The EU's Contribution to the Millennium Development Goals
Keeping the Goals Alive
Table of Contents

Impressum 2
Table of Contents 4
Acronyms 6

Foreword: by Vagn Berthelsen 7

Executive Summary: Millennium Development Goals and the European Union at a Crossroad 9

Chapter I Meeting the MDGs: 2015 and Beyond 13

Every person counts 13
Clarifying objectives 14
Focus on poverty and broadening of instruments 14
The enabling environment 14
Millennium Development Goal 8 16
2015-Watch: Focusing on results in 2010 and beyond 17
Recommendations 17

Chapter II Ten Years of MDGs: Is the EU Measuring Up? 19

2015-Watch: Tracking the progress of the EU 19
EU performance in 2010 20
Legal and financial framework: Trends in relation to 0.7% target are cause for serious concern 20
EU budget allocation: Falling commitments to hunger, health and education 21
Programming and implementation: Country programmes not sufficiently aligned with MDGs 23
Evaluation: Impact of EU aid not sufficiently measured 23
Recommendations 24
CHAPTER III DEMONSTRATING RESULTS: HUNGER AND POVERTY IN 2010

Looking for results: MDG indicators for hunger and poverty
Measuring results
Communicating results
Country evaluation: Uganda
Recommendations

CHAPTER IV EDUCATION: REACHING CHILDREN IN POVERTY

Reaching the hard to reach
Global financing for education: US$ 1.2 billion needed from the European Commission
EU policy on education
Role of civil society organisations
India
Mozambique
Sierra Leone
Recommendations

CHAPTER V SHOULDERING RESPONSIBILITIES: DIVISION OF LABOUR IN HEALTH POLICIES

EU policy on division of labour
EU policy on health: Coherence and coordination
Global financing for health: €1.5 billion needed from the European Commission
Capping health: IMF loan restrictions and implementation constraints
Division of labour in health in Cambodia
Division of labour in health in Uganda
Recommendations

Glossary
Acknowledgements
Bibliography
Annex 1: Country Strategy Papers
Annex 2: Evaluations
Endnotes
### Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Definition</th>
</tr>
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<tbody>
<tr>
<td>ACP</td>
<td>Africa, Caribbean and Pacific (African, Caribbean and Pacific)</td>
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<tr>
<td>CRS</td>
<td>Creditor Reporting System</td>
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<td>CSO</td>
<td>civil society organisation</td>
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<td>DAC</td>
<td>Development Assistance Committee</td>
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<td>DCI</td>
<td>Development Cooperation Instrument</td>
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<td>EEAS</td>
<td>European External Action Service</td>
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<td>EC</td>
<td>European Commission</td>
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<td>EDF</td>
<td>European Development Fund</td>
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<td>EEPA</td>
<td>Europe External Policy Advisors</td>
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<td>ENPI</td>
<td>European Neighbourhood and Partnership Instrument</td>
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<td>EU</td>
<td>European Union</td>
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<td>FAO</td>
<td>Food and Agriculture Organization</td>
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<td>FTI</td>
<td>Fast Track Initiative for Education</td>
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<tr>
<td>GDP</td>
<td>gross domestic product</td>
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<td>GNI</td>
<td>gross national income</td>
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<td>HSP</td>
<td>Health Strategic Plan</td>
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<td>HSSP</td>
<td>Health Sector Strategic Plan</td>
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<td>IFI</td>
<td>international financial institution</td>
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<td>IMF</td>
<td>International Monetary Fund</td>
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<td>MDG</td>
<td>Millennium Development Goal</td>
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<td>MVF</td>
<td>M Venkataramaiya Foundation</td>
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<tr>
<td>NGO</td>
<td>non-governmental organisation</td>
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<td>NSA</td>
<td>non-state actor</td>
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<td>ODA</td>
<td>Official Development Assistance</td>
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<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
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<td>PTR</td>
<td>pupil-teacher ratio</td>
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<td>UN</td>
<td>United Nations</td>
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<td>UNICEF</td>
<td>United Nations Children’s Fund</td>
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Ten years on, the United Nations MDG Summit in September 2010 will be another historic moment, providing an ‘MDG-prognosis’ based on what’s been achieved and what remains to be done. Accepting that progress has been made, a single figure casts a shadow over all of our efforts, assessments, reviews and reports: In a world of plenty, 1.4 billion people continue to live in extreme poverty. This shameful fact is a compelling call to action. It calls on us all to breathe new life into the Millennium Development Goals, to show ambition and to take action to ensure the goals are met and exceeded for every man, woman and child.

As the largest donor in the world, the European Union has a very particular role to play on the world stage and a very special responsibility to show leadership at the MDG Summit this September. The European Commission’s ‘twelve-point EU action plan’ is valuable, but it is in its implementation that Europe must be steely and sincere. The stakes are high.

Greater investment in basic health and education, greater focus on the Millennium Development Goals in Europe’s country programmes and more evidence of the impact of EU aid on progress towards these goals are necessary to inspire confidence in development policy. Annual ODA action plans are needed at the Member State level, while institutional arrangements in Brussels must respect the Lisbon Treaty and its obligation to ensure that poverty eradication is the primary objective. This objective must guide Europe’s engagement with developing countries at all times.

UN Secretary General Ban Ki-Moon put it well in his 2010 report ‘Keeping the promise: A forward-looking review to promote an agreed action agenda to achieve the Millennium Development Goals by 2015’: “Honouring commitments by the rich countries is a bulwark of global solidarity and a sine qua non for success in implementing the Millennium Development Goals in the low-income countries.” Europe can, and should, respond to the needs of those living in poverty across the developing world with genuine determination to deliver on its commitments.

Inspired by the Millennium Declaration and the MDGs, Alliance2015 partners came together in 2000. Ten years on, the Alliance cooperates in humanitarian emergencies and on long-term programmes dealing with hunger, HIV&AIDS and education in 27 countries across Africa, Asia and Latin America. This year’s 2015-Watch report, the sixth in the series, evaluates the strength of the EU’s legal framework, policies and practices as they relate to the achievement of the Millennium Development Goals. It recognises where progress has been made and recommends where further action is needed.

The Alliance believes that Europe can play a strong, sincere and honourable role in keeping the Millennium Development Goals alive and ensuring that they are met. The choices it makes now and during the UN MDG Summit in September are crucial to the direction of development cooperation. It is hoped that this report will serve to inform and inspire in the lead up to the MDG Summit. This will be the crucial moment for the European Union to keep the Goals alive.
Executive Summary

Millennium Development Goals and the European Union at a Crossroad

The Millennium Development Goals have contributed considerably to advancing the idea that the eradication of poverty is necessary, achievable, and an imperative for global stability and justice. The European Union has codified this understanding in the Lisbon Treaty. At the core of the European Union is enshrined the belief that the EU needs to contribute to the eradication of poverty globally.

At the international level, consensus has been growing that poverty is unacceptable as it denies individuals the right to dignity. In today’s humanistic world we believe that progress entails the wellbeing of all and that every individual has the right to live life with dignity and a sense of self-worth.

The Millennium Development Goals (MDGs) embrace two notions of what is essential to eradicate poverty. Firstly, they define the way out of poverty in terms of universal human rights: access to food, basic education, basic health care, clean water and a clean environment, and they insist on gender equality in all of these rights. Secondly, they define the achievement of the eradication of poverty as the joint responsibility of citizens, governments, and international institutions: it is a partnership and can only be achieved if everyone contributes.

In recent times, climate change and the financial, economic and food crises (the latter already almost forgotten) have overshadowed the Millennium Development Goals. However, the MDGs remain at the heart of their resolution: they map out a path to a world of equal opportunity for all, in which the rich do not get richer at the expense of the poor, a world that rejects the exclusion of people in poverty, and refuses to celebrate a reality in which only a few enjoy extreme wealth. The imperative that links all of these crises is the intolerability of inequality.

In 2010, the Millennium Development Goals are at a crossroad. It is in our response to these crises (climate, financial, economic and food) that their fundamental meaning is being tested, as well as the sincerity of the international community in carrying the values they contain to the centre of politics.

In 2010, the European Union also finds itself at a crossroad. In a rapidly changing world it can either seek to compete in a race towards greater inequality, or it can participate with conviction in shaping a world in which there is a place for everyone.

The Millennium Development Goals make all of us individually responsible for making this choice, and for acting upon it, wherever we find ourselves.

The resources disbursed by the European Commission for development cooperation have continued to increase, from US$ 11.2 billion in 2005 to US$ 15.4 billion in 2009. However, allocations by the European Commission to the MDG sectors of hunger, basic health and education, environment and gender equality, have decreased dramatically. In relation to food, allocations have decreased from 4% of total funding in 2005 to 1.5% in 2008. General environmental protection has decreased from just over 2.3% of European Commission funding in 2005 to just under 2.3% in 2008; basic health has gone down from 4.7% in 2005 to 1.3% in 2008; basic education from 4.7% in 2005 to 1.1% in 2008; and the marker for activities promoting gender equality shows a reduction from 2.5% in 2005 to 1% in 2008.

The financing gap for education, calculated by the Fast Track Initiative for Education and reported by the Education for All Global Monitoring Report, is US$ 11 million. For the European Commission to contribute its share to help close the gap it would need to allocate US$ 1.2 billion annually to education. In an EU Council note, the financing gap for health was identified as €13.4 billion annually; hence, the European Commission, which provides 11% of all global Official Development Assistance (ODA), should aim to contribute €1.5 billion annually to health.

The target to allocate 20% of aid to basic health and education, which the European Commission agreed to implement in Asia and Latin America, has been achieved. However, allocations to basic health and education in Sub-Saharan Africa have decreased from 8% in 2005 to 1.5% of total EC aid allocations in 2008.

Sub-Saharan Africa faces the greatest challenges in terms of health workers: while the continent has 11% of the world’s population, it has only 3% of the world’s health workers.
There is massive underfunding for education in Sub-Saharan Africa: it is home to 15% of the world’s 5 to 25 year-olds, but only 2% of global public spending is actually directed to this region for education.7

In Sub-Saharan Africa, the European Commission has increased General Budget Support. In a recent article published by the Lancet, it was concluded that several constraints are preventing health budgets in partner countries from increasing. Budgets for health remain low due to the responses of finance ministries in partner countries to loan requirements set by international financial institutions (IFIs) like the International Monetary Fund (IMF).8 From the case studies undertaken for 2015-Watch, it appears that IMF loan requirements also affect education budgets. Meanwhile, the IMF itself has published a study concluding that countries that had greater social protection were more resilient to the global financial crisis. This provides new evidence of the need for macroeconomic financial and monetary strategies that allow national governments to implement countercyclical measures and promote social protection. All findings point to the need to seriously address capacity constraints on implementation in partner countries.9

Indeed, the analysis of European Commission country programmes shows that education is addressed least in Africa. Only 15% of the 116 European Commission country programmes assessed for this study include hunger as a focal or non-focal sector. Education is included in 24% of country programmes as a focal or non-focal sector and health in 31% of country programmes. Poverty is featured in only 49% of country programmes.10 Less than half of the Commission’s evaluation reports record a positive impact on poverty eradication, and only 2 out of 13 indicate a positive impact on gender equality.

The European Commission has consistently pointed to the need for more division of labour to be more effective in development cooperation. Division of labour can bring increased expertise to enhance the funding and capacity of ministries in key social areas in partner countries.

Alliance2015 finds that its work (and the work of other civil society organisations) on the ground and in the periphery with people living in poverty is indispensable, and often the only way to reach people with a way out of poverty. It also provides important information on where and how government policies in specific sectors can be improved to benefit people in marginalised situations.

Alliance2015 was formed 10 years ago to improve the effectiveness of its members in emergencies and long-term development work. The role of civil society differs from that of institutional donors and governments, and its contribution to fighting poverty in marginalised communities is significant. Alliance2015 is committed to developing its work further, in partnership with civil society actors, institutionalised donors and governments.

The European Commission has rhetorically called for a results-oriented approach. But, the Commission, as well as every other major bilateral and multilateral donor, has great difficulty in putting together information on results. It is urgent that this happens; the European Commission is in a position to give leadership in the development of a credible inventory of results. Such proof of results is essential to maintain public support for aid.

The UN General Assembly high-level plenary meeting on the review of the implementation of the Millennium Development Goals (MDG Summit) is happening in September 2010. This is an excellent opportunity for the EU to strengthen the global framework for the eradication of poverty. In the lead up to the MDG Summit, Alliance2015 calls on the European Union to:

Provide leadership in the run up to the UN General Assembly high-level plenary meeting on the Millennium Development Goals (MDG Summit) by taking the following measures:

1. Propose to the MDG Summit that an adequate response to the international crises (climate, financial, economic and food) be made with the introduction of concrete and binding annual targets in order to reach a minimum of 0.7% ODA/GNI by 2015.
2. Reconfirm at the MDG Summit the EU’s duty and commitment to implement the Millennium Declaration and the 2015 MDG targets, and propose that additional time-bound commitments are agreed that go beyond halving poverty and work towards the complete eradication of poverty and hunger.

Lead by example and by conviction, and consolidate the progress made towards the implementation of the Millennium Development Goals through European Union development cooperation by taking the following measures:

3. Commit to the implementation of the target of 20% allocation of all ODA to basic health and education across all regions.
4. Target gender equality and reproductive health through financial allocations that address specific problems and obstacles in this regard in specific partner countries, and identify gender equality as a potential focal area in the revision of country programmes.

