



# CAMP DAVID ACCOUNTABILITY REPORT:

## A Step Forward for G8 Transparency, But Shows Unfinished Agenda on Hunger

### BACKGROUND AND SUMMARY OF FINDINGS

Three years ago world leaders made a bold new commitment to global food security at the G8 summit in L'Aquila, Italy. The L'Aquila pledge was a 3 year, \$22 billion commitment, which followed the 2007-2008 food crisis. The pledge was meant to reverse years of underinvestment in agriculture and to reduce hunger.

In May 2012, in the final year of the L'Aquila pledge period, the G8 has launched an accountability report to assess progress on L'Aquila and other G8 development priorities. Unfortunately, the report was only released to the public after the conclusion of the G8 summit. In the future, we would urge the G8 to release the report well in advance of the summit so that it can inform the public debate and affect the summit's outcomes.

In the past, this report has primarily reviewed donor financial commitments. This year's report goes further reviewing L'Aquila donors' progress towards meeting non-financial commitments based on the Rome Principles, which are five guiding principles for investments in agricultural development focused on country-owned processes and plans which are comprehensive, sustained and coordinated.

This policy brief provides ActionAid's analysis of the food security section of the 2012 Camp David Accountability Report (CDAR). The following is a summary of ActionAid's findings:

- The new report improves upon past G8 accountability reports by expanding the analysis from just financial commitments to also include non-financial commitments on the quality of aid – and there is much more extensive data.

- While nearly all funds pledged at L'Aquila have been committed, G8 donors have disbursed only 49 percent of funding. These disbursements need to be sped up. Smallholder farmers living in poverty cannot wait another three years to receive the benefits of this funding.
- Agriculture and food security country investment plans are still 50 percent underfunded, which shows that the need for continued public sector investment is still great. This tremendous gap cannot be filled by the private sector alone.
- While G8 leaders self-assess that they are meeting their goal of investing in country-led plans, they acknowledge that the majority of them are failing to target those investments towards women smallholder farmers, who grow the majority of the food in the global South. This needs to be improved going forward.
- While progress on the alignment of donors' L'Aquila pledges with country plans is promising, G8 donors need to ensure that all aid to agriculture is aligned behind country investment plans.

### REPORT COVERS NEW GROUND

The new report builds on the Muskoka and Deauville Accountability reports by expanding the analysis from just financial commitments to also include non-financial commitments. This additional information provides an analysis of not just the quantity of aid but the quality of aid and can help paint a picture of the impact of aid to agriculture. Additionally, the report provides more in-depth and country-by-country data on disbursements. ActionAid appreciates the leadership of the US government, who as chair of the Accountability Report process, pressed for significantly

expanding the scope of accountability in the CDAR. This structure matches the recommendations given to US officials by a coalition of international development organizations in 2011.<sup>1</sup> (See Box 1).

## FUNDS COMMITTED BUT NOT DISBURSED

The CDAR reports that L'Aquila donors will have committed 99 percent of their \$22 billion pledge by the end of 2012. However, as the report points out, civil society organizations, including ActionAid, have recommended that funds disbursed by L'Aquila donors is a better measure of progress on financial pledges, instead of funds committed.

L'Aquila donors have only disbursed 58 percent of their pledges (with G8 donors alone disbursing just 49 percent). Canada, Italy, the Netherlands and the United Kingdom have all fully disbursed their pledges. Other countries, however, are far behind their commitments. For example, the United States pledged \$3.5 billion, has only committed \$2.8 billion and has only disbursed \$789 million.<sup>2</sup> Or Japan, which has fully committed its \$3 billion pledge, has only disbursed \$326 million. In order for the L'Aquila pledge to actually have an impact these disbursements should be sped up. The European Union is the only G8 member who did not report disbursements this year, which is unacceptable.

## ALIGNMENT WITH COUNTY INVESTMENT PLANS FOR AGRICULTURE

In terms of how they are supporting national food security

strategies and CIPs, G8 donors report that they are 90 percent aligned behind these plans. Only the United Kingdom claimed that it was aligning less than 90 percent of its assistance (although it says that it was the result of investing in countries like South Sudan and Zimbabwe without CIPs). This is good news – but these trends are self-reported and might be missing the bigger picture on aid to agriculture.

**While the progress on L'Aquila pledges is promising, G8 donors need to ensure that all aid to agriculture is aligned behind country investment plans.**

ActionAid's recent report, *Pledges, Principles, and Progress: Aid to Agriculture Since L'Aquila*, which analyzed overall aid to agriculture by L'Aquila donors, comparing 2006-2008 investment vs. 2010 investment, found that as of 2010, only 20 percent of L'Aquila donors' overall aid to agriculture was provided to the 30 low income countries with country investment plans. This is in direct contrast to the self-assessed finding of 90 percent alignment the G8 donors in the CDAR. The difference could be the result of significant improvement in focus on CIPs in 2011. But more likely the difference is attributable to the fact that CDAR only looks at funds pledged as part of L'Aquila while ActionAid looked at all aid to agriculture. While progress on the alignment

### Box 1. L'Aquila Principles and Indicators in Camp David Accountability Report

The CDAR goes further than past accountability reports by measuring performance against non-financial commitments:

#### L'Aquila Principle: Country Owned Development

Indicators: Alignment with country-owned strategies and investment plans, Contribution to local capacity to sustain investments

