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FINANCING FOR DEVELOPMENT: THE ABUJA COMMITMENT TO ACTION

Adopted at the Abuja Conference, Abuja, Nigeria on 22 May 2006

This document is for INFORMATION to the participants of the OECD/DAC - World Bank Third Meeting on Scaling Up for Results on 27 June 2006.

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Financing for Development: *The Abuja Commitment to Action*

Adopted at the Abuja Conference, Abuja, Nigeria

On 22 May 2006

1. African Finance Ministers, along with a number of African Education Ministers, the UK Chancellor of the Exchequer, international financial institutions, UN agencies, development partners, the Archbishop of Cape Town, Bono and other representatives of civil society met in Abuja on May 21 and 22, 2006. **The Abuja Conference, which was sponsored by the Nigerian Government, African Development Bank and UN Economic Commission for Africa, symbolized a critical first step by African Finance Ministers to lead a process that translates financing for development commitments into action.**
2. The conference focused on scaling up efforts to achieve and sustain the Millennium Development Goals (MDGs). In 2005, the United Nations, G8, European Union, African Union and others made a series of commitments to deliver more and better aid, debt cancellation, reduced conditionality and more coherent, 'joined up' policies in support of development. At the G8 Conference in Gleneagles, African Heads of State and Finance Ministers called for an African led process to monitor those commitments and encourage international development partners to translate them into action.
3. We reiterate our commitment to accelerating progress towards the MDGs and to the actions required on our side to achieve them. These include the ongoing strengthening of governance and accountability through institutional reforms, and the implementation of ambitious and costed long-term plans to meet the MDGs. We also recognize the interdependence of the various MDG targets, and acknowledge the need for scaled-up investments in all MDG-related sectors such as education, health, infrastructure and agriculture. We welcome the commitment of our development partners to provide the necessary resources to fully implement these plans.
4. In particular, we recognize the special situation of post-conflict nations, which require scaling up of aid to build stability, and to develop the institutions for increasing growth and reducing poverty. Support is also needed for middle-income countries to expand social spending, particularly in addressing the scourge of HIV/AIDS. We recognize the situation of countries that are yet to accede to the Highly Indebted Poor Countries (HIPC) initiative and the Multilateral Debt Relief Initiative (MDRI), and urge an acceleration of their qualification for these schemes.

The Framework for Scaling Up Action to Achieve the MDGs

Ambitious Plans and Budgets

5. A growing number of African countries have national development plans that outline a balanced set of priorities that will reduce poverty. We will place much greater emphasis in these plans on achieving rapid and sustainable growth to underpin poverty reduction. We acknowledge the importance of these plans being owned by national governments, parliaments and citizens to facilitate effective implementation. We call on our development partners to recognize and respect the responsibility of African governments and citizens to decide, plan, and appropriately sequence their growth and poverty reduction policies, and partner with us to achieve their objectives.

6. We commit to integrating national plans and budget processes with effective mechanisms for monitoring and evaluation, and accountability for results. National parliaments should establish processes for greater involvement in the development of these budgets. We will fulfil our existing international and regional commitments to allocate additional budgetary resources to achieving the MDGs. We will also use appropriate consultative frameworks as a mechanism for allocating resources at the country level and for ensuring mutual accountability.

7. Scaling up action is both critical and urgent if our countries are to meet the MDG targets. This requires ambitious long-term plans. On education, many African countries have already produced comprehensive and costed plans to achieve the education MDGs by 2015. We commit to a total of twenty (20) countries – Burkina Faso, Cameroon, Ethiopia, Gabon, Gambia, Ghana, Kenya, Madagascar, Mali, Mauritania, Mozambique, Namibia, Niger, Nigeria, Rwanda, Senegal, Sierra Leone, Swaziland, Tanzania and Uganda – providing 10-year education plans by September 2006. In addition, Liberia and Sudan have committed to making the maximum use of partners' technical support in striving to meet this timetable. We will write to the G8 setting out our commitments to present these 10-year plans at the IMF/World Bank Annual Meetings in September 2006. The plans will demonstrate how Africa can meet its education

targets with increased resources. We welcome the UK's commitment to provide at least US\$15 billion over the next ten years starting in April 2006. We ask our other development partners to meet their share, and allocate long-term predictable financing through expansion of the Fast Track Initiative (FTI) and through bilateral programmes. An important signal of development partners' commitment and credibility will be an agreement to fill the existing education financing gap for FTI countries for 2006 and 2007. We look forward to further discussions on financing these plans at the IMF/World Bank Annual Meetings in September 2006.

8. On HIV/AIDS, TB, and Malaria, we will immediately take forward the Abuja commitment to develop, or revise, costed national plans in order to operationalize our pledge to achieve universal access to treatment, prevention and care by 2010. To support this process, we ask the international community to use the upcoming Global Fund for AIDS TB and Malaria (GFATM) meeting to review these plans, and commit the predictable long-term resources needed to implement them.

9. We recognize the macroeconomic challenges of effectively managing large resource inflows. We can manage the macroeconomic impact of scaling up aid. Fiscal space can be opened up. We note that the IMF is ready to work with us to this end on a country-by-country basis. The current volatility of aid flows constrains budget planning. We therefore call on development partners to provide long-term and predictable financing. Achieving the MDGs will require more effective fiscal and monetary policies, including stronger linkages between national plans and budgets. We commit to: improving public expenditure management; developing long-term costed plans to ensure the productive expenditure of resources; implement policies to improve growth and competitiveness; and spend resources in a manner that is pro-poor. Many of us have produced the long-term strategies and plans needed to provide the platform for development partners to scale up resources in a predictable medium-term manner. We believe that the human and economic cost of failing to provide adequate funding far outweighs the potential risk involved in scaling up aid.

