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Alliance 2015

towards the eradication of poverty

2015-Watch

The EU's contribution to the Millennium Development Goals

Halfway to 2015: Mid-term Review

A report by Alliance2015

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The responsibility for the content of this publication remains entirely with the editor.

Mirjam van Reisen
Director EEPA
Brussels, June 2007

Recalling our commitments, assessing our ambition…

In the year 2000, the Millennium Declaration was signed. Alongside this landmark statement of vision and values, the international community committed itself to eight Millennium Development Goals (MDGs) with the overarching objective of halving world poverty by 2015. Today, we are halfway there; halfway to that 2015 deadline. It is now time to reflect whether we are 'on the right track' or 'off the rails'. This new 2015-Watch report is a contribution to that reflection.

Alliance2015 is a strategic partnership of six European development NGOs working together to play our part in reaching these goals. We co-operate at programme level in developing countries and at policy level in Europe. For the past four years, a key focus of that policy work has been Europe's development co-operation policies.

As the largest donor in the world, Europe has clear obligations in the area of development co-operation. In 2000 and since, the EU has made many commitments to increasing overseas aid, to working in partnership and to achieving the Millennium Development Goals. At this midpoint towards the 2015 deadline, the first reminder is that it is only in the adherence to and delivery on these commitments that our obligations are fulfilled.

2015-Watch is a methodology specifically designed to measure adherence and delivery. This is the fourth 2015-Watch report in four years and throughout the series many changes in European development policy and practice have been monitored and analysed. We now look back at the difference they have made to the EU's effectiveness in delivering for the poorest of the poor. We revisit past recommendations and tackle some of the significant developments likely to impact on Europe's ability to deliver on its promises.

Measuring performance towards the MDGs at the halfway point…

There is good news and bad. The good news is that the EU scores better this year than in any previous year in terms of its overall orientation towards the Millennium Development Goals. The legal and policy framework has been strengthened and some of the recommendations from previous reports have been implemented. This progress is concrete and commendable. It demonstrates that Europe has the potential to play the leadership role so many expect of it.

However, the overall score shows much room for improvement and a long way to go in terms of delivery. Financial allocations to health, HIV&AIDS and education, as well as to gender equality, lag behind promises made. The focus of programming is at odds with rhetorical commitments. And the measurable impact of EU aid is in some cases opaque and in others limited. Progress is necessary on all of these fronts if the Millennium Development Goals are to be met, and the rhetoric is to become reality.

Progress made – only to be lost…?

As we look back and measure progress, we also look forward at key determinants of success.

The first relates to the EU's aid programme. This MDG midpoint coincides with the completion of the next generation of EU Country Strategy Programmes. These programmes, set out in so-called Country Strategy Papers (CSPs), identify the priority areas for spending EU funds in developing countries for the coming six to seven years. In essence, these Country Strategy Programmes are the means by which Europe delivers on its MDG commitments. Analysis of these papers gives a very different complexion to the EU's overall score. Across the next generation of Europe's Country Strategy Programmes, orientation towards the Millennium Development Goals is variable and in many cases weak. In terms of Africa, the continent in greatest need, this weakness is as notable as it is alarming.

Those priorities which do emerge clearly include macroeconomic support, transport and infrastructure, and governance. Clearly, these other areas are themselves crucial for the advancement of developing countries' economies. This is not in dispute. However, these priorities should not be pursued at a cost to the social sectors. Alliance2015 is focused on matching the EU's promises with its practice. It is determined to see that the EU lives up to its commitments and addresses the major funding gaps which persist across so many developing countries in terms of health, education and all other social sectors.

The European Commission has made clear obligations in relation to the Millennium Development Goals. The question is can it and will it deliver? Our recommendations are directed towards the Commission but also beyond. Everyone has a role to play in ensuring the next generation of Country Strategy Programmes will advance – rather than retreat from – progress towards the Millennium Development Goals.

