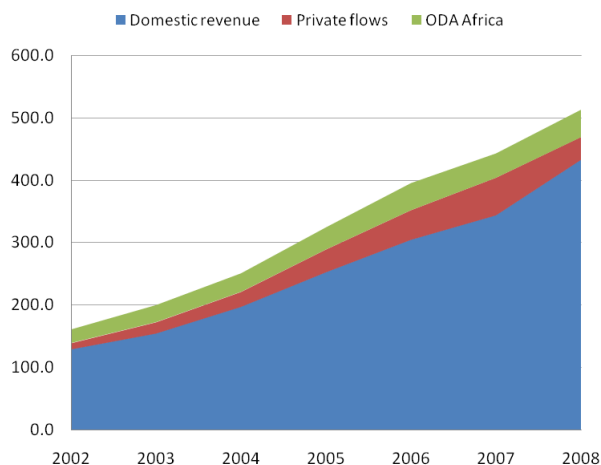
[UNESCO's EFA Global Monitoring Report 2010 argues that "fighting education poverty is key to better progress"](#)

WB

[WB's Global Economic Prospects 2010 warns that while the worst of the financial crisis may be over, the global recovery is fragile and developing world faces scarce financing](#)

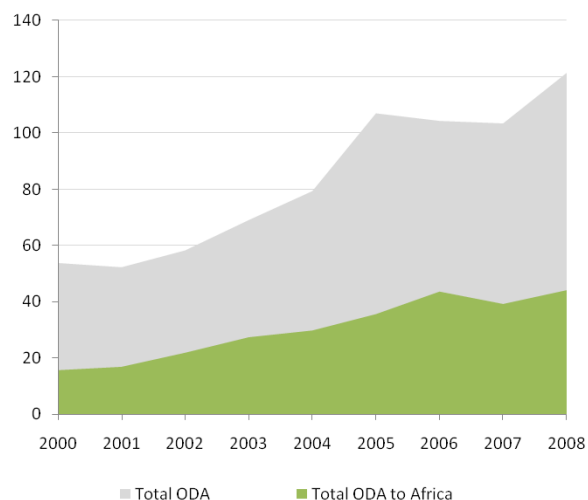
Development Finance in Africa 2002-2008

(US\$ billion, nominal)



Africa's Share of ODA 2000-2008

(US\$ billion, nominal)



Source: Africa Partnership Forum 2010
Development Finance in Africa – Update if the 2008 Report

Opinions

[All Africa: Donor Countries Get Poor Marks on Education Pledge, 19 Jan. 2010](#)

Donors are failing the world's schoolchildren, with 56 million projected to be out of school in 2015. In contrast to health, education has not received the political attention or attracted the necessary funding.

[Pambazuka News: Obama-defending the "interests of empire", 25 Jan. 2010](#)

Obama's election brought much hope to the world, although one year later and despite some great speeches there is little departure from the Bush administration's engagement in Africa.

[All Africa: Electoral reform key to fighting extremism, 27 Jan. 2010](#)

A former minister argues that good governance and accountability are the most effective ways to combat extremism in Nigeria and not by putting Nigerians on 'watch-lists'.

50th Anniversary of Independence 2010

Cameroon	1 January
Togo	2 April
Madagascar	26 June
Democratic Republic of Congo	30 June
Somalia	1 July
Benin	1 August
Niger	3 August
Burkina Faso	5 August
Côte d'Ivoire	7 August
Chad	11 August
Central African Republic	13 August
Congo Brazzaville	15 August
Gabon	17 August
Senegal	20 August
Mali	22 August
Nigeria	1 October
Mauritania	28 November



The APP debate **'Will the Real Africa Stand Up'** moderated by the BCC's Zeinab Badawi will air on BBC World News next weekend.

Make sure to tune in on:

Saturday 6 Feb at 0910 and 2210 GMT

Sunday 7 Feb at 0210 and 1510 GMT

To verify the exact time of the programme in your location, please visit see the programming schedules on the [BBC website](#).

G20 Update

AUSTRALIA

[Australia and South Africa team up to help rebuild Zimbabwe](#)

BASIC

[Group pledge climate aid for other developing countries](#)

EU

[The EU has announced it will give €2.4b to finance global efforts to tackle the effects of climate change.](#)

FRANCE

[France contributes €1m through the UNDP Fund to help support Sudan's democratic transformation.](#)

INDIA

[India is set to invest \\$350m in developing two Nigerian oil blocks](#)

JAPAN

[The Ministry of Foreign Affairs will dispatch a public - private joint study tour for promoting trade and investment to Africa](#)

UK

[The Secretary of State sets out how Britain will meet commitments made at the Gleneagles Summit, as he presented a draft bill to parliament.](#)

[DFID is targeting to help 12m undernourished children receive better nutrition, focusing on Ethiopia, Nigeria, Zimbabwe](#)

USA

[Africa Policy Outlook 2010 \(Washington, DC: Foreign Policy in Focus, January 22, 2010\)](#)

Calendar

25 Jan- 2 Feb	14 th AU Summit: Addis Ababa, Ethiopia
27-31 Jan	World Economic Forum Annual Meeting 2010: Davos, Switzerland
28 Jan	OECD Global Forum on Development: Paris, France
3 Feb	Meeting of the Africa Progress Panel- "Africa-progress, pitfalls and potential:" Geneva, Switzerland
4 Feb	UN High Level Committee on South-South Cooperation, 16 th Session: New York, U.S.A
5-6 Feb	G7 Finance Ministers and Central Bank Governors Meeting: Iqaluit, Nunavut, Canada
8-10 Feb	Africa Investment Forum 2010: Accra, Ghana
9 Feb	4 th African Conference on Sexuality, HIV/AIDS: Addis Ababa, Ethiopia
15-16 Feb	3rd Global Meeting of the Farmers' Forum organized by IFAD: Rome, Italy

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