Prioritise evidence of results on the achievement of the Millennium Development Goals as a key challenge for the European Union in the coming years:

5. Develop a mechanism to document action taken to ensure coherence between development policies and trade, migration, environment, monetary, and security policies to ensure that the overarching goal is to eradicate poverty, and publish the results of such action.
6. Publish the financing agreements for budget support programmes as they contain detailed indicators and measures of results agreed with partner countries; implement a country evaluation of General Budget Support programmes before extending or renewing the contract period; and identify concrete measures to ensure that General Budget Support programmes contribute to closing the financing gaps for social sectors in developing countries and that they strengthen the ability of national mechanisms in these sectors to implement quality policies in social sectors.

Make a special effort to reach out directly to people living in poverty:

7. Ensure that lending and aid conditions and discussions are based on macroeconomic financial and monetary strategies that allow national governments to implement countercyclical measures and promote social protection.

8. Ensure that the International Monetary Fund’s conditions on loans are consistent with the pupil-teacher ratio of 40:1 recommended by the World Bank in its Fast Track Initiative for Education, and ensure that education policies focus on achieving quality education in the periphery, strengthen local authorities, build strong parent associations, create space for local communities and non-governmental organisations to identify problems and ways to supplement government policies, and remove implementation constraints towards achieving universal education.

Ensure that binding agreements are in place that determine the European Commission and Member States’ respective contributions to basic health and education as the basis for division of labour and aid predictability:

9. Ensure that the European Commission and Member States agree to country-based measures to advance ownership, coordination, harmonisation, complementarity, alignment and division of labour to ensure the predictability of aid for the achievement of the Millennium Development Goals.

10. Ensure that the European Commission and Member States, together with other OECD donors, international financial institutions and partner countries, agree to binding targets to close the financing gap in achieving the Millennium Development Goals; the MDG Summit should give clear guidance in this regard.

Note: Throughout the report, all recommendations retain the above numbering.
CHAPTER 1

MEETING THE MDGS: 2015 AND BEYOND

The Millennium Development Goals express the commitment of the international community to the eradication of poverty. They are a time-bound specification of national and international obligations under the various human rights treaties. In 2009, the principal goal to eradicate poverty was codified into basic European law in the Lisbon Treaty. The Lisbon Treaty binds the European Union and its Member States to the implementation of this objective. In September 2010, progress towards the Millennium Development Goals will be assessed by the UN General Assembly high-level plenary meeting on the review of the implementation of the MDGs (MDG Summit). This chapter investigates how to accelerate progress towards the Millennium Development Goals and move beyond halving poverty towards its total eradication.

EVERY PERSON COUNTS

Meet Nisha, a girl from Varanasi, India. Her father left her at a young age. She has three younger brothers and sisters whom she looks after. Her mother works long days as a maid. Nisha also worked as a maid from a very young age. She used to rise early in the morning to walk to the first house, work, then walk to the other side of town to the next house, and then to the third. She did this every day. She always felt tired. Her dreams were about being able to play.

One day, she decided enough was enough. She went to the local community organiser and said that she wanted to learn to read and write. She stated that she knew she had the right to go to school. She was 15 years old and determined.

Today she is 29. She has finished primary school, secondary school and will soon obtain her masters in social science. She is living in Hyderabad and earns a reasonable student salary as a salesperson in a perfume shop, from which she still supports her family. She has difficulty covering expenses for basic food and her food intake is still insufficiently varied.

From the shed where she once lived in the middle of poisonous rubble, she now has a room in a hostel. She dreams of managing a hostel one day, to give girls like her a chance to change their lives. Nisha changed her own destiny. She was lucky to find a local organiser who believed in her and who helped her tackle the tremendous obstacles to obtain her entitlements in life.

This story emphasises that every person counts. ‘Almost’ reaching the Millennium Development Goals is not enough. The goals must be met and exceeded. We must work towards the complete eradication of poverty. But how do we reach the poorest and most vulnerable?

Source: © UNDP Brazil
Those who are working closely with people living in poverty are the key to reaching out. When looking at the statistics, it is easy to forget that one person meeting another person face-to-face is often how the path out of poverty begins.

**Clarifying objectives**

The significance of the Millennium Development Goals is that every person counts and can be counted. We need to know what has already been achieved, and what remains to be done. The MDG targets are so specific they allow us to look at the areas where impact is inadequate; they are a tool for making governments and the international community accountable.

However, there is room for improvement. Chatterjee and Kumar (2009) argue that distributional effects and aggravating factors (such as gender, ethnicity and living in a rural area) should be taken into account, and that a sufficiently enabling environment must be put in place.13

The Millennium Development Goals point us towards an understanding of poverty and its multi-dimensional character, and link the duty to help overcome poverty to the core human rights: food, health including reproductive health, education, gender equality, a healthy environment, and the right not to be poor. Of all the questions that will be raised in preparation for the MDG Summit, an essential one is this: How do we achieve MDG 1 and move beyond it towards the eradication of poverty for all?

**Focus on poverty and broadening of instruments**

The Millennium Development Goals provide a framework of objectives for international cooperation. Prior to the Millennium Development Goals, the goals of development cooperation could be interpreted in a variety of ways; now, there is a clear framework by which to measure results. Whether or not EU development aid policies are advancing the principal goal of the Millennium Development Goals, the eradication of poverty, has been the subject of debate in the past year.

In ‘The Bottom Billion’, Oxford academic Paul Collier states that the key to greater effectiveness is to focus on people living in poverty. Collier asserts that the lack of such focus has resulted in limited progress. In his opinion, aid focuses too much on those who are not the poorest and the five billion who constitute the poorest tend not to benefit from aid efforts. He argues that aid would benefit from a narrowing of targets and a broadening of instruments.14

The impact of different instruments on poverty is also raised by Bussolo and Medvedev (2007), who observe that:

*The choice of financing mechanisms for the MDG strategies has important consequences for the macroeconomic variables: foreign aid financing is likely to result in losses in international competitiveness and reduced export growth, while domestic financing is likely to crowd out private investment and slow the progress on poverty reduction.*15

They also point out that achieving the Millennium Development Goals for all, including people living in poverty, who are hardest to reach, is costly and difficult to achieve.16

The broadening of instruments should include direct support for community workers who are working with communities living in poverty. Literature on the effectiveness of development actions does not sufficiently address the need to organise and empower people living in poverty, build their capacity, improve their access to services such as health care and education, and build their confidence to demand their rights. These activities are at the centre of interventions by non-governmental organisations (NGOs) and directly target the core business of the Millennium Development Goals.

**The enabling environment**

The international community first explicitly adopted the objective to eradicate poverty in 1995 at the UN Summit for Social Development and the Beijing Conference on Women. The objective was agreed within a package that emphasised the need for an enabling environment: economic, financial and in terms of governance. This was sparked by a leaked memo by the then chief economist of the World Bank, Larry Summers, in 1991, just prior to the Earth Summit in Rio de Janeiro, which provided the economic rationale for sending environmental problems to the poorest countries. Referring to least developed countries, he argued:

*The economic logic behind dumping a load of toxic waste in the lowest wage countries is impeccable and we should face up to it.*17

The Brazilian Secretary of Environment replied in a letter in February 1992 that:

*Your reasoning is perfectly logical but totally insane. It underlines […] the absurdity of much of what goes on in ‘economic thinking’.*18

Rich (1994) concludes that the memo unintentionally demonstrated the urgency of creating a space for social concerns to define the parameters of international, national and local institutions.19

The significance of this reflection is as relevant today as it was in 1995. The global financial crisis has raised concern that those who provoked the crisis are now benefitting from it: picking up the devalued economic units to restart the next round of unrestricted growth to benefit the few, and with people living in poverty paying the price through lost jobs and reduced livelihoods.
Development policy is a key part of the Europe 2020 vision presented by European Commission President Barroso. In particular, as we look ahead to a “global Europe”, it is in times of development challenges that the EU can become a champion of global governance — challenges which include world economic recovery, climate change, migration, food security and making progress towards the Millennium Development Goals.
The food crisis has demonstrated the vulnerability of people with fragile livelihoods, who have no protection from the vagaries of international food markets. The food crisis, the global financial crisis and the ensuing economic recession illustrate the inter-linkages between the key components of the enabling environment, which particularly affect developing countries now fully integrated into the world economy through globalisation.

The eradication of poverty requires an enabling environment. A major priority for the aid effectiveness agenda should be to ensure that the environment for development is consistent with the goals of international aid efforts. The current crises (financial, economic and food), overlaid by climate change, are an impediment to the achievement of the Millennium Development Goals, and must be taken into account as part of establishing an enabling environment. MDG 8, which expresses the need for increased partnership for development, has been neglected and should be reviewed to reflect the fact that these crises hinder the achievement of the MDGs.

**Millennium Development Goal 8**

EU preparation for the 2010 MDG Summit has focused on the implementation of MDGs 1 to 7; the EU has not reported on MDG 8, ignoring the importance of an enabling environment, and its duty to create such an environment, for the achievement of the MDGs.

Historically, the international community has not been forthcoming with MDG 8. In the late 1990s, when the Organisation for Economic Co-operation and Development (OECD), in cooperation with the International Monetary Fund (IMF) and the World Bank, proposed the International Development Goals, there was no MDG 8. The concept of the enabling environment was overlooked, together with the notion of the responsibility of the international community to contribute to universal development and core human rights standards. In the 1996 OECD document, ‘Shaping the 21st Century: The Contribution of Development Cooperation’, the enabling environment was reduced to one sentence on external partner responsibilities: “contribute to international trade and investment systems in ways that permit full opportunities to developing countries”.

Subsequently, in the document ‘A Better World for All’, signed by the OECD, World Bank and IMF, seven goals were presented – none of which referred to the duty to help developing countries or create an enabling environment for development cooperation.

Non-governmental organisations were outraged. They argued that these goals were formulated unilaterally by multilateral donor groups without input from developing countries. They also contested that these initial goals, intentionally or not, ignored the importance of an enabling environment for the achievement of the Millennium Development Goals. This resulted in a standoff at the Millennium Summit, which led to the addition of MDG 8, announced by the then UN Secretary General, Kofi Anan, who admitted: *In fact, if I have one regret in retrospect it is that we did not make a stronger and more explicit case for the necessary contributions by the entire international community to meeting these targets and objectives.*

The Millennium Declaration subsequently explicitly referred to the need for policy coherence and better cooperation between the UN, international financial institutions (IFIs) and the World Trade Organization towards a coordinated approach to the problems of development.

Today, MDG 8 reflects two notions that are central to the Millennium Development Goals, encompassed in the duty of donors to:

1. Define and support an enabling economic and political environment; and
2. Take responsibility for the implementation of the MDGs through their aid policies and all other policies affecting developing countries.

In view of the history of MDG 8, and mindful of the financial and economic challenges in today’s globalised environment, as well as those presented by the environment and climate change, there is an urgency for the 2010 review to identify how MDG 8 can be strengthened to more directly reflect the duties of the international community, in general, and the EU, in particular.

The legality of MDG 8 is based on the international human rights framework and the notion that the international community has an obligation to support the development efforts of developing countries with a view to helping the most vulnerable to enjoy their basic rights.

**The Declaration on the Right to Development (1986) Assumes That States Have Obligations and Duties To:**

1. Formulate national development policies for the improvement of the wellbeing of the entire population and of all individuals, on the basis of their active, free and meaningful participation in development and in the fair distribution of the benefits resulting thereof;
2. Take primary responsibility for the creation of national and international conditions favourable to the realisation of the right to development;
3. Cooperate in ensuring development and eliminating obstacles to development; and
4. Formulate, individually and collectively, international development policies to facilitate the full realisation of the right to development.
MDG 8 is codified in the Lisbon Treaty, both in terms of the weight given to poverty eradication in development cooperation and in the provision that EU policies that impact on developing countries must take the objective of poverty eradication into account. MDG 8 is central to the EU's policy towards 2020 and the European Commission (EC) gives a central place to the Millennium Development Goals.

2015-Watch: Focusing on results in 2010 and beyond

This edition of 2015-Watch focuses on results towards achieving the Millennium Development Goals in 2010, and beyond. In particular, the key issues of hunger, education and health are addressed.

Chapter II looks at the performance of the EU in implementing MDG 8. It looks at the extent to which the European Commission has integrated the MDG targets into its development policy by examining the four stages that make up the European policy process: (i) the legal and financial framework; (ii) budget allocation; (iii) programming and implementation; and (iv) evaluation and impact.

Chapter III looks at the results of the EU's global effort to achieve the Millennium Development Goals, with a focus on hunger. Three questions are examined: Are there positive results? Are they measured and recorded? Are they communicated?

Chapter IV looks at education and ways of reaching people in poverty. Does the European Commission need to broaden its instruments to reach those hardest to reach? The effectiveness of General Budget Support as an instrument for aid delivery is examined. The enabling environment is looked at as a crucial part of making aid effective. Chapter IV also looks at the role of civil society organisations (CSOs) in reaching people in poverty and how the EU supports CSOs in this task.

Chapter V looks at health care and how successful the European Commission’s policy to encourage division of labour has been in the health sector. The key concern addressed here is: How is the EU closing the funding gap in basic health care for people in poverty and how does the division of labour help in closing this gap?