The second reality is the shift in spending of EU aid via General Budget Support (GBS). The Commission aims to deliver 50% of its aid via General Budget Support over the coming years. Is this conducive to the achievement of the MDGs? Or does it simply make the task of monitoring where EU money is being spent more difficult? Will we be able to 'watch' in five years time – or will the figures be so oblique that accountability – and credibility – will be lost?

Allliance2015 hosted an expert meeting on General Budget Support in early 2007, on the basis of last year's report and recognising the new context for aid policy provided by the international agreement on the Paris Declaration on Aid Effectiveness. The expert meeting considered the question of the statistical accounting of General Budget Support, especially proposals to score General Budget Support as contributions to the Millennium Development Goals sectors of health and education. Lately, it has also been suggested that contributions to transport and rural development could be 'scored' as support for health and education.

The more specific analysis in the following chapters considers the drive for these proposals and examines the question of whether General Budget Support, transport and rural development should be counted as contributions to the health and education sectors. We appear quite far from consensus on this issue.

Halfway there...

The fourth 2015-Watch report provides a comprehensive assessment of where things stand in 2007. It raises serious concerns, and poses many questions. But we must also and always be hopeful that change is possible. We must hope that ambition remains. We must hope that this analysis opens opportunity – for debate, for improvement, for action. And we must hope that this year's report will advance Europe towards the Millennium Development Goals and bring us to a point where we can truly say that we are all halfway there…

Vagn Berthelsen
President Alliance2015
Copenhagen, June 2007

Box 1: United Nations Millennium Declaration

'We believe that the central challenge we face today is to ensure that globalization becomes a positive force for all the world's people. For while globalization offers great opportunities, at present its benefits are very unevenly shared, while its costs are unevenly distributed. We recognize that developing countries and countries with economies in transition face special difficulties in responding to this central challenge. Thus, only through broad and sustained efforts to create a shared future, based upon our common humanity in all its diversity, can globalization be made fully inclusive and equitable. These efforts must include policies and measures, at the global level, which correspond to the needs of developing countries and economies in transition and are formulated and implemented with their effective participation.'[1]

Box 2: The Millennium Development Goals

Goal 1: Eradicate extreme poverty and hunger

Goal 2: Achieve universal primary education

Goal 3: Promote gender equality and empower women

Goal 4: Reduce child mortality

Goal 5: Improve maternal health

Goal 6: Combat HIV/AIDS, malaria and other diseases

Goal 7: Ensure environmental sustainability

Goal 8: Develop a global partnership for development

Box 3: Conclusions by the Council of the European Union, May 2005

'The EU is strongly committed to the implementation of the Millennium Declaration and the MDGs. The EU underlines the link between achieving the MDGs and implementing the outcomes of the UN international conferences and summits in the economic, social, environmental and other related fields. We furthermore recognize that there has been progress towards meeting the MDGs, but that this progress varies greatly by goal and by region, so that considerable improvement in mutual performance will be needed to achieve them by 2015. In that context, the EU reaffirms the high relevance of each of the MDGs, and the high importance to achieve the MDGs in each country.'[2]

Box 4: The Paris Declaration Principles:

- Developing countries exercise leadership over their development policies and plans (ownership).
- Donors base their support on countries' development strategies and systems (alignment).
- Donors coordinate their activities and minimize the cost of delivering aid (harmonisation).
- Developing countries and donors orient their activities to achieve the desired results (managing for results).
- Donors and developing countries are accountable to each other for progress in managing aid better and in achieving development results (mutual accountability).[3]

1. Introduction

The UN Millennium Declaration was adopted in 2000 by heads of state and government with the aspiration of making poverty history in this century and to give millions of people living in poverty across the world hope that their plight was a priority for the international community.

In conjunction with the Millennium Declaration, eight Millennium Development Goals (MDGs) were identified as reflecting concrete targets for the eradication of poverty by 2015. These specific targets were focused on outcomes in education, health, gender equality, HIV&AIDS, the environment and the enabling macroeconomic environment.