10. Improved plans and strategies that are strongly owned will create the basis for more efficient use of public resources (domestic and external) to

achieve the MDGs. To this end, we will continue current efforts to strengthen expenditure management processes. Ten (10) countries will commit to carrying out analysis of the efficiency of public expenditure management systems, including expenditure tracking surveys, by December 2007. This will include expenditure tracking surveys. The findings of these reviews will be reflected in the implementation of 2008 budgets. We will promote transparency at all levels on the use of all public resources, and make information freely available to civil society organisations, within existing legal frameworks, to enable independent monitoring of progress. We call on non-state actors to establish national coalitions to support this process. We support the development of improved statistics, including the development of national statistical bodies, in order to monitor progress, in collaboration with ECA and other institutions.

Predictable and Effective Delivery of Aid

11. Scaling up will place additional pressures on the aid architecture with its longstanding structural problems. We recognize the need for a range of aid instruments and institutions to deliver the commitments to better aid made in the Paris Declaration. We encourage the development of innovative financing mechanisms such as taxes on airline tickets being implemented by the French Government, and the International Finance Facility (IFF). African Ministers acknowledge the role of the Nigerian government in supporting them, and specifically call for the continued support that the Nigerian Trust Fund (NTF) has provided over the years.

12. Selection of aid instruments should also be context specific, and designed flexibly to reflect the requirements of individual countries and the need for regional integration. The comparative advantage of the various development partners should be recognized in this regard. We call for greater effectiveness of the aid architecture to ensure it is aligned with national development plans and includes accountability from governments to citizens. We urge all Donor Assistance Committee (DAC) member states that have not already done so to announce their own action plans for operationalizing the Paris Declaration principles, including full untying of aid and reform of technical assistance. We ask for a progress report to be submitted at the next DAC High Level Meeting.

13. We wish to express disappointment at the slow progress made in the Doha negotiations, and call on the WTO to intensify negotiations with a view to concluding an ambitious deal in this development round. Ministers welcome the offers of support from the UK, and other development partners, on the aid for trade package as a complement to the Doha negotiations.

Coordinated Monitoring

14. Monitoring commitments that have been made by Africa and the international community, on the basis of mutual accountability, is critical to ensuring that we stay on track and achieve success. The African Partnership Forum (APF) is setting up a mechanism for monitoring commitments. This should include a framework specifying roles and responsibilities of the various actors involved, including civil society, which can be a powerful and effective force in monitoring. In this regard, we call on civil society to co-ordinate their efforts at the national, regional and international levels. We recognize that an empowered citizenry can also be an effective monitoring force. We encourage the use of innovative mechanisms of engagement with communities, individuals and faith-based organisations. We support these partnerships by upholding transparency and freedom of information of government financial operations, while recognizing the need for mutual accountability.

15. These commitments will feed into the development partner communiqué at the IMF/World Bank Annual Meetings in September 2006 in Singapore. We will meet next year in Ghana, to review progress on these issues.

16. **Finally, we urge the G8 to maintain Africa as a priority.**

Abuja, 21 – 22 May 2006

Action Points for Governments

1. Provide additional budgetary resources for achieving the MDGs in line with existing international and regional commitments.
2. A total of twenty (20) countries to provide costed 10-year education plans by September 2006. Ministers agreed to write to the G8, setting out their commitments to present 10-year plans at the IMF/ World Bank Annual Meetings in September.
3. Review and strengthen macroeconomic frameworks in existing and new national development plans in the context of scaled up assistance from development partners.
4. Carry out an analysis of efficiency of public expenditure management systems in ten (10) countries by December 2007. Lessons will be reflected in implementation of 2008 budgets.
5. Make information on government financial operations freely available to civil society organizations (CSOs) and other stakeholders, within the context of existing legal frameworks.

Action Points for International Partners

6. We call on partners to deliver on commitments already made, and to provide additional resources in a timely and predictable manner to achieve MDG targets.
7. Agree to and fill the existing education financing gap for FTI countries for 2006 and 2007.
8. Review HIV/AIDS plans during upcoming GFATM meeting and commit to increased and predictable funding.
9. IMF to assist individual countries to review their macroeconomic frameworks with a view to strengthening and aligning them towards scaling up for meeting MDG targets. The IMF will report on progress during annual meetings.
10. DAC member countries, who have not already done so, should announce their own action plans to achieve Paris Declaration principles.
11. Provide a progress report on item 10 above at the next DAC high-level meeting.
12. As part of the information needed for mutual accountability, development partner agencies should publish what is disbursed to non-state actors.
13. Explore the possibility of additional assistance to middle income countries with specific problems relating to HIV/AIDS.

Action Points for Civil Society

14. Establish coalitions to support process of improving preparation and implementation of development plans .
15. At the international level, coordinate efforts towards monitoring aid and agree sustainable framework specifying roles and responsibilities of various actors involved.
16. At the national level, form strong coalitions to monitor progress against commitments by both governments and development partners including monitoring the use of domestic resources.
17. As part of the information needed for mutual accountability, non-state actors should publish their accounts and provide information about the use of funds.