Recommendations

Provide leadership in the run up to the UN General Assembly high-level plenary meeting on the Millennium Development Goals (MDG Summit) by taking the following measures:

1. Propose to the MDG Summit that an adequate response to the international crises (climate, financial, economic and food) be made with the introduction of concrete and binding annual targets in order to reach a minimum of 0.7% of ODA/GNI by 2015.
2. Reconfirm at the MDG Summit the EU’s duty and commitment to implement the Millennium Declaration and the 2015 MDG targets, and propose that additional time-bound commitments are agreed that go beyond halving poverty and work towards the complete eradication of poverty and hunger.
One could say that truly development focused co-operation is only [ten] years old and that we have to repeat common principles so frequently because there is, both on the recipient and donor-side, still a large gap between policies and practices.

Koos Richelle, Director General EuropeAid

Union development cooperation policy shall have as its primary objective the reduction and, in the long term, the eradication of poverty.

Lisbon Treaty, adopted in 2009
Chapter II

Ten Years of MDGs: Is the EU Measuring Up?

The objective of 2015-Watch and Alliance2015 is to assess how well European Union development policy is oriented towards the eradication of poverty. Despite all our efforts, over 1.4 billion people continue to live in extreme poverty, an increase of 36 million between 1990 and 2005.27 Chapter II takes a retrospective look at the EU’s performance over the past 10 years, through an analysis of past 2015-Watch reports. This chapter also looks at the EU’s performance in terms of aid orientation towards the achievement of the Millennium Development Goals in 2010.

2015-Watch: Tracking the progress of the EU

2015-Watch has systematically monitored EU policy towards the Millennium Development Goals over the last ten years, showing steady progress. The EU has an increasingly positive and evolving legal framework that codifies the Millennium Declaration and the Millennium Development Goals, creating a rights-based framework for poverty eradication. The challenge has been to translate this legal framework into a convincing picture of results. 2015-Watch found that there is a lack of evidence of results (although the results may be there), and that the gap between the legal framework and evidence of results needs to be closed.

The 2015-Watch methodology enables analysis of the policy process of aid donors by looking in detail at their performance in the four phases of the policy-setting process (as set out in Graphs 2.1 to 2.4 from 2015-Watch report for 2008).28

Graph 2.1
Alignment of EC legal basis and policy with MDGs (2003–2006 data)

Graph 2.2
Focus of EC budget allocations on MDGs (2003–2006)

Graph 2.3
Alignment of EC programming and implementation with MDGs (2003–2006)

Graph 2.4
Evaluation and impact of EC country Aid programmes on MDGs (2003–2006)
The legal and financial framework identifies the extent to which the EU’s policy framework is geared towards meeting the Millennium Development Goals, in terms of binding and non-binding policy commitments, as well as overall financial allocations assigned and their predictability.

Budget allocation provides an analysis of what sectors are prioritised by aid budgets and analyses whether or not these allocations appear relevant to the achievement of the targets set by the Millennium Development Goals.

The analysis of programming and implementation looks at priorities in the country programmes and identifies whether or not the MDG targets are guiding these priorities. The choice of programmes and sectors for budget allocation is examined in terms of commitment to the Millennium Development Goals.

The analysis of evaluation and impact – or results – identifies the success or failure of the country programmes in targeting the Millennium Development Goals.

2015-Watch: Systematically Measuring EU Performance

This section presents a summary of EU performance over the last 10 years, as measured by the 2015-Watch report series.

2004: The EU’s contribution to the Millennium Development Goals, special focus: HIV&AIDS

In 2004, EU policy was only just beginning to be directed towards the achievement of the Millennium Development Goals. While the EU’s leadership in the 2005 UN review process on the implementation of the Millennium Development Goals was commendable, this year’s report found a large gap between policy and implementation. The EU performed badly in terms of real spending on all MDG sectors, matching the very low priority given to MDG sectors in country programmes. In terms of progress, evaluations were not framed to report results on the achievement of MDG priorities.

2005: The Millennium Development Goals: A comparative performance of six EU Member States and the EC aid programme

In 2005, 2015-Watch compared European Commission development cooperation with a number of the Member States. Progress was made with the EU setting a timetable for jointly achieving the goal of 0.7% of GNI for development cooperation, and Member States agreed to raise ODA levels to 0.56% of GNI by 2010.

2006: The EU’s contribution to the Millennium Development Goals – Special focus: Education

In 2006, 2015-Watch found that the policy process was weak; there was low budget allocation to (basic) education and a lack of attention to programming for education at the country level. In addition to General Budget Support, the report recommended that the European Commission implement the target of 20% for basic health and basic education set by the European Parliament for development cooperation budgets.

2007: The EU’s contribution to the Millennium Development Goals – Halfway to 2015: Mid-term Review

By 2007, the European Commission had further strengthened its policy framework for development aid. However, programming and implementation still lagged behind, with no priority given to education or health in the country programmes for 2007 to 2013 for African, Caribbean and Pacific countries.

2008: Poverty eradication: From rhetoric to results?

In 2008, the European Commission aimed to channel 50% of its development funds into General and Sector Budget Support. 2015-Watch called on the European Commission to increase its focus on results. The report argued that democratic scrutiny at the EU level needs to be embedded in decision-making processes around development aid. The European Parliament should have broader scope for democratic scrutiny, which should include scrutiny of aid to African countries.

EU performance in 2010

What progress has been made by the EU in ensuring a positive policy orientation towards the Millennium Development Goals in 2010? Using the 2015-Watch methodology, this section examines the four phases of the EU policy process to answer this question.

Legal and financial framework: Trends in relation to 0.7% target are cause for serious concern

The year 2009 constituted a new era for EU development co-operation with the Lisbon Treaty containing important advances. In addition to making poverty eradication a binding objective and its provisions regarding consistency, the Lisbon Treaty enabled the establishment of a new structure called the European External Action Service (EEAS). The objective of the EEAS is to bring more coherence and consistency to EU foreign, development and trade policy.

In 2005, to increase efforts towards achieving the Millennium Development Goals, the European Union committed to achieving 0.56% ODA/GNI by 2010, to rise to 0.7% ODA/GNI by 2015. However, after the global financial crisis, EU Member States seriously cut back on commitments to volumes of aid, as well as to aid predictability under the aid effectiveness agenda.

While some Member States have managed to maintain (or even increase) aid amounts (UK and Belgium), several countries are not on track to achieve their targets, and some have even decreased amounts (Estonia, Latvia and Greece). Among the top perform-
ers in 2009 were Denmark and Sweden, who spent 0.88% and 1.12% of GNI respectively. Belgium is on track to reach the target of 0.7% of GNI in 2010. However, Germany and Italy, two major European economies, cut aid to 0.35% and 0.16% of GNI respectively (Graph 2.1). Germany will fail to reach its target of 0.51% of ODA/GNI in 2010. Ireland has also recently pulled back from achieving 0.7% ODA/GNI by 2012 and adjusted its deadline to 2015. Italy made severe cuts to ODA in 2009 and 2010, and it appears that ODA will be only 0.11% of GNI by 2011.

Nevertheless, the EU and its Member States have promised to increase levels of aid disbursement, and the EU is set to continue shouldering the largest part of the global scaling up of aid.

Unfortunately, trends suggest that total ODA and social sector spending in several Member States will decrease in coming years, or at least stagnate at current levels. Since 2000, there has been a steady increase in aid commitments and disbursements by the European Commission. Output has increased substantially in terms of volume, which increased from €7.5 billion in 2005 to €12 billion in 2008, and, in 2009, to US$ 15.4 billion (approximately €12.5 billion).

**EU budget allocation: Falling commitments to hunger, health and education**

The European Commission committed to allocating 20% of ODA to basic health and education (together) from 2004, and promised the implementation of this target by 2009 for countries under the Development Cooperation Instrument (Asia and Latin America).

This was achieved for Asia and Latin America, clearly showing the 20% target to be a good tool for increasing allocations to these areas. On the other hand allocations to basic health and education in Sub-Saharan Africa have dropped from 8% of total EC aid allocations in 2005 to 1.5% in 2008 (Table 2.2).

Overall monetary and percentage commitments to basic health and education have been falling steadily over the last few years. This has resulted in a total of only 5.7% of all aid managed by the European Commission being allocated to basic health and education in 2008, which is a decrease from 11% in 2005 (Table 2.3).

Allocations to the crucial MDG sectors – hunger, basic health and education, environment and gender equality – have also gone

---

### Table 2.1: Volume of ODA managed by the European Commission 2005–2008

<table>
<thead>
<tr>
<th>Year</th>
<th>From OECD CRS (constant 2008 US$ millions) – Commitment</th>
<th>From OECD CRS (constant 2008 US$ millions) – Disbursement</th>
<th>From EC Annual Reports (million €)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>14,054.20</td>
<td>11,167.00</td>
<td>7,500.00</td>
</tr>
<tr>
<td>2006</td>
<td>15,064.60</td>
<td>12,178.10</td>
<td>8,100.00</td>
</tr>
<tr>
<td>2007</td>
<td>14,401.90</td>
<td>12,348.20</td>
<td>8,500.00</td>
</tr>
<tr>
<td>2008</td>
<td>19,470.70</td>
<td>14,786.10</td>
<td>12,000.00</td>
</tr>
<tr>
<td>2009</td>
<td>-</td>
<td>15,412.00*</td>
<td>-</td>
</tr>
</tbody>
</table>

Note: OECD CRS = Organisation for Economic Co-operation and Development Creditor Reporting System; EC = European Commission; ODA = Official Development Assistance
* From OECD Press release 14 April 2010
Country programmes identify problems that need to be addressed as well as the priorities that the European Commission and partner countries choose to address in a particular country, as specified in National/Regional Indicative Programmes. Out of the 116 country programmes examined for this report, only 15% included hunger as a focal or non-focal sector. Education is included in 24% of country programmes as a focal or non-focal sector and health in 31% of country programmes. Poverty is featured the most, in 49% of country programmes (Table 2.5).

The breakdown between the four regions is given in Table 2.5.

### Table 2.2: European Commission commitments to basic health and education as a percentage of ODA for DCI region (Asia and Latin America), Sub-Saharan Africa and of total ODA

<table>
<thead>
<tr>
<th>Region</th>
<th>Basic health and education as % of ODA</th>
</tr>
</thead>
<tbody>
<tr>
<td>DCI (Asia and Latin America)</td>
<td>25.7% 14% 21.3% 24.9%</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>8% 4% 3.7% 1.5%</td>
</tr>
<tr>
<td>Total ODA allocated to basic health and education</td>
<td>11% 7.4% 8.3% 5.7%</td>
</tr>
</tbody>
</table>

Note: EC = European Commission; ODA = Official Development Assistance; DCI = Development Cooperation Instrument

### Table 2.3: European Commission commitments to MDG sectors as a percentage of total ODA

<table>
<thead>
<tr>
<th>MDG sector</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development food aid/food security assistance</td>
<td>4%</td>
<td>3.2%</td>
<td>2.2%</td>
<td>1.5%</td>
</tr>
<tr>
<td>Basic health</td>
<td>4.7%</td>
<td>2.7%</td>
<td>2.6%</td>
<td>1.3%</td>
</tr>
<tr>
<td>Basic education</td>
<td>2.7%</td>
<td>1.6%</td>
<td>0.8%</td>
<td>1.1%</td>
</tr>
<tr>
<td>Basic health and education*</td>
<td>11.1%</td>
<td>7.4%</td>
<td>8.3%</td>
<td>5.7%</td>
</tr>
<tr>
<td>General environmental protection</td>
<td>2.3%</td>
<td>1.9%</td>
<td>2.7%</td>
<td>2.3%</td>
</tr>
</tbody>
</table>

Note: EC = European Commission; ODA = Official Development Assistance
*Basic health and education is the cumulative of basic health and all education (not restricted to basic education)

### Table 2.4: European Commission commitments to gender and environment as a policy objective as a percentage of total ODA

<table>
<thead>
<tr>
<th>Policy objective</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>2.5%</td>
<td>2.1%</td>
<td>2.2%</td>
<td>1.0%</td>
</tr>
<tr>
<td>Environment</td>
<td>11.3%</td>
<td>4.0%</td>
<td>3.6%</td>
<td>3.9%</td>
</tr>
<tr>
<td>Gender and environment*</td>
<td>3.8%</td>
<td>2.5%</td>
<td>0.6%</td>
<td>0.3%</td>
</tr>
</tbody>
</table>

Note: ODA = Official Development Assistance
* ‘Gender and environment’ is a separate policy objective (not the addition of ‘gender’ and ‘environment’).

With regards to gender, the marker that establishes activities promoting gender equality also shows a reduction from 2.5% in 2005 to 1% in 2008 (Table 2.4). The data on policy objectives involves aid activities that target specific policy objectives and are collected using specific policy objective markers. The EC’s commitment to gender and environment as a policy objective has also dropped significantly (Table 2.4).

### Programming and implementation: Country programmes not sufficiently aligned with MDGs

Country programmes identify problems that need to be addressed as well as the priorities that the European Commission and partner countries choose to address in a particular country, as specified in National/Regional Indicative Programmes. Out of the 116 country programmes examined for this report, only 15% included hunger as a focal or non-focal sector. Education is included in 24% of country programmes as a focal or non-focal sector and health in 31% of country programmes. Poverty is featured the most, in 49% of country programmes (Table 2.5). The breakdown between the four regions is given in Table 2.5.