Alliance2015 was established with the mission to contribute to the MDGs and to monitor the efforts by the international community to help achieve them. In 2004, Alliance2015 published its first 2015-Watch report, looking specifically at the efforts of the European Union to help implement the MDGs. This is the fourth 2015-Watch report, based on a consistent methodology and allowing a comparative view of how the European Union has progressed (or not) in its aim to help achieve the MDGs.

The European Union as a whole, including its Member States, allocates over 60% of global Official Development Assistance (ODA). The programme managed by the European Commission (hereafter refered to as the 'EU aid programme') is sizeable. In 2007, it is adopting its new Country Programmes. With a total amount of € 51 billion allocated for the period 2007 – 2013, the European Commission could make a real difference to the chances of the MDGs being achieved.

There are still major challenges in relation to the achievement of these goals. It is predicted that in Africa in particular, the MDGs will be unattainable unless support for the goals is seriously stepped up.

Is the European Commission stepping up its efforts? As we reach the midpoint for the targets, are the commitments made by the EU being acted upon?

Box 5: Conclusions by the Council of the European Union, May 2005

'In order to address issues of inequality and marginalisation, and to promote social cohesion, the EU will strengthen its support to access to basic services (water and sanitation, health, education, sustainable energy, etc.) (…)

The EU, together with other donors, will contribute to ensure adequate and predictable funding to fight HIV/AIDS, malaria and TB.'[4]

This report identifies the extent to which the European Commission's Development Policy has succeeded in targeting the MDGs. First of all it looks at the evolution of the aid programme from 2001 until 2005. In the second chapter, the report examines the extent to which the MDGs are targeted in the Country Strategy Programmes (CSPs) for 2007 – 2013. The third chapter examines proposals to change the statistical accounting of the EU aid programme to give a better appearance without a change in actual allocations. The fourth chapter examines why education and health are deprioritised for the CSPs in 2007 – 2013.

The report integrates the findings of the previous three reports with the latest findings from 2002 onwards.

2. Main Findings

2.1. The European Commission's score in 2005

The European Commission's score for its implementation of the EC's development aid programme in 2005 was slightly better than in previous years. However, with a score of 62% there is still considerable room for improvement.

The findings of Chapter 1 are as follows:

2.1.1. Legal framework
The legal framework for the EC's development co-operation has improved. This should mean that the European Commission can be confident that the political and legal environment in which it operates is consistent with its international obligations to ensure that development aid contributes to the Millennium Development

Goals and the eradication of poverty. It also means that the European Commission, as the executive arm of the European Union, carries full responsibility for the implementation of the legal framework. Shortcomings in its implementation should be addressed without delay. The European Commission alone can be held responsible for structural and repeated failings to implement the legal framework.

2.1.2. Budget allocation
Since 2001, binding targets of 35% to social sectors and 20% to basic health and education have been included in the budget for the regions of the African, Caribbean and Pacific (ACP), Asia and Latin America.

In 2005, there was a small increase from a low in 2002 for basic health and education as a proportion of the overall EU ODA allocations. However, the proportion of the EU's spending on these areas in 2005 was still only 4.71% and 2.73% respectively. It is still very far off the target of 20%. EU spending on basic social services was 12.6% in 2005, nowhere near the target of 35%.

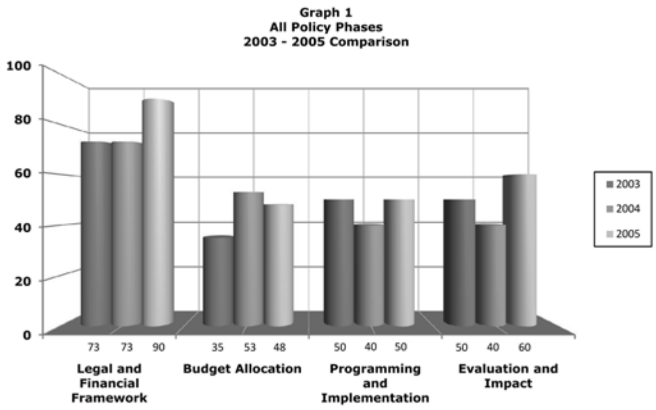
Sector spending on HIV&AIDS fell from 0.46% in 2000 to 0.13% in 2005. Spending on gender equality remained insignificant at 0.10%.