#### L'Aquila Principle: Strategic Coordination

Indicators: Participation in partner country food security-related processes

#### L'Aquila Principle: Comprehensive Approach

Indicators: Increase in financing for short and medium/long-term food security needs, export restrictions and taxes removed for food, new research partnerships focused on agriculture and nutrition, specific gender objectives and sex disaggregation indicators

#### L'Aquila Principle: Engage Multilaterally

Indicators: Number of multilateral mechanisms receiving financing for country investment plans, engagement with multilateral organizations and CFS initiatives

#### L'Aquila Principle: Accountability and Transparency

Indicators: L'Aquila pledge committed and L'Aquila pledge disbursed

1. Letter to Jonathan Shrier and Mark Abdo from The L'Aquila Pledge Working Group, whose membership includes: ActionAid USA, Bread for the World, InterAction, Oxfam America, Save the Children, Women Thrive Worldwide, World Vision, and 1,000 Days Advocacy Working Group. Sent December 15, 2011.

2. While the United States expects to commit its remaining pledge by the end of the fiscal year 2012 it will take them longer to fully disburse their funding. Funding committed in a fiscal year can be disbursed in the following two fiscal years in the United States.





Elias (right), Florence (left) and their 8 month-old child are recipients of assistance from Global Agriculture and Food Security Program in Rwanda.

of donors' L'Aquila pledges with country plans is promising, G8 donors need to ensure that all aid to agriculture is aligned behind country investment plans.

## INVESTMENTS IN WOMEN SMALLHOLDER FARMERS

Of the non-financial pledges reviewed, G8 donors performed the poorest on investing in women smallholder farmers. Only Canada, Germany and the United States had gender objectives and sex-disaggregated indicators in at least 80 percent of partner countries. The rest have gender objectives in fewer than 80 percent, with Russia and Italy scoring the lowest. This reveals that although women make up the majority of farmers in the global South that G8 countries need to do a better job of collecting sex-disaggregated data and integrating gender objectives into their investments. ActionAid appreciates the inclusion of this important category as investment in women smallholder farmers, who produce the majority of the food that feeds citizens of the global South, is critical to improving global food security.

## MEETING THE FUNDING GAP: RIGHT PROBLEM, WRONG SOLUTION

The CDAR includes an analysis of the extent to which country investment plans (CIPs) for agriculture and food security have been financed. Investing in CIPs is critical to ensure that country-led strategies receive comprehensive and coordinated investments. The analysis shows that on average, the 30 publically-available CIPs have a financing gap of about 50 percent. In other words, in 30 countries national governments have done their parts to

create peer-reviewed, costed agricultural development strategies – but they remain unfunded. Across the countries surveyed, development partners and national governments have each contributed about 25 percent respectively, thus far.

**The G8 identify the problem correctly: there's a huge funding gap of country plans but the private sector will not come close to filling the 50 percent gap that still needs to be filled – this should come largely from donors and African governments themselves.**

As the report states, "Despite the substantial increases in public sector funding from the G8, other AFSI donors, multilateral development institutions and developing countries themselves, reporting suggests that national agriculture investment plans are still underfunded by about half." The report then, in roughly a half dozen occasions, goes on to recommend that the private sector must be mobilized in order to fill that gap.

The G8 identify the problem correctly: there's a huge funding gap of country plans. But financing from the private sector is not the biggest gap. By ActionAid's review of 30 countries with CIPs, the private sector element of these CIPs is on average less than five percent of the total plans' cost. The private sector will not come

close to filling the 50 percent gap that still needs to be filled – this should come largely from donors and African governments themselves.

The private sector has a role – but the CDAR oversells it. Moreover, the private sector doesn't have an incentive to align all its investments behind CIPs. Even with increased private sector investment, only a portion of it would likely end up well aligned with country strategies given that the private sector inherently focuses first on profitability, then at development impact. It is also unclear how private sector investments can be held to the same level of accountability as public sector investments, the importance of which is highlighted by this report.

Finally, there is currently a \$27 billion financing gap for CIPs. G8 leaders announced commitments from the private sector totaling \$3 billion at the 2012 summit. It remains unclear what the time frame is for this commitment. If it is over three years it only meets about 10 percent of the need. If it is over 10 years it meets far less as many of the CIPs expire in 2015. This further underscores the continued need for additional public investment from donors and African governments to continue to fill this funding gap.

## CONCLUSIONS AND RECOMMENDATIONS

To conclude, ActionAid welcomes the efforts of the US government and other G8 donors to create a much improved accountability report in 2012. The CDAR is a more robust and transparent document that paints a clear picture of how L'Aquila donors have invested. The CDAR recommends that the G8 should continue to report on progress of financial and non-financial goals and consider improved approaches to tracking real progress. ActionAid largely agrees with the recommendations put forth in the CDAR for future reporting. Future accountability reports should also include robust accountability instruments for the New Alliance and private sector commitments.

Overall, the CDAR highlights the need for continued public sector investment in agriculture. Unfortunately, at Camp David the G8 did not make a renewed commitment to sustain current levels of public investment in agriculture for smallholder farmers. ActionAid calls on G8 leaders to continue to improve accountability and expand public investments in smallholder farmers at next year's G8 in the UK.



This policy brief was written by Katie Campbell and Neil Watkins. Thanks to Heather Paul and Soren Ambrose for their input. All photos by ActionAid.

ActionAid is a partnership between people in poor and rich countries, dedicated to ending poverty and injustice. We work with people all over the world to fight hunger, seek justice and education for women, hold companies and governments accountable, and cope with emergencies in over 40 countries.

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