### Evaluation: Impact of EU aid not sufficiently measured

The European Commission carries out three types of evaluations: (i) geographical evaluations (both country and regional), (ii) sectoral/thematic evaluations, and (iii) evaluations of instruments or channels for aid delivery.
The European Commission aims to geographically evaluate 12 countries and regions each year from 2008 to 2013, with each evaluation taking around 2 years from inception to completion and be released. While the rate of geographical (country and regional) evaluations is increasing, it shows great fluctuation: from 5 per year in 2003, to a high of 16 in 2006, to a low of 3 in 2008, and is scheduled for 9 in 2013. The average evaluation rate from 2003 to 2007 was 8.2 per year, increasing to 9.8 per year from 2008 to 2013 (Table 2.6). As for thematic and sectoral evaluations, the European Commission launched four evaluations in 2009. Four evaluations are planned for 2010, five for 2011 and 2012, and six for 2013, all in different sectors. The different instruments and channels for aid delivery are the least evaluated. One evaluation is scheduled per year. This low rate is still an improvement on the 2002 to 2006 rate, in which only two financial modalities were examined.

In terms of country and regional evaluations, the European Commission focuses more on evaluating MDG sectors such as poverty, hunger and health in later evaluations, than it did in earlier ones. The results, as measured by evaluations, still leave room for improvement. The number of evaluations has slightly increased and the impact registered also shows a little improvement. However, it is remarkable that more than half of the evaluations do not record any positive impact on poverty.

On a mainstreaming issue such as gender, the positive impact recorded shows an extremely poor result (2 evaluations out of 13) for the period 2008 to 2009. In an important 2009 Communication from the European Commission, the need to address these poor results was acknowledged; the communication places “Gender Equality and Women’s Empowerment firmly in an EU context and is intended to send the strongest possible signal regarding the importance of Gender Equality in all future EU development cooperation efforts.” The communication states that, alongside the integration of measures to promote gender equality in General Budget Support programmes, specific actions to promote gender equality should be supported. Recent communication documents by the European Commission on food, health and education, prepared in advance of the 2010 MDG Summit, send equally strong signals about the importance the European Commission attaches to promoting adequate policies in these sectors to produce adequate and concrete results.

The results reported in evaluations reflect the emphasis placed on these sectors in country programmes. The assumption that prioritisation in programming predicts results in evaluations seems justified. Equally, financial targeting seems to correlate with results found in evaluations. Gender equality is hardly given any specific financial allocation and the evaluations record very poor results in this sector. In contrast, the European Commission followed through on its promise to implement the target of 20% allocation to basic health and education in the countries of Asia and Latin America, and evaluations show positive results for these countries; but for the countries in Africa, where support for basic health and education is most needed, the European Commission has refused to implement this target, resulting in poor results for these sectors in Africa. This suggests a link between financial targets, focus areas in country programmes and results.

### Table 2.7: Number and rate of thematic and sectoral evaluations

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of thematic and sectoral evaluations</th>
<th>Rate of evaluations/year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007–2009</td>
<td>12</td>
<td>4</td>
</tr>
<tr>
<td>2010–2013</td>
<td>20</td>
<td>5</td>
</tr>
</tbody>
</table>

### Table 2.8: Positive impacts recorded for MDG sectors in country and regional evaluations published between 2003–2007 and 2008–2009

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Poverty</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>Basic education</td>
<td>8</td>
<td>3</td>
</tr>
<tr>
<td>Basic and reproductive health</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>HIV&amp;AIDS</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Gender</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Food security</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

**Recommendations**

Lead by example and by conviction, and consolidate the progress made towards the implementation of the Millennium Development Goals through European Union development cooperation by taking the following measures:

3. Commit to the implementation of the target of 20% allocation of all ODA to basic health and education across all regions.

4. Target gender equality and reproductive health through financial allocations that address specific problems and obstacles in this regard in specific partner countries, and identify gender equality as a potential focal area in the revision of country programmes.
Development aid is not dead and should not be dead. But in order for it to be convincing on its relevance the focus should shift from input (how much do we give) and throughput (is our money properly audited) to results (what was done with our money), not just in terms of output (how many kilometers of road), but also in terms of impact over time (contribution of infrastructure to trade).

Unfortunately no donor in the world can produce this kind of information in a reliable way by pushing a button in his information system.

Koos Richelle, Director General, EuropeAid

Demonstrating Results: Hunger and Poverty in 2010

What makes the Millennium Development Goals attractive is their explicit aim to eradicate poverty and their concrete targets. ‘Results’ is the magic behind the Millennium Development Goals: Results in the sense that poverty eradication is not just an ideal, but attainable. The Millennium Development Goals set a transparent agenda for development assistance. Public support for development is high. Despite the global financial crisis, the Eurobarometer 2009 reported that a massive 72% of Europeans are in favour of honouring or going beyond existing aid commitments to the developing world. The ability of the EU to demonstrate results is crucial to the continuation of this support. Commissioner Piebalgs has vowed to improve this.
This chapter looks at whether or not there are positive results from the EU’s contribution to achieving the MDGs, with a focus on hunger. It also examines how results are measured by the European Union and communicated to the public, who are entitled to be informed about the results of aid.

**Looking for results: MDG indicators for hunger and poverty**

In 2010, 1 billion people will go to bed hungry. This is a 100 million more people than the year before. The European Commission’s response to this is a €1 billion ‘Food Facility’. According to the UN Food and Agriculture Organization (FAO), the economic crisis is to blame for pushing more people into chronic hunger and poverty. FAO estimates that the global population will reach 9 billion by 2050 and the demand for food will grow by 70%.

Rates of undernourished people also increased after the food crisis, negatively affecting progress made on hunger in the earlier part of the 21st Century. A decrease in international food prices in the latter half of 2008 did not translate into lower prices in local markets, and access to affordable food did not improve. The UN Millennium Development Goals Report 2009 observes that the impact of growth on poverty has not been as substantial as expected, due to rising inequality in most developing countries. In addition, economic growth has not translated into increased employment, especially in Sub-Saharan Africa. It would seem that the current economic and financial model is not conducive to poverty eradication.

In a text adopted by the European Council on 18 June 2008, the EU commits to “play a substantial role in helping to bridge part of the financing gap by 2010 in the areas of agriculture, food security and rural development”. Food related financial ODA allocations by the European Commission decreased up to 2008, but are likely to increase with the implementation of the €1 billion Food Facility in 2009 and 2010. Graph 3.1 compares total ODA for Development Food Aid and Food Security Assistance with expenditure in these areas by the European Commission, showing a decreasing trend generally, and for the European Commission in particular, until 2008.

**Table 3.1: Percentage of population below minimum level of dietary energy consumption**

<table>
<thead>
<tr>
<th>Region</th>
<th>1990-92</th>
<th>2004-06</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sub-Saharan Africa</td>
<td>32%</td>
<td>28%</td>
<td>29%</td>
</tr>
<tr>
<td>Southern Asia</td>
<td>24%</td>
<td>22%</td>
<td>21%</td>
</tr>
<tr>
<td>South-Eastern Asia</td>
<td>24%</td>
<td>15%</td>
<td>15%</td>
</tr>
<tr>
<td>Eastern Asia</td>
<td>15%</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Latin America and the Caribbean</td>
<td>12%</td>
<td>8%</td>
<td>8%</td>
</tr>
<tr>
<td>All developing regions</td>
<td>20%</td>
<td>16%</td>
<td>17%</td>
</tr>
</tbody>
</table>

In a recent Commission staff working paper recognised that: Donor policies need to be [...] accompanied by an impact monitoring which investigates success in targeting the most vulnerable, the improvement of people’s nutritional status and the enhancement of people’s capacities and resilience.

**Graph 3.1: Total ODA and European Commission spending on Development Food Aid/Food Security Assistance**

**Measuring results**

A recent Commission staff working paper recognised that: Donor policies need to be [...] accompanied by an impact monitoring which investigates success in targeting the most vulnerable, the improvement of people’s nutritional status and the enhancement of people’s capacities and resilience.

**Data collection on the MDGs**

The European Commission itself does not collect data on Millennium Development Goals. Instead, when reporting on MDGs, the Commission uses data from organisations such as the World Bank and the UN, including FAO. The Commission, along with other donors, does fund data-gathering exercises, such as the Living Standards Measuring Survey carried out by the World Bank and the Multiple Indicator Cluster Survey organised by UNICEF. The Commission uses these results on Millennium Development Goals in its publications, including its working documents, background papers and reports on Millennium Development Goals.

The European Commission also supports national data-collecting exercises in partner countries. This data is then used in the evaluations it produces. The Commission uses data from national and government organisations in recipient country to measure the success of programmes implemented under financial contracts during joint monitoring exercises.

The reality is that only a few partner countries are able to produce statistics of high enough quality to provide the information
necessary for the monitoring of the Millennium Development Goals at the country level. The EU background paper ‘Millennium Development Goals at Midpoint: Where do we stand and where do we need to go?’ advocates for a central focus on extending high quality national data gathering to more partner countries.

In the same analysis the European Commission makes an important statement: that statistical analysis across countries yields very weak results on the relationship between aid and growth, or on aid and development indicators of the MDG type. This raises important questions on the relationship between aid and economic growth and development indicators. At the same time, it is interesting to note that macroeconomic studies have found that a 10% increase in per capita official international remittances leads to a 3.5% decline in the proportion of people living in poverty. If we can measure the impact of remittances in such direct terms, it should be possible to measure the impact of aid on reducing poverty in a more concrete way.

**RESULTS ORIENTATION**

In its 2008 Annual Report, the Commission writes that it: “...continues to play a central role in the international community in terms of monitoring, evaluating and promoting a results-oriented culture for budget support operations.”

In the European Consensus on Development (2005), results orientation forms one of the core principals. The word ‘results’ is used eight times in the European Parliament Resolution adopted on the report. The Resolution observes that:

- National ownership, donor coordination and harmonisation, starting at field level, alignment to recipient country systems and results orientation are core principles in this respect.
- Progress indicators and regular evaluation of assistance are of key importance to better focus EU assistance.

The European Consensus on Development also mentions the promotion of development best practices as part of a results-oriented approach and boldly adds: “By enhancing its analytical capacities, [the EC] has the potential to serve as an intellectual centre in certain development issues.”

In an extensive evaluation in 2007 of the EU’s implementation of the principles of coherence, coordination and complementarity, it was found that it is necessary to improve the sharing of best practices to increase national ownership, donor coordination and harmonisation, and alignment with recipient country systems.

In preparation for the High Level Forum on Aid Effectiveness in Accra in 2008, the European Commission and EU Member States considered how to drive progress on results. The EU called for “a stronger culture and incentives for Managing for Development Results.” However, despite the European Commission’s apparent shift in focus from allocations towards results, the Commission and its partner countries remain weak in demonstrating results of development aid policies and in terms of achieving the Millennium Development Goals.

**GENERAL BUDGET SUPPORT AND RESULTS**

The EU has considerably increased General Budget Support and Sector Budget Support as a funding mechanism in order to align itself with partner countries budgets and systems. In the 9th European Development Fund (2001–2007), budget support accounted for 30% of total funding. Under the 10th European Development Fund, this figure increased to 45% of programmable funds. In 2007, General Budget Support provided by the EU to all its partners amounted to €525 million and Sector Budget Support amounted to €1,215 million.

General Budget Support has been challenging in terms of demonstrating results, particularly in linking these results to a particular donor. This is an important issue for the European Commission, given its goal to significantly increase funding through General Budget Support.

In response to questions raised about the relevance of General Budget Support in contributing to achieving the Millennium Development Goals, the European Commission introduced the concept of ‘MDG contracts’:

- ...a new approach being so far implemented under the 10th EDF [European Development Fund] which aims to improve the effectiveness of budget support in accelerating progress towards MDGs by increasing its predictability and focusing on results.

In its response to this new policy instrument, the European Parliament called on the Commission to periodically monitor the results of its programmes and to pass these results on to Parliament.

MDG contracts use indicators to measure results and to trigger incentive financial tranches. However, the relevance of these indicators is questionable for a number of reasons:

- The indicators often do not seem to be directly associated with the Millennium Development Goals;
- There are examples of incentive tranches being approved, even when indicators did not yield positive results, undermining the incentive nature of the instrument;
- The small size of incentive tranches may be inadequate to incentivise partner governments to change policy; and
- MDG contracts are not geared towards tackling issues that form an impediment to achieving the Millennium Development Goals in partner countries – they lack instruments to identify and remove obstacles such as spending ceilings for social sectors and shortages of teachers and health workers.

Some EU Member States and EU donors that provide budget support use Performance Assessment Frameworks (PAFs) jointly agreed with partner governments. These frameworks allow the donors to jointly monitor policy progress by the partner country.
towards the Millennium Development Goals. However, PAFs do not measure how well donors are oriented to the achievement of the MDGs in that partner country, or how well they address obstacles to achieving the MDGs.