2.1.3. Programming and implementation
The National Indicative Programmes (NIPs), which accompany the Country Strategy Papers (CSPs) and which describe the European Commission's country programmes, have slightly improved in 2005. This is probably the result of the mid-term review and the changes made in NIPs for the 2005 – 2006 period.

2.1.4. Evaluation and impact
A positive trend was found in the area of evaluation in that more evaluations were carried out than in previous years. However, it was found that of 17 country evaluation reports analysed, positive impact on poverty eradication was noted for only three countries. Another eleven evaluation reports noted zero or limited impact, while three evaluations did not measure the impact of the programme on poverty eradication.

2.1.5. Overall performance score for 2005
The weakest parts of the EC programme in 2005 are the budget allocation and the programming and implementation. The budget allocation to social sectors actually decreased in 2005, despite the Commission agreeing to work with the European Parliament on the implementation of the targets on basic health, education and social sectors.

The improvement of the overall score demonstrates that the Commission can do better and that progress is possible.



2.2. Prognosis for 2007 – 2013: Deprioritisation of the MDGs for Africa

This fourth 2015-Watch report has also looked at the prognosis for 2007 – 2013, the period covering most of the remaining years until 2015. This 2007 – 2013 period coincides with the next EU financial perspective, with a total of € 51 billion for the entire period available for development co-operation.

The striking issue which emerges from the analysis of trends for the 2007 – 2013 programmes is the disparity between regions. While Africa is most in need of assistance to realise the MDGs, this is the region which will receive hardly any direct support to the MDGs sectors. The European Commission will be supporting the ACP countries with € 23 billion over the period 2007 – 2013. The disparity between Asia and Latin America on the one hand and the ACP on the other hand, can only be explained by the differences in legal instruments underpinning the programmes to these different regions. However, just as the Development Cooperation Instrument (DCI) provides a clear framework for the EU's development co-operation in Asia and Latin America, the Cotonou Agreement does the same, and is complemented by a legally binding target in the EU Budget for 20% of the resources to the ACP to be directed to support for basic health and education, and 35% to be allocated to social services.

Only five out of the 61 ACP CSPs analysed foresee the prioritisation of education for 2007 – 2013. In the previous period, 13 out of 74 ACP country programmes included education as a focal sector. Only two out of 61 ACP CSPs foresee support to health as a focal sector for 2007 – 2013. A staggering 44 others foresee no support to health at all. This contrasts with seven focal sectors for health in the previous period. There is a notable deterioration in allocations to health and education, which, in ACP countries was already extremely weak in the previous period.

Shortcomings in the EC's efforts to mainstream gender in its development co-operation raise significant doubts about its ability to successfully mainstream the fight against HIV&AIDS in developing countries. Specific support for the fight against HIV&AIDS for 2007 – 2013 is only foreseen in one of the new 61 CSPs about which information was available. By contrast, in 17 of the 74 CSPs from the previous period specific actions targeted towards the fight against HIV&AIDS were identified.

Notwithstanding the pressing need for focussed resources for health and education, transport is foreseen as a focal sector in 19 out of the 61 ACP CSPs for 2007 – 2013. The absolute amount of resources allocated to transport is actually growing under EDF 10 in this coming period, with a greater concentration on fewer countries.

Even in countries with extensive EC General Budget Support programmes, transport is still included as a focal sector. It is unclear why transport should not be covered by the macroeconomic support provided to the country.

The analysis of the programming with the ACP countries gives a worrying picture. This analysis shows a very distinct deprioritisation of the MDGs. The prominence of education and health has decreased dramatically in the CSPs and there is a marked decline in support for the fight against HIV&AIDS. Three case studies looked at the following countries more closely: Madagascar, Mozambique and Tanzania. It was found that in all three countries, progress on education had been made, but it also appears that important challenges remain in the education sectors, relating to:

1. The poor results indicators – necessitating a specific focus on education;

2. The financing gap on education – necessitating additional financial resources;

3. The absorption capacity on education – necessitating support to the sectors;

4. The lack of data available in terms of the division of labour in the EU on supporting education in the partner countries.