**Parliamentary scrutiny**

The European Parliament is charged with the responsibility of providing ‘discharge’ to (or ‘signing off’ on) the European Commission’s implementation of the annual European Union Budget and the European Development Fund. Discharges in previous years show the European Parliament’s concern with the Commission’s inability to show results. The discharge report for 2007 points out that “due attention must be paid to the sustainability of the Commission’s interventions, including the formulation of a clear exit strategy and monitoring of implementation”. The discharge also considered “that the enhanced evaluation of results represents a major factor for ensuring the democratic legitimacy of EU development cooperation”.74

Strengthening the need to understand the results of budget support, the European Parliament stated in the discharge that: “The ultimate aim of parliamentary oversight is to achieve aid effectiveness, which means the effective, economic, legal and regular use of aid to produce sustainable development, and considers the oversight of budget support to be a part of its general efforts in overseeing the effectiveness and the results of overall development spending.” (original emphasis)75

The Parliament specifically “regrets that it does not have sufficient useful, comprehensive and reliable information in order to carry out an effective oversight of budget support results”.76 The European Parliament asked the European Commission “– when ‘fine-tuning’ its control strategy – to identify the point where lack of results and the costs of control call for a policy change”.77

**European Commission annual report**

The European Commission’s annual report forms the basis of the discharge by the European Parliament. While the European Commission is actively de-emphasising the relevance of financial investments in terms of expectations of results, its annual report still focuses mainly on allocations. The 2008 Annual Report only discusses the results of projects and programmes implemented in partner countries and evaluated with the Results-Oriented Monitoring (ROM) methodology. The impact of General and Sector Budget Support is not discussed in annual reports.

**EU Court of Auditors**

The European Parliament discharge process is supported by investigations by the EU Court of Auditors through its annual and special reports. In previous years, these reports have expressed concern about results being poor in various areas of European Commission interventions through external aid. For example, in the report on Commission assistance to health services in Sub-Saharan Africa in 2008,78 the Court found that, while the European Commission has given significantly to the Global Fund to address AIDS, TB and malaria, the same attention has not been given to strengthening general health systems of countries in this region. The Commission was also criticised for its emphasis on General Budget Support as a means of improving health, which the Court concluded was not an effective instrument for improving health services. The Commission was also seen to make little use of Sector Budget Support in the health sector.

The Court of Auditors’ report on non-state actors (NSAs)79 highlighted the lack of consultation with NSAs as a serious short-coming in the country programme writing process. Insufficient monitoring and lack of focus on capacity building in Asian and Latin American countries compared to African, Caribbean and Pacific countries limits the potential of the activities of NSAs in various regions, as well as the sustainability of activities.

**Communicating results**

The main way the Commission disseminates results is through its various reports and publications. The majority of results can be found within the Commission’s evaluations, in which country results (or sector/channel results) are consolidated. Individual results from countries are not published anywhere else. The results of budget support financing agreements that the Commission engages in with various countries, despite containing detailed explanations of indicators and timetables of monitoring and evaluation exercises, are not published.

Country results for various social sectors in evaluations and other reports are freely available from the Commission’s website, or in a hardcopy from the Commission, but the absence of a specific results section on the Commission’s website means that it is very hard to obtain and assess these results. In addition, unless the recipient country’s focus is on the achievement of the Millennium Development Goals, or the indicators used to evaluate results are related to the MDGs, then the information contained in evaluation reports does not reveal progress towards the MDGs. Comparison between results from different countries becomes complex, as they may not use the same indicators or have the same goals. Obviously, this is because every country is different; but, how this is dealt with in terms of communicating results needs to be considered if the EU intends to move towards a results-oriented approach.

**Evaluations**

According to the European Commission, the purpose of their evaluations is: to ensure the evaluation of policies, programmes and programming performance; to provide feedback on the same and to ensure this feedback is taken into account for future policy and implementation of programming; and to further develop the instruments and methodology required for useful quality evalu-
The European Commission states that the results of evaluations help to improve the “quality and impact of [its] external assistance”. However, with the low rate of evaluations and long periods between evaluations for individual countries (so far no country has been evaluated twice) it is difficult to see how this is achieved. While it is clear that the European Commission is making an effort to speed up the rate of evaluations, this rate is still inadequate. The current rate of evaluations, in most cases, does not allow feedback to be taken into account for future policies.

With regards to impact, the Commission was one of the first donors to go beyond outcomes and include impact in its evaluations. However, a major criticism in several of the country evaluations conducted in the last three years (2007–2009) has been that there is no concrete way of measuring impact. Depending on the country, sometimes the interventions are not well suited to measuring impacts, or the indicators selected are not easily measureable, or there is a lack of data collection, preventing the evaluation of results over time. When impacts have been measured, they have often been found to be unsustainable should the donor withdraw funding.

Finally, the Commission currently does not carry out evaluations on fragile states. The end-result is that it is impossible to see the impact of policies in countries where it is vitally important that the Commission’s actions have a positive impact.

Measuring the impact of EC funding in a country such as Cambodia is difficult. Its status as a ‘fragile state’ means that no country-wide EC evaluations have yet been undertaken. Demonstrating results is part of a wider debate on ‘Aid Effectiveness’ taking place between the Government of Cambodia, donors, civil society – including Alliance2015 – and others. This dialogue is gathering pace in advance of the next High-Level Forum on Aid Effectiveness in 2011.

The European Commission uses the Results-Oriented Monitoring system to evaluate how a particular project or programme is doing at each stage of implementation, from conception to completion. Using the Results-Oriented Monitoring ex post methodology, the European Commission has monitored more than 530 completed projects from 2006 to 2008 and, in total, produces 1600 reports annually. In the 2008 report, of the projects monitored, most were found to have good design, and some positive impact and good project performance. Criticisms of projects included lack of sustainability and lack of effectiveness.

Some valuable observations can be made from the country evaluation of Uganda in relation to General Budget Support, demonstrating results and lessons for the future.

The use of budget support by the Commission has allowed Uganda to maintain poverty-oriented expenditure at a higher level than would likely have been the case otherwise. Unfortunately, the resulting increase in the availability of social services has not been accompanied by an increase in quality, which limits the impact on the conditions of people in poverty.

In terms of hunger, the evaluation found that the Commission’s interventions in the rural development sector have produced positive results in terms of improved food security and increased incomes for the rural population, but that these positive benefits are not experienced equally by all segments of the population. Children, in particular, suffer from poor nutritional status. Famine, hunger and malnutrition still exist, especially in conflict-ridden Northern and North-eastern Uganda. However, the evaluation report also mentions that reliable agricultural statistics in Uganda are hard to find, and, thus, the report relies on FAO data.

In general, the evaluation found that, due to lack of baseline data and the irregular collection of statistics, measuring the outcomes and impacts of donor contributions and of the government’s own programmes is difficult. The Commission is currently funding the National Integrated Monitoring and Evaluation Strategy, which contains a lot of relevant information and statistics, but the evaluation states that the Commission does not utilise this source well.

### Recommendations

Prioritise evidence of results on the achievement of the Millennium Development Goals as a key challenge for the European Union in the coming years:

5. Develop a mechanism to document action taken to ensure coherence between development policies and trade, migration, environment, monetary, and security policies to ensure that the overarching goal is to eradicate poverty, and publish the results of such action.

6. Publish the financing agreements for budget support programmes as they contain detailed indicators and measures of results agreed with partner countries; implement a country evaluation of General Budget Support programmes before extending or renewing the contract period; and identify concrete measures to ensure that General Budget Support programmes contribute to closing the financing gaps for social sectors in developing countries and that they strengthen the ability of national mechanisms in these sectors to implement quality policies in social sectors.
Education: Reaching Children in Poverty

The Lisbon Treaty codifies the overarching objective of the Millennium Development Goals: the eradication of poverty. But, are the instruments of European Union development cooperation adequately geared towards the eradication of poverty, and to what extent are the lives of people in poverty touched by these aid efforts?

Chapter IV

All children have the right to a primary education, which should be free. Wealthy countries should help poorer countries achieve this right.

Article 28, UN Convention on the Rights of the Child
A measurable indicator of the impact of EU aid on poverty is education, as poverty is often the key obstacle to children going to school. Reaching children in poverty for education remains one of the biggest challenges in achieving the Millennium Development Goals. In the year 2000, there were 100 million children out of school worldwide. Now, there are 25 million fewer children out of school and 40 million more children in school (the difference due to population growth). This is a remarkable achievement. The gender gap in primary education is also narrowing; the proportion of out-of-school children who are girls declined from 58% to 54%, as quoted by the UNESCO Education for All Monitoring Report.

However, according to the latest figures, 72 million children remain out of school. A greater effort is needed to ensure that all children are in school. The Millennium Development Goal of achieving ‘Education for All’ by 2015 is in danger of not being reached.

The Millennium Development Goals aim to halve the number of people living in extreme poverty by 2015, while equally aiming to ensure full access to education by the same year. This ignores the other half of people living in poverty after 2015. It also fails to address how children living in extreme poverty will receive access to education.

This chapter examines whether or not access to education for children living in poverty is growing and how effective European Union aid has been in removing obstacles for these children.

**Reaching the hard to reach**

Inequity in education remains a major problem. In developing countries particularly, teachers are often unevenly distributed. Education International reports that:

*The largest disparities in student–teacher ratios exist within countries, revealing major imbalances between rich and poor, and rural and urban areas, particularly in Asia (e.g., India, Indonesia, Sri Lanka) and Africa (e.g., Ghana).*

Children in remote and rural areas are notoriously hard to reach. In conflict areas, access to education is especially difficult, often leading to children being integrated into the military as child soldiers. Many refugee children do not have a chance to attend school. People living in places where there is extreme poverty are subject to child labour and schools often do not exist, or full-time quality education is not provided. The gap between access to education and grade attainment between the 20% poorest and 20% richest in all developing regions is a serious problem. This disparity is most serious in South and West Asia.

Social Watch (2009) concludes that differences in education are becoming more noticeable, and that South Asia is “the most polarized of all the regions”. Teacher shortages remain a critical problem, and, especially in South and West Asia and in Sub-Saharan Africa, the shortage is expressed in very high pupil–teacher ratios (PTRs). In Mozambique, for instance, the PTR is 74.1. The PTR recommended by the World Bank is 40:1. High PTRs particularly affect remote areas and vulnerable communities.

Teacher shortages are increasing in developing countries. In addition, the ratio between teachers available in urban and remote rural areas is seriously unbalanced. The situation has worsened due to the global financial and economic crises, adding to already existing budgetary constraints of governments. It is estimated that some 18 million qualified teachers are needed worldwide over the next decade to achieve the goal of Education for All.

**Global financing for education: US$ 1.2 billion needed from the European Commission**

Allocations to education from the national budgets of developing countries range from 1.2% to 10.8% of GNI. The amount allocated to education depends on a wide range of factors. The Education for All Global Monitoring Report (2009) found that governance plays a strong role in how much aid is allocated to education, and so do International Monetary Fund (IMF) policies. Whilst the IMF no longer imposes caps on public sector wage bills, its policy of encouraging low inflation leads finance ministers in developing countries to impose these caps on themselves. However, financing for education in many developing countries has increased since 2000. In a recent study, the IMF found that countries that provided social protection experienced less negative impact from the financial crisis, substantiating the argument that countercyclical measures and investing in people in poverty are sound responses and create greater economic resilience and stability.

The inclusion of people in poverty in education programmes makes good economic sense. However, inequality is evident in the distribution of aid for education to developing countries. A large proportion of aid, in general, and aid to education, in particular, goes to middle-income countries, as opposed to least developed countries. The Global Monitoring Report (2009) states that aid directed towards basic education for low-income countries increased from US $1.6 billion in 1999 to US $5 billion in 2006, stagnating at that level. The majority of funding for education originates from five donors: France, Germany, the Netherlands, the United Kingdom and the International Development Association (IDA).

The gap between what is allocated to education and what is needed is large. The Global Monitoring Report (2009) estimates that US$ 16 billion is needed for education annually, of which donors will need to contribute US$ 11 billion. While the international donor community has increased its allocations to education significantly, the assistance of the European Commission to this sector has remained stagnant. The European Commission will need to make an allocation of over US$ 1.2 billion annually to basic education as its share to help close the financing gap.
EU policy on education

The latest policy document on education presented by the European Commission is dated 2002. In the meantime, European Commission Sector Budget Support for African countries has been largely replaced by General Budget Support programmes. These programmes do not contain specific policies on education. The financing agreements often include indicators for measuring progress in education, i.e., school attendance figures, but these indicators do not measure specific progress in addressing obstacles to education for children living in poverty. With the increase in General Budget Support, sector allocations to education have seriously declined.

Role of civil society organisations

Non-governmental organisations (NGOs) fill the gap by providing education to communities in poverty. Governments of many countries have adopted legal frameworks allowing domestic stakeholders such as churches, domestic NGOs and civil society organisations to provide education in order to enable this process. In addition to domestic actors, international non-governmental organisations (INGOs) are also contributing to the provision of Education for All in developing countries.

Partnerships between NGOs, such as Alliance2015, and local organisations are effective because they are based on local knowledge and an understanding of the local situation, and work with local stakeholders including local governments, teachers’ unions and training institutes. These organisations have been filling the gap, reaching out where bilateral aid efforts and governments have failed to reach children in poverty.

The following case studies give examples of the work of Alliance2015 in India, Mozambique and Sierra Leone – three countries with very different GDPs that are struggling to provide education to the millions of children living in poverty.

India

Almost 10% of children are out of school in India, the majority of which are girls. The average rate of enrolment and retention of boys is slightly higher than that of girls. Despite the abolition of fees, additional charges by some schools and the cost of books and uniforms can still prevent enrolment. Child labour is another major reason why children do not attend school, although in the villages, with civil society interventions, child labour is much reduced.