In all three countries it appears that sectoral support for education will be discontinued.

2.3. Promoting the MDGs through General Budget Support

General Budget Support (GBS) is considered by some to be the ideal instrument to support national poverty eradication programmes and to create ownership in partner countries. It certainly holds out the possibility of greater aid effectiveness and lower transaction costs. It can create long-term predictability and can benefit recurrent costs in education and health in particular. It can strengthen domestic processes of budget accountability, not just to donors but more importantly to beneficiaries.

However, these benefits can only be realised under the right conditions and these conditions must in turn be conducive to the achievement of the MDGs.

Firstly, sectors must be strong enough to benefit from funding channelled through GBS. In some cases, they must be strengthened and their absorption capacity increased. This takes time. GBS should not be imposed before sectors are ready or prepared to deal with the consequences. In other words, the transition from Sector Budget Support (SBS) to GBS should be determined in part by the strength and readiness of the sector to reap the benefits.

Secondly, conditions related to GBS should be conducive to the achievement of the MDGs. Conditions linked to GBS should not frustrate governments' abilities to advance towards their

goals and bridge financing gaps in respect of health, education, gender equality and HIV&AIDS. Unreasonable IMF ceilings on social expenditure, for example, can be a cause of such frustration.
Thirdly, GBS must provide some predictability over the medium to long-term. Annual "stop and go" finance such as that which is provided by EU GBS hampers planning for sustainable growth.

2.4. Measuring General Budget Support in the context of the MDGs

In the context of the diminishing financial resources allocated to health and education in ACP countries coupled with a growing overall aid budget, the Commission is exploring ways to amend its statistical accounting in order to seem to comply with the budgetary targets of 20% to basic health and education and 35% to social services.

Among the proposals under consideration is one which would see General Budget Support (or part of it) represented as support to health or education. This runs contrary to the principle that General Budget Support is not allocated to social sectors specifically. In addition, the Commission appears to be considering the inclusion of its support to the transport and rural development sectors as support to health and education.

Chapter 3 identifies the criteria which should be applied to ensure that the statistics presented by the Commission and by the OECD/DAC remain credible. It concludes that any methodology which might lead to double counting is unacceptable. Negative trends in the budget should be shown as negative trends. Contributions to the general budget which are not "DAC-able" according to OECD/DAC ODA norms cannot be counted as ODA. Finally, if General Budget Support is to be attributed to a specific sector, associated indicators and conditionalities have to be made public. These should be transparently published so that they can clarify why General Budget Support is expected to contribute to a particular sector.

European Union spending via General Budget Support does not discharge the European Commission from its responsibility to ensure that its aid reaches the education and health sectors. In many ACP countries, there are very few qualified health workers and teachers. In order to address this issue, ACP countries are asking for long-term predictable funding as a basis for the financing of recurrent costs, which could be provided in the context of General Budget Support.

Proposals to agree on a division of labour amongst Member States and the European Commission may well be part of the spirit of the Paris Declaration. However, a division of labour does not discharge the European Commission from its responsibility to ensure that the financing gap on education and health is closed. In countries where a Member State takes the lead in a sector, as is the case for instance with education in Tanzania, the European Commission still has a responsibility to ensure that adequate funding is available. In Tanzania, the ongoing problem of lack of funding for education was identified by several actors. This was also the case for Mozambique.

2.5. Whose ownership, whose governance?

The final chapter examines the decision-making procedure with regard to the ACP CSPs. Interviews suggest that when it comes to deciding on focal sectors, EC delegations are operating in accordance with strict instructions from Headquarters. Interviewees did suggest that transport and trade were highly prioritised within these instructions. It was found that the principle of ownership was not defined by the European Commission.

The Commission has included a so-called "Governance Facility" in its list of contributions to social sectors. However, in the Governance Facility, the MDG sectors are conspicuous by their absence. The Governance Facility gives greater profile to European Union interests, including to counter-terrorism, migration and trade liberalisation. This facility also begs the question: whose ownership, whose governance?

3. Recommendations

In its previous 2015-Watch reports, Alliance2015 made recommendations, which have been revisited in this report. A number have been implemented, including those pertaining to the legal framework and targets in the budget framework. Recommendations related to evaluations have also been implemented to some extent.

Those remaining recommendations relate to budget allocation as well as to the programming and implementation of the EU's aid programme.

The following recommendations are still valid. This report urges the Commission to take all necessary actions to ensure that the upward trend identified in this report for 2005 is continued in the coming period, and to create confidence that in the coming period, (2007 – 2013), the Commission will continue to give identifiable support to the achievement of MDGs, most notably in ACP countries.

1. Increase allocations to the MDGs

    - General Budget Support should be accompanied by programmes for basic health and education in order to ensure that the organisation and administration of the sectors are supported – in order to generate absorption capacity; and with a view to ensuring that the European Commission takes some responsibility for closing the financing gaps in education and health and fulfils the target to contribute 35% of its aid to social sectors and 20% to basic health and education.

    - The Commission should identify clear criteria for identifying which aid modality is most suited to the situation in partner countries and include in its criteria: (i) the results indicators in the country on the MDGs; (ii) the financing gap on education and health; (iii) the strength or weakness of the health and education sectors in the country; (iv) the presence (or not) of other donors, with special responsibility given to "aid orphans" to ensure that their needs in education and health are addressed.

2. Ensure General Budget Support contributes to the MDGs

    - In line with the Paris Declaration on Aid Effectiveness, 'transport', which is not an MDG sector, should be included as part of General Budget Support in countries where this is the principal aid modality. Transport and infrastructure can be realised with (EIB) bank loans and public private partnerships. The Commission must disclose which European companies are benefiting from the grant contracts allocated to the transport sector.

    - Specific measures need to be identified to support the fight against HIV&AIDS, gender equality and children's rights. These cross-cutting themes are notable because of the absence of actions to address them.

    - A long-term predictable financing instrument for the payment of recurrent costs such as salaries for both school teachers and health workers should be included as part of General Budget Support to ensure that the health workers and teachers crisis is addressed.

    - The Commission should ensure that the statistical allocation of General Budget Support is done in accordance with the nature of the instrument and ensure that reporting is in line with accounting criteria set by the OECD/DAC on the reporting of the purpose of aid.

3. Promoting Ownership and Governance

    - The Commission should define and operationalise ownership, and identify how it has ensured ownership in the programming process for 2007 – 2013.

    - The Commission should ensure that the Governance Facility is based on the international framework for human rights, rather than promoting European interests such as counter-terrorism, migration issues and trade liberalisation.

4. Identifying clear Roles and Responsibilities

    - Under the voluntary Code of Conduct on the EU Division of Labour, the European Commission should identify what Member States are undertaking in each partner country in MDG sectors, and, on the basis of findings in relation to the financing gap in these sectors, identify what it can usefully do to support the MDGs, in line with the Paris Declaration on Aid Effectiveness.

    - In 2008, the European Court of Auditors should investigate whether the Commission is on course to meet its commitment to achieve the target of 20% allocation to basic health and education by 2009, agreed alongside the DCI, as well as the budget targets to allocate 20% to basic health and education and 35% to social sectors included in the EU budget with regards to ACP and DCI countries since 2001.

- The European Parliament, the ACP-EU Joint Parliamentary Assembly and national parliaments, ratifying EDF 10, should ensure adequate scrutiny over the implementation of the EDF in the Country Strategy Programmes. The European Parliament should ensure clear benchmarks are in place for the annual discharge of the EDF, which is the responsibility of the European Parliament – and assume its right of scrutiny over the implementation of the EDF.