While enrolment rates have improved, disparities among out-of-school children show that there are still problems. This is especially true in relation to gender, caste and ethnic disparities. Only 4 out of 10 girls who enrol complete 8 years of schooling. Child marriage also causes girls to drop out of school prematurely.

Although primary schools can be found in most villages, high schools are not as easily accessible. Children often have to walk 3 to 5 km to school. Children, especially girls, are more vulnerable to violence and child abuse while travelling long distances to school. Many remote areas still do not have a school nearby.

Like many developing countries, India is experiencing an acute shortage of teachers. It is estimated that, by 2010, the shortfall will be about 2.5 million teachers. Nineteen per cent of primary schools in India are currently single teacher schools.

Reaching the most vulnerable in the education sector is focused towards ensuring education for all children aged 6 to 15. NGOs operate in areas where the government may not have a school running; they are sometimes able to reach children that the government cannot reach. NGOs play a role in reducing the number of dropouts and child labourers by encouraging and enabling these children to enrol in school.

NGO programmes

Alliance2015 supports the M Venkatarangaiya Foundation (MVF), which is implementing a four-year project called the Elimination of Child Labour through Universalisation of Elementary Educa-
The programme has a clear set of objectives: to build the capacities of local bodies and institutions to enable them to implement independent initiatives to monitor children’s rights; to institutionalise the process of strengthening the school system; to democratise schools; and to protect children and their rights, with a special emphasis on girls. The strengthening of local institutions is to ensure the sustainability of the programme. MVF creates access to education for the most vulnerable children by involving the entire community. This approach has had excellent results and has been followed in different states in India, and by other donors, such as the World Bank.

The project’s successes include noticeable progress in raising awareness and mobilising action against child labour, contributing to the abolition of child labour being included as a component of Education for All in the policy framework of state governments. It has also increased the enrolment and retention rates of students, particularly for girls and vulnerable children. Women’s fora and youth committees for girls have been established by MVF to motivate and encourage girls to enrol and stay in school. Special government schemes including scholarships and bicycles for girls have also enhanced attendance rates.

Alliance2015 member Cesvi is implementing various programmes in the state of Tamil Nadu, reaching around 200 villages in 5 districts across the state. Cesvi is working to supplement the existing system by improving the quality of education, providing shelter for children in difficult circumstances, reducing dropout rates with a special focus on girls and eradicating child labour.

Alliance2015 member Welthungerhilfe is implementing a programme that targets children and adolescents, including a focus on orphans and vulnerable children with disabilities. In partnership with various local NGOs, Welthungerhilfe has worked on various strategies to reduce child labour and to improve formal and informal education.

All the NGOs involved in the Alliance2015 endeavour to complement government programmes, working with or alongside the government to provide education services, resulting in high complementarity between their programmes.

**CONCRETE RESULTS**

The average dropout age for girls in the areas that MVF is working is 12 years. The dropout age for boys is between 9 and 14 years. After intervention, MVF found that all boys and girls invariably complete class 10. In areas where NGOs are not active, the dropout age for girls is very low at 7 to 8 years of age. Cesvi interventions mirror this positive impact with 100% enrolment in some villages where programmes are being carried out. Similarly, Welthungerhilfe has seen improvements in children’s performance and general health as a result of its programmes, as well as in participation, especially of people from marginalised groups. In villages where interventions are being conducted, all three organisations report a significant increase in enrolment and retention, particularly of girls.

**MOZAMBIQUE**

In Mozambique, many children leave Grade 5 without basic reading and writing skills, indicating that pass rate statistics may not be a reliable indicator of the level of education attained. There has been improvement in retention rates, but dropout rates are still significant, particularly for girls. In 2007, for every 10 students entering Grade 6 (upper primary), only 3 were girls. The exclusion of girls, orphans and vulnerable children from school is a major issue. Early marriage, sexual abuse of girls, and lack of awareness and negative attitude of parents towards education are all contributing factors. It can be argued that parents in rural areas often do not see the value of education when prospects for employment are few – particularly for girls. In Manica Province, there is also pressure on boys to migrate to South Africa before finishing school.

There are no obligatory costs for primary school – books are free and uniforms are not obligatory. Social pressure, however, means that children often feel that they have to wear a uniform. Due to low teacher salaries, students are often asked for money, particularly at exam times.

There are many teachers without qualifications in Mozambique, although this number is decreasing with the recent policy change requiring primary school teachers to have one year’s training. This has led to more teachers entering the workforce more quickly. One year is better than none, although it is insufficient. There is some in-service training of teachers, but it is not consistent or adequate. The Mozambique Government has a policy whereby 20% of education is supposed to be ‘local curriculum’, i.e., developed by local school councils. This is an important initiative in making education more accessible and locally relevant; however, both teachers and school councils lack the capacity to implement this initiative in many areas.

**NGO PROGRAMMES**

Alliance2015 member IBIS is currently implementing a four-year education programme from 2008 to 2012 called Education for Development of Rural Communities (EDEC). The objectives of this programme are to provide quality education in rural areas and encourage people to participate in civil society to promote
The IBIS programme has seen considerable progress in relation to its work with school councils. Improving the quality of teaching is more difficult, with many structural challenges. However, of the 300 teachers trained in participatory teaching methods in 2009, more than one-third are applying their learning in classrooms. IBIS has also achieved success in increasing community and school support for orphans and vulnerable children, more of whom are now attending school. In the districts where Concern Worldwide has been implementing its education programme, the enrolment rate in primary school increased by 22% from 2004 to 2008. While not entirely attributable to the work of Concern, qualitative information from school councils and parents suggests that the programme has contributed significantly to this increase in enrolments. The programmes of IBIS and Concern add value to, and complement, the work of the government and strengthen civil society. IBIS, Concern and their local partners work alongside district technical teams, providing logistical, capacity and other forms of support.

**Concrete results**

A total of 2,412 pupils completed the IBIS programme, with 84% of students passing. This is 6% higher than the pass rate for the district in general. The Concern programme resulted in an increase in enrolment of 13.7% (14.6% boys, 12.7% girls). The pass rate of students in the 66 Concern supported schools in the promotional examination now averages 72% (75% for boys and 69% for girls), which is higher than the National Primary School Examination (NPSE) pass rate of 70%.

**NGO programmes**

Alliance2015 member Concern Worldwide has an education programme called Increasing Access, Quality and Equality of Primary Education for all Children, which is operating in two provinces of Mozambique, Zambezia and Manica. The objective of the programme is to increase access, quality and the equality of primary education for children in the most disadvantaged districts of the two provinces by 2012. Similar to IBIS, Concern’s interventions include capacity building of school councils in areas such as school management and increasing equal access for children, with a special focus on girls and vulnerable children.

**Concrete results**

The Government of Sierra Leone stipulates that all education development partners are to work within the Education Sector Plan objectives in order to achieve the Millennium Development Goals.
and the goal of Education for All. Therefore, programme activities are tailored towards the Education Sector Plan objectives to complement government efforts. Quarterly reports produced by every agency inform the Ministry of Education of the collective progress towards each objective.

UNICEF currently hosts the monthly coordination meetings, which are co-chaired by the Minister of Education and the UNICEF Country Representative. IBIS and Concern Worldwide work closely with each other and cooperate on an ongoing basis with UNICEF and other NGOs working in education in Sierra Leone. This work includes a focus on the incorporation of emerging issues (human rights, gender) into the teacher training curriculum. European donors such as the EC, UK Department for International Development (DfID) and Irish Aid are also supporting education in Sierra Leone, through NGOs and through the budget of the Ministry of Education, which is overseen and coordinated by the Education Sector Plan Coordinator.

The World Bank has played a key role in the Fast Track Initiative (FTI) process in Sierra Leone since 2004, supporting its initiation in Sierra Leone, conducting the Country Strategic Report, assisting with Education Sector Plan development and putting the FTI on the agenda of its biannual Education Sector Support Missions. The World Bank is also the supervising entity and trustee for the implementation of the multi-donor Catalytic Fund grant; hence, grants are executed according to World Bank conditions and regulations.

The IMF is also active in Sierra Leone, although its relationship with civil society organisations and the Government has been fraught with tension, especially since the IMF demanded that Sierra Leone set limits on public spending in order to avoid inflation. Some donor nations refused to disburse funds to Sierra Leone until it could achieve a favourable rating from the IMF.

**Recommendations**

**Make a special effort to reach out directly to people living in poverty:**

7. Ensure that lending and aid conditions and discussions are based on macroeconomic financial and monetary strategies that allow national governments to implement countercyclical measures and promote social protection.

8. Ensure that the International Monetary Fund’s conditions on loans are consistent with the pupil-teacher ratio of 40:1 recommended by the World Bank in its Fast Track Initiative for Education, and ensure that education policies focus on achieving quality education in the periphery, strengthen local authorities, build strong parent associations, create space for local communities and non-governmental organisations to identify problems and ways to supplement government policies, and remove implementation constraints towards achieving universal education.
Shouldering Responsibilities: Division of Labour in Health Policies

The Accra Agenda for Action clearly sets the aid effectiveness agenda in the overall framework of the eradication of poverty and the achievement of the Millennium Development Goals. It flows from this that division of labour, which is promoted under the aid effectiveness agenda, is not a goal in itself, but only in so far as it contributes to the achievement of the Millennium Development Goals.

In truth, it is not the financial cost that really bothers me: it’s knowing what the real human cost is. With that money we could help the hungry, improve education opportunities and offer better maternal healthcare.

Karel de Gucht, Commissioner for Development Cooperation, 2009
At present, 1.3 billion people have no access to even basic health care services, and more than 20 million people – half of whom are children under 5 years old – die every year of diseases that could be avoided or easily treated.\(^{112}\)

The European Union’s policy on health in developing countries is strongly placed in Article 21 of the Charter of Fundamental Rights, which acknowledges the right to basic equitable and quality health care for all, without discrimination on any grounds.

Sub-Saharan Africa has the lowest ratio of health workers to population, yet the largest burden of diseases. In many Sub-Saharan African countries government expenditure on health has decreased in recent years.\(^{113}\) Citing division of labour as a rationale, the European Commission has reduced its allocation to basic health from 4.7% of total EC ODA in 2005 to 1.3% in 2008.\(^{114}\)

However, in a recently adopted Communication, the European Commission cites compelling reasons for it to provide leadership on health policies:

> The EU’s leading role in international trade, global environmental governance and in development aid, as well as its values and experience of universal and equitable quality healthcare give it strong legitimacy to act on global health.\(^{115}\)

This renewed commitment to global health is welcome, especially given the decreasing investment in health and the negative trend in allocations to health between 2005 and 2008 by the European Commission. With this statement, the European Commission accepts that it is uniquely placed to provide leadership in facilitating coordination, policy coherence and complementarity in the provision of health care services.

**EU policy on division of labour**

Division of labour is a typically European idea, with its historical roots in the Maastricht Treaty. When the Maastricht Treaty establishing the European Union first introduced a legal basis for development cooperation, the wording ensured that the EU competence would not undermine the national development programmes of Member States. The concepts of policy coordination and policy complementarity were included in the article on development cooperation to ensure that programmes of the European Commission would not duplicate or contradict those of Member States.\(^{116}\)

While the Treaty requirements of coordination and complementarity at the EU level are binding, the aid effectiveness concept of division of labour is not, but moves forward the same logic that duplication between the EU and other donors should be avoided, and, more importantly, that donors should work together to strengthen the national administrations of partner countries towards the achievement of the Millennium Development Goals.

In 2005, concrete measures were taken and confirmed by the EU and the international community in relation to joint action and co-financing. In the 2005 European Consensus on Development\(^{117}\) and EU Strategy for Africa\(^{118}\), the EU commits itself to delivering on the Millennium Development Goals through joint action and the use of co-financing, with a view to better division of labour and improved aid effectiveness.

**ARTICLE 210, LISBON TREATY: COORDINATION AND COMPLEMENTARITY**

In order to promote the complementarity and efficiency of their action, the Union and the Member States shall coordinate their policies on development cooperation and shall consult each other on their aid programmes, including in international organisations and during international conferences.\(^{119}\)

**PARIS DECLARATION ON DIVISION OF LABOUR**

Article 33. Excessive fragmentation of aid at global, country or sector level impairs aid effectiveness. A pragmatic approach to the division of labour and burden sharing increases complementarity and can reduce transaction costs.

Article 34. Partner countries commit to: provide clear views on donors’ comparative advantage and on how to achieve donor complementarity at country or sector level.

Article 35. Donors commit to: make full use of their respective comparative advantage at sector or country level by delegating, where appropriate, authority to lead donors for the execution of programmes, activities and tasks, and work together to harmonise separate procedures.\(^{120}\)

**Accra Agenda for Action**

...reduce the fragmentation of aid by improving the complementarity of donors’ efforts and the division of labour among donors, including through improved allocation of resources within sectors, within countries, and across countries. [...] We will start dialogue on international division of labour across countries by June 2009.\(^{121}\)

**INDICATORS FOR DIVISION OF LABOUR**

By 2010, partner and donor countries aim to have increased their joint work on aid flows, the indicators of which are:

- 66% of aid flows should be provided in the context of programme-based approaches, which is a mechanism for joint common aid agreements; and
- 40% of donor missions to the field should be in conjunction with partner and donor countries.\(^{122}\)
The EU Code of Conduct on Complementarity and Division of Labour released in May 2007 aims to promote effectiveness in the EU through complementarity of aid efforts. The Code of Conduct contains ten guiding principles for division of labour:

- Concentrate activities in-country on two focal sectors on the basis of respective comparative advantages
- Redeploy other activities
- Ensure an adequate EU presence in strategic sectors
- Replicate practices in cooperation with partner regional institutions
- Establish priority countries
- Address the ‘orphan’ countries of aid allocations
- Analyse and expand global areas of strength
- Pursue progress on complementarity in the context of international fora and partnerships
- Promote division of labour
- Deepen reforms of aid systems

The European Council agreed on Council conclusions for an operational framework on Aid Effectiveness on the 17 November 2009. These Council conclusions also included a follow up to the EU Fast Track Initiative on the Division of Labour. The Fast Track Initiative aims to support 32 partner countries to improve in-country division of labour, based on the EU Code of Conduct, through donor mapping, comparative advantage assessments, establishment of lead donor arrangements and reprogramming assistance.

EU policy on health: Coherence and coordination

The World Health Organization estimates that over 4 million more health workers are needed to close the gap in health services. It has set the target for total health expenditure per country at a minimum of 4% to 5% of GDP. Two resolutions of the World Health Organization further commit all countries to fair financing aimed at equitable and universal coverage of health services.

In 2008, the European Commission launched a programme to tackle the critical shortage of health workers in developing countries. An example of coordination of EU assistance in health to tackle the shortage of health workers at the country level is the International Health Partnership (IHP), which has started with fourteen pilot countries. As of March 2009, 7 countries had submitted proposals to strengthen work in-country.

The European Commission has observed that:

*However positive these particular outcomes are, overall progress towards the health Millennium Development Goals has been slow, with over 50 developing countries off-track, especially in Sub-Saharan Africa. Progress towards MDG 5 has been particularly disappointing.*

Action for Global Health noted that:

*If the developing countries would implement their commitment made in Abuja on 15% of public spending to go to health, and if the EU Member States would fulfil their Barcelona commitments for 0.53% [GNI] for development by 2010 it could have a significant impact.*

The 2010 communication ‘the EU’s role in Global Health’ sets out the EU’s policy on health. It identifies some important priorities for the EU to make its role in health more relevant and to bring greater coherence and consistency. The Communication observes that the European Commission can play a unique role by:

- Enhancing global governance on health by defending a single position within UN agencies and reducing multiplicity in health projects
- Ensuring progress towards universal health coverage and supporting health systems; the EU should concentrate its support on the strengthening of health systems to ensure that their main components – health workforce, access to medicines, infrastructure and logistics and decentralised management – are in place
- Ensuring better coherence of EU internal and external policies in relation to global health (through trade, migration, food security, and climate change related aspects of health, among other things)
- Increasing global health knowledge

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- Ensuring better coherence of EU internal and external policies in relation to global health (through trade, migration, food security, and climate change related aspects of health, among other things)
- Increasing global health knowledge
The 2010 communication emphasises the need for the EU to:

...increase support for implementation of national health strategies through country systems. Whether direct or indirect (as part of budget support or global initiatives), EU aid for health should offer a predictability of at least three years. This is essential to enable the design and implementation of national health strategies in countries with lowest public funding capacity. 135

Global financing for health: €1.5 billion needed from the European Commission

While, overall, donors have significantly increased their contributions to basic health, the European Commission has not increased its share, despite its growing resources. In the Council note ‘The EU as a Global Partner for Pro-Poor and Pro-Growth Development’ (2008) the financing gap for health was identified as €13.4 billion annually. The European Commission, which provides 11% of all global ODA should, therefore, aim to contribute €1.5 billion annually to health. 136

Capping health: IMF loan restrictions and implementation constraints

In an analysis of public financing of health in developing countries, Lu et al. (2010) conclude that development assistance provided to governments did not lead to higher expenditure on health, confirming concerns about the fungibility of General Budget Support. They also refer to the response by governments to “loan conditions imposed by global financial institutions”. 138 They point to the need to build the capacity of health ministries, including managerial, supervisory and leadership capacities, and ask donors to assess on a case-by-case basis “the extent to which the lack of implementation capacity leads to [...] declining share of government expenditures devoted to health”. 139 This is an issue that also emerged in the interviews undertaken for this report.

In a recent study, the International Monetary Fund also points to constraints in the implementation of social sector spending:

Most programs initiated in 2008–09 have envisaged higher social spending, with many also focusing on better targeting of social spending. However, countries will continue to face challenges in implementing their social spending plans due to capacity constraints. Further improvements are needed in targeting subsidies to the most needy. 140

Division of labour in health in Cambodia

Aid to Cambodia represents almost 8% of Cambodian GNI. In 2007, net ODA to Cambodia from development partners was about US$ 790 million. 141

Health is not one of the priorities in the EU–Cambodia Country Programme for 2007 to 2013, but the European Commission runs a number of smaller programmes on health. The European Commission spent €5 million on health in Cambodia from 2002 to 2004, as set out in the National Indicative Programme for that period. 142 For 2007 to 2013, the European Commission’s focus in Cambodia is on the eradication of poverty and hunger, basic education and gender equality. 143

By adopting its second Health Strategic Plan (HSP2) 2008–2015, donors to Cambodia are working to harmonise their procedures. In 2009, a seven-donor sector-wide approach was launched to support the implementation of the HSP2. 144 Joint annual performance reviews are conducted under the HSP2 project, involving development partners, government institutions and NGOs. A Technical Working Group on health also meets monthly, on which NGOs are represented. This is a clear initiative by donors to harmonise donor practices in the health sector. The International Health Partnership (a multi-donor partnership with the objective to improve health sectors in developing countries by aligning aid of donors) has also improved aid alignment on health in Cambodia. The HSP2 also contains provision for the alignment of overseas development assistance with Cambodia’s health priorities. 145
Uganda has an unacceptably high level of illiteracy (30%), a high infant mortality rate (76/1000 live births), a high maternal mortality ratio (435/100 000 live births), low life expectancy (average 51 years) and a high rate of HIV&AIDS (6.4%). The Millennium Development Goals that are focused on health related issues are off track.

Total net ODA to Uganda provided by OECD DAC members amounted to US$ 1551 million in 2006, or 17% of Uganda’s GNI, with the World Bank being the largest donor, followed by the African Development Bank, the United States of America, the United Kingdom and the European Commission.147

Uganda introduced the National Health Package, as the Government was no longer able to provide unlimited free health care due to insufficient budgetary allocations and rising costs.148 In 2000, Uganda completed a National Poverty Eradication Action Plan, in which health is one of the top priorities.149 Towards this, a Health Sector Strategic Plan (HSSP) was produced for the years 2000/01 to 2004/05 and a second HSSP was published for the years 2005/06 to 2009/10. The overriding priority of the second HSSP is to fulfil the health sector’s contribution to the National Poverty Eradication Action Plan and the MDG goals of reducing maternal and child mortality, fertility, malnutrition, and the burden of HIV&AIDS, tuberculosis and malaria.150

In Uganda’s country programme there is only one paragraph about health and health care, and this is considered to be mainstreamed as a crosscutting issue. The EU-Uganda Country Programme includes the following on health:

Access to health care facilities is limited to about half the population but healthcare infrastructure is dilapidated and in need of modernization. Life expectancy is 52 and malnutrition, malaria and HIV/AIDS are the most serious diseases. Malaria remains the principal public health problem but HIV/AIDS is also an extremely serious threat. Thanks to a massive publicity campaign the overall prevalence has dropped from 30 percent in 1992 to 6.5 percent in 2001 but the situation remains precarious, leaving many families without their main wage earners.151

The Country Programme for Uganda contains the same analysis as the UN Monitor on the attainment of MDG 4 (reduce child mortality) and MDG 5 (improve maternal health): these Millennium Development Goals are unlikely to be met even with improved policies, institutions and funding.152 The European Community has allocated €2.2 billion to Uganda. The focal areas are transport and rural development. More than half of its assistance is in the form of budget support – of which 40% is General Budget Support. The sum of €248.69 million is allocated to health, gender and HIV&AIDS.153

The members who signed the Uganda Joint Assistance Strategy (African Development Bank, Austria, Germany, the Netherlands, Norway, Sweden, the United Kingdom, and the World Bank Group) decided to embark upon the division of labour regarding Uganda’s Poverty Eradication Action Plan. In 2005, the Government and most of Uganda’s major donors agreed to the Uganda Joint Assistance Strategy, which contains clear outcomes (closely aligned with the Poverty Eradication Action Plan targets) and aid effectiveness targets to be achieved by 2008/09.154

A recent study by Equinet cites that, in Uganda, allocations to the health sector have fluctuated. Allocations to health have increased from a very low base of about 4% of the national budget in 1997,155 to 10.95% in 2005/06 and 11.74% in 2007/08.156 The objective is to reach the Abuja target of 15% government budget allocation to health in 2012/13.

Donors in Uganda have a long track record on division of labour (avant la lettre). Progress on the MDG indicators has also been achieved; however, the results for basic health are inadequate and the Government has not implemented the World Health Organization target to spend 4% of GDP on health services. The Abuja target of investing 15% of the national budget on health has also not been reached, and access to basic health for people living in poverty is a long way away.

**Recommendations**

Ensure that binding agreements are in place that determine the European Commission and Member States’ respective contributions to basic health and education as the basis for division of labour and aid predictability:

9. Ensure that the European Commission and Member States agree to country-based measures to advance ownership, coordination, harmonisation, complementarity, alignment and division of labour to ensure the predictability of aid for the achievement of the Millennium Development Goals.

10. Ensure that the European Commission and Member States, together with other OECD donors, international financial institutions and partner countries, agree to binding targets to close the financing gap in achieving the Millennium Development Goals; the MDG Summit should give clear guidance in this regard.
GLOSSARY

ACP: African, Caribbean and Pacific group of states; funding to this group of countries is provided separately through the European Development Fund (EDF).

Country programme: Country programmes, also known as Country Strategy Papers (CSPs), are non-binding analyses undertaken by the EU and a third country in the context of a cooperation agreement, in particular related to support in the form of development assistance. Country programmes cover most areas of EU policy in relation to the third country and provide an analysis on the basis of which EU interventions are determined. Country programmes are normally formulated for a period of four to six years. In the regional context, such analyses are called Regional Strategy Papers.


DCI: Development Cooperation Instrument; this instrument geographically covers development cooperation with Asia and Latin America.

EC: European Commission; the executive administration of the European Union.

EDF: European Development Fund; see ACP.

EEAS: European External Action Service; a new structure established under the Lisbon Treaty to support the High Representative for Foreign and Security Policy as a diplomatic service.

ENPI: European Neighbourhood and Partnership Instrument; this instrument geographically covers aid to the countries in the East and south of the EU.

EU: The European Union; this includes the 27 Member States. In this publication the aid managed by the European Commission is the main topic, but the aid of the European Union including the 27 Member States is also sometimes referred to.

EU 12: Bulgaria, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia, Slovenia.

EU 15: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, United Kingdom.

EU 27: All current 27 EU Member States

General Budget Support: Budget support that is given directly to a national government and is not earmarked for a specific sector.

MDG Summit: The UN General Assembly high-level plenary meeting on the review of the implementation of the Millennium Development Goals in September 2010.

National Indicative Programme: These complement the Country Strategy Papers and identify the budgets for various priorities in the Country Strategy Papers.

OECD DAC definition of aid: Aid is defined by the Organisation for Economic Co-operation and Development/Development Assistance Committee (OECD DAC) as spending agreed by the OECD DAC and included in the calculation for Official Development Assistance.

Regional Strategy Paper: These are similar to country programmes, but for a region (or group of counties).

Sector Budget Support: Budget support that is given directly to a national government and earmarked for use in a specific sector or budget line, e.g., health or education.

ACKNOWLEDGEMENTS

The author would like to thank the following persons from Alliance2015: Olive Towey, Stefano Piziali, Judith Fischer, Birgit Dederichs-Bain, Joelle Melin, Veronika Divisova, Lars Koch, Eithne Healy, Adrien Tomarchio, Nicoletta Ianiello, Kathelijne Fenger, Kerstin Bandom, Karel Vrana, David Grossmann, Vagn Berthelsen, Wolfgang Jamann, Uli Post and Paolo Cattini.

In addition, the author would like to thank the teams that contributed to the publication from Alliance2015 members in Mozambique – Lucy Hayes, Elisa Langa, Sarah Allen and Paula Connolly; Alliance2015 members in Sierra Leone – Manoj Kumar, Sarah O’Boyle, Tijani Ahmed Hamza and James W. Higsbee; Alliance2015 members in Uganda – Carol Morgan, Simon Foster, Sébastien Lambroschini, Michael Nkuba, Mauro Modena, Salvatore Creti, and Miriam Elderhorst; Alliance2015 members in Cambodia – Prashant Verma, Marco Landi, Francesca Milani, Ivana Polaciokova, Andreas von Ramdohr, Christina Warning and Anne Rouve-Khiev and, finally, from India – Mercy Felseca, Raja Nathan and Jamuna Ramakrishna.

For their valuable information, time and advice, gratitude goes to Dennis Sinyolo, Gaston Delahaye, David Archer, Virgilio Juvane, Barbara Adams, Emanuel Fatoma and Shashi Balasingh.

In addition the author would like to thank all the staff of the European Commission who assisted with enquiries made by the author and research team in the preparation of this report. The Organisation for Economic Co-operation and Development/Development Assistance Committee also provided vital and reliable data, for which I am extremely grateful.

Finally, the author would like to thank the research team from EEPA: Justine Aurian and Anne Dankert, who conducted basic research; Maimuna Kabatesi, for coordination of overall research and quality control; the various external reviewers, who are too numerous to name; Susan Sellars-Shrestha for structural review, copyediting and proofreading, and Andreas Langner for design, all of whom contributed with outstanding dedication, enthusiasm and professionalism.

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2015–Watch reports


Annex 1: Country Strategy Papers

The 116 country programmes/Country Strategy Papers (CSPs) examined for this report are listed here and are available from: http://ec.europa.eu/development/geographical/methodologies/strategypapers10_en.cfm and http://ec.europa.eu/external_relations/sp/index_en.htm

Asia
Afghanistan
Bangladesh
Bhutan
Burma/Myanmar
Cambodia
India
Indonesia
Laos
Malaysia
Nepal
Pakistan
Philippines
Sri Lanka
Thailand
Vietnam
Yemen

South America
Bolivia
Brazil
Chile
Colombia
Costa Rica
Ecuador
El Salvador
Guatemala
Honduras
Mexico
Nicaragua
Panama
Paraguay
Peru
Uruguay
Venezuela

Africa
Angola
Benin
Botswana
Burkina Faso
Burundi
Cameroon
Cape Verde
Central African Republic CSP
Chad
Comoros CSP
Côte d’Ivoire
Djibouti
Ethiopia
Gabon
Gambia
Ghana
Guinea-Bissau
Kenya
Lesotho
Liberia
Madagascar
Malawi
Mali
Mauritania
Mauritius
Mozambique
Namibia
Niger
Republic of the Congo
Rwanda
Sao Tome and Principe
Senegal
Seychelles
Sierra Leone
Somalia (no CSP, instead JSP)
South Africa
Swaziland
Tanzania
Uganda
Zambia

Caribbean
Antigua
Bahamas
Barbados
Belize
Dominica
Dominican Republic
Grenada
Guyana
Haiti
Jamaica
St. Kitts & Nevis
St. Lucia
St. Vincent
Suriname
Trinidad & Tobago

Pacific
Cook Islands
East Timor
Federated State of Micronesia
Kiribati
Marshall Islands
Nauru
Niue
Palau
Papua New Guinea
Samoa
Solomon Islands
Tonga
Tuvalu
Vanuatu

ENPI
Algeria
Armenia
Azerbaijan
Belarus
Egypt
Georgia
Jordan
Lebanon
Moldova
Morocco
Russia
Syria
Tunisia
Ukraine
ANNEX 2: EVALUATIONS

The 13 evaluations examined for this report are listed here and are available from:
http://ec.europa.eu/europeaid/how/evaluation/evaluation_reports/index_en.htm

EVALUATIONS:

2009
- EC Co-operation with Botswana – 12/2009 - ref. 1273
- EC Co-operation with Namibia – 12/2009 – ref. 1272
- EC Co-operation with Nicaragua – 11/2009 – ref. 1271
- EC Co-operation with Thailand – 10/2009 – ref. 1268
- EC Co-operation with Vietnam – 10/2009 – ref. 1269
- EC Co-operation with Malaysia – 09/2009 – ref. 1265
- EC Co-operation with ASEAN – 06/2009 – ref. 1262
- EC Co-operation with the LAO PDR – 06/2009 – ref. 1261
- Council Regulation N° 2698/2000 (MEDA II) and its implementation

2008
- EC Support to the Region of Eastern and Southern Africa and the Indian Ocean – 12/2008 – ref. 1257
- EC Support to the Republic of Guyana – 09/2008 – ref. 1254

PHOTO CREDITS

Cover: Saveth is visiting a friend who receives treatment in Phnom Penh hospital, Cambodia, Photo: Nicolas LAINEZ / ACTED-PSF (2008)
Page 7: Mr Birsa Singh, a teacher in Gokulchandrapur Village, helps his student write, Mayurbhanj District, India, Photo: Clare Arni, Bangalore / Welthungerhilfe (2006)
Page 8: Musu Kamara has benefitted from Concern’s family planning training in Kunterloh slum, Sierra Leone, Photo: Lyla Adwan / Concern (2010)
Page 11: Pre-school for children in Laya Dih in the Welthungerhilfe ‘Millennium village’ Gandhij Songha in Bengal/Purulia, India, Photo: Joerg Boethling / Welthungerhilfe (2008)
Page 15: Mozambique, Photo: Chibal Film / IBIS (2009)
Page 22: Sierra Leone, Photo: Maria Becher Trier / IBIS (2007)
Page 25: A member of the Bhagatha tribe fishing near Derala Village in the Eastern Ghatso, India, Photo: Clare Arni, Bangalore / Welthungerhilfe (2006)
Page 28: Emelia Brima is a member of the Concern–supported Greybush Community Health Club, Sierra Leone, Photo: Lyla Adwan / Concern (2010)
Page 34: Virginia Graca Macaringue with her mobile school library, Mozambique, Photo: Elsebeth Aller / IBIS (2006)
Page 35: Sierra Leone, Photo: Lotte Aersoe / IBIS (2007)
Page 37: Son, who is 34 years of age, receives treatment for AIDS at the hospital, Cambodia, Photo: Nicolas LAINEZ / ACTED-PSF (2008)
Page 39: Srei, who is 24 years of age, is HIV positive and is receiving treatment, Cambodia, Photo: Nicolas LAINEZ / ACTED-PSF (2008)
Page 39: Nieup Soeun Ha, who is 34 years of age, receives his treatment at the Calmette Hospital, Cambodia, Photo: Nicolas LAINEZ / ACTED-PSF (2008)
Endnotes


2 Ibid, p. 4.


5 Calculated by EEPA (the EC provides 11% of global ODA, its proportional contribution would be 11% of €13.4 billion) from: Council of the European Union. 2008. Ibid. p 7.


10 Research by EEPA, see Chapter 2: 116 Country Strategy Programmes (CSPs or country programmes) were examined for the purpose of this publication. Available at: http://ec.europa.eu/development/geographical/methodologies/strategypapers10_en.cfm and http://ec.europa.eu/external_relations/sp/index_en.htm (accessed 20 April 2010).

11 Name changed to protect identity.


16 Ibid. p 18.


18 Ibid. p 12.

19 Ibid. p 12.


In advance of the launch of the report an expert meeting was held with experts from the European Commission and from the OECD DAC statistical department to discuss the methodology of the 2015-Watch report to measure MDG 8.


[http://www.oecd.org/document/11/0,3343,en_2649_34487_44981579_1_1_1_1,00.html](http://www.oecd.org/document/11/0,3343,en_2649_34487_44981579_1_1_1_1,00.html) (accessed 20 April 2010).


OECD CRS all data obtained on 26 March 2010, constant 2007 USD millions.

116 Country Strategy Programmes (CSPs or country programmes) were examined for the purpose of this publication. Available at: [http://ec.europa.eu/development/geographical/methodologies/strategypapers10_en.cfm](http://ec.europa.eu/development/geographical/methodologies/strategypapers10_en.cfm) and [http://ec.europa.eu/external_relations/sp/index_en.htm](http://ec.europa.eu/external_relations/sp/index_en.htm) (accessed 20 April 2010).


49 A 2009 survey on development aid showed showed 9 out of 10 Europeans still believe development is important despite the economic downturn, although 3 in 4 have never heard of the Millennium Development Goals and may not be aware that the EU is the biggest aid donor (available at: http://www.eu-un.europa.eu/articles/en/article_9494_en.htm, accessed 10 March 2010).


53 World Food Programme. 2009. Number of world’s hungry tops a billion.


55 Ibid, p 11.


58 OECD CRS figures obtained on 5 April 2010, all figures in constant 2007 USD millions.

59 Council of the European Union. 2008. Note from the General Secretariat of the Council to Delegations on the EU as a global partner for pro-poor and pro-growth development: EU Agenda for Action on the MDGs.


61 Ibid.


Ibid.


69 Ibid. p 6.

70 Commission of the European Communities. 2009. Aid Effectiveness after Accra.


73 Commission of the European Communities. 2009. Aid Effectiveness after Accra.


76 Ibid p 14.

77 Ibid. p 9.


81 Interview with European Commission Officials. 16 December 2009.


84 This Convention has been ratified by all countries with the exception of the USA and Somalia.


86 Note that the years were not provided for these percentages in the UNESCO report, although the report uses 2010 figures: UNESCO. 2010. Reaching the marginalised. Education for All Global Monitoring Report. Oxford: Oxford University Press. p 1.


91 Ibid. p 184.
93 Ibid.
102 OECD CRS figures obtained on 31 March 2010, all figures in constant 2007 USD millions.
105 Organisations: Cesvi India, Hivos India, MVF, Welthungerhilfe; Contributors: Mercy Felcita, Raja Nathan, Jamuna Ramakrishna, Arumugam Guru, Saraswathi Rao, Alex Varghese.
107 Organisations: Concern Worldwide, IBIS. Contributors: Sarah Allen, Lucy Hayes.
109 Organisations: Concern Worldwide, IBIS, Contributors: Tjani Hamza, Manoj Kumar, James W. Higsbie.
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Official Journal of the European Union. 2008. Consolidated version of the Treaty of the Union and the functioning of the European Union. C115/49. Luxembourg: Title III - Chapter 1, Article 210.1. This is the version of the Treaty establishing the European Economic Community that has been in force (and renamed) as of 1 December 2009, as amended by the Treaty of Lisbon and all preceding treaties.


Ibid. p. 16.

Ibid. p. 110.


Ibid.


The 32 Fast Track countries are: Bolivia, Nicaragua, Haiti, Bangladesh, Cambodia, Pakistan, Vietnam, Laos, Albania, Kyrgyz Republic, FYROM, Moldova, Ukraine, Mongolia, Benin, Burkina Faso, Burundi, Cameroon, CAR, Ethiopia, Ghana, Kenya, Madagascar, Malawi, Mali, Mozambique, Rwanda, Senegal, Sierra Leone, Tanzania, Uganda and Zambia. The Fast Track countries vary considerably in regard to their aid dependency and the number of donors present.


European Commission. 2010. The EU role in global health. Ibid.
135 Ibid. p 7.
136 Calculated by EEPA (the EC provides 11% of global ODA; its proportional contribution would be 11% of €13.4 billion) from: Council of the European Union. 2008. Note from the General Secretariat of the Council to Delegations on the EU as a global partner for pro-poor and pro-growth development: EU Agenda for Action on the MDGs.
137 OECD CRS figures obtained on 31 March 2010, all figures in constant 2007 USD millions.
139 Ibid, p 11.
140 International Monetary Fund. 2009. Creating policy space – Responsive design and streamlined conditionality in recent low-income country programs. p 4.
143 Ibid.
145 Ibid.
152 Ibid.
153 Ibid.
156 Figures vary depending on source. These figures are calculating from the budget of the Government of Uganda.
A Short History of Alliance2015

Alliance2015 is a strategic network of seven European NGOs engaged in humanitarian and development activities. Its goal is to combine efforts in fighting poverty in developing countries and to influence public and political opinion in Europe. Alliance2015 is committed to reaching the Millennium Development Goals.

Four of the members originally met at the European NGO network Eurostep in Brussels. Welthungerhilfe, Concern Worldwide, Hivos and IBIS drafted the blueprint for Alliance2015 and officially registered the partnership in October 2000. The founding members wanted to create a strategic and practical network going beyond traditional advocacy while retaining their own identity, brand and philosophy. Cesvi joined Alliance2015 in 2002, People in Need in 2003, and ACTED became a member in 2009. Since January 2007, Vagn Berthelsen, Secretary General at the Danish member IBIS, has been the Alliance2015 President.

Latin America was the first continent where Alliance members successfully implemented joint projects and obtained funding for consortia projects from the EC. The tsunami of 2004 and Cyclone Nargis in 2008 intensified cooperation and Asia became the region in which Alliance members operated most actively. In Africa, cooperation in the areas of education and HIV&AIDS is strong in countries including Sierra Leone and Liberia, and Namibia and Mozambique respectively.

During its 10th anniversary year in 2010, Alliance2015 is taking concrete steps towards consolidating its cooperation in the field. Six countries have been selected as pilot countries in which the aid effectiveness principles of more harmonization, alignment and division of labour will be applied.

In Europe, the EU-funded Stop Child Labour campaign which began in 2003 is the longest-running Alliance campaign. The 2015-Watch report series began in 2004 and, in 2007, the EC funded Virus Free Generation Campaign was launched. In 2007, IBIS began leading the Alliance on the issue of aid effectiveness, creating a strong civil society voice during the High Level Forum on Aid Effectiveness in Accra in 2008. Welthungerhilfe has also been developing the Challenge Hunger Initiative.

Alliance2015

Founded: 2000
Number of countries active in: 80
Number of partners: 1,863
Staff: 743 at head offices, 589 at regional offices/expatriates, 9,650 local field staff

This year’s 2015-Watch report is informed by reflections from, and the engagement of, colleagues in Mozambique, Uganda, Sierra Leone, India and Cambodia – five countries where Alliance members work together tackling education, health, HIV&AIDS and food security challenges. These themes percolate the report providing a lens through which the rhetoric and reality of European development cooperation is investigated.

Alliance2015 members gratefully acknowledge the work of Europe External Policy Advisors (EEPA) in authoring the 2015-Watch series since 2004.
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