- The EU Member States, through their seat in the EDF Committee, have the right of scrutiny over the ACP CSPs. The Member States therefore have a principal responsibility to ensure that the ACP CSPs are prioritising the achievement of the MDGs. The Member States also carry a principal responsibility to ensure that the CSPs are approved on the basis of democratic scrutiny in line with the principle of ownership and on the basis of the Paris Declaration, and have an obligation to identify how effective parliamentary control is exercised over the ACP CSPs.

Box 6: About 2015-Watch

2015-Watch assesses the extent to which EU donors are contributing to the achievement of the MDGs. It measures donors' progress towards or regression away from implementing the political commitments made at the 2000 Millennium Summit to poverty eradication, basic education, basic health and reproductive health, HIV&AIDS, gender equality and the environment. In particular, it focuses on advancements under MDG 8, the goal which obliges the international community to develop a global partnership for development.

The 2015-Watch series focuses on the quality of donors' policy processes by applying a diagnostic tool which shows where there is a clear policy focus on the MDGs and where improvements can be made.

2007 marks the midpoint between 2000, when the Millennium Declaration was signed and 2015, the target for the achievement of the Millennium Development Goals (MDGs). 2007 is also the year in which the EU aid programmes for all regions for the period 2007 – 2013 will be approved. It is therefore a crucial year in which to establish whether the EU is on track, and whether the European Commission's policies are sufficiently oriented to support achievement of the MDGs.

Since 2004, 2015-Watch has measured the European Commission's policy orientation towards the MDGs. The aim of this year's 2015-Watch report is to take stock of progress, and assess it alongside the EC's process of programming its development aid for the period 2007 – 2013. This process will result in the adoption of country programmes for the EU's partner countries in all regions. It will also determine the allocation of the majority of the EC's aid resources until 2013.

Approximately € 51 billion has been allocated as development aid for this period. This amount could make a very important contribution to the achievement of the MDGs. It is divided up as follows:

- € 22.682 billion under the tenth European Development Fund (EDF 10) – for the countries in Africa, and the Caribbean and Pacific regions (ACP);
- € 16.897 billion under the Development Cooperation Instrument (DCI) – for the countries of Asia and Latin America; and
- € 11.181 billion for the European Neighbourhood and Partnership Instrument (ENPI) – for the EU's neighbour countries.

It is therefore more important than ever that the EC's resources are directed towards those sectors which are identified in the MDGs.

In the first years after the adoption of the Millennium Declaration and agreement on the MDGs, donors' under-performance was explained or justified by the various administrations' need for time to adapt. In 2007, this is no longer a valid justification. The Millennium Declaration was adopted in 2000 with a view to achieving the targets by 2015. We are now halfway to that deadline. The 2005 'Make Poverty History' campaign for the MDGs exclaimed 'No excuses'. In 2007, at a high-level conference on education, the EU Commissioner for Development and Humanitarian Aid, Louis Michel, stated: "The formulation 'Let us keep the promises which we have made in education' is not just a simple slogan".[5]

Box 7: 2015-Watch Report 1: The EU's contribution to the Millennium Development Goals - Special focus: HIV/AIDS

The first 2015-Watch report was published in May 2004. It applied the 2015-Watch methodology to measure the EU's contribution to the Millennium Development Goals and found a major gap between the EU's political commitments and its actual policy orientation towards the MDGs.

As well as setting a benchmark in relation to monitoring MDG 8, the report also included a special thematic focus on the EU's contribution to the global fight against HIV&AIDS[6] and found that while the EU's focus on the fight against HIV&AIDS was stronger than its overall orientation towards the MDGs, it still remained weak in terms of implementation.

Box 8: International obligations and commitments on targets for allocations to education and health

20:20 Compact

The 20:20 compact was introduced in the UN Human Development Report in 1995 and included in the Programme of Action of the 1995 UN Summit on Social Development. The first follow-up conference was in Hanoi, Vietnam, in October 1998. The 20:20 compact involves setting aside 20% of national budgets for basic social services, and requires donor agencies to allocate 20% of their budgets to basic social services. It was referenced in the Platform of Action agreed at the 1995 UN Summit on Social Development in Copenhagen.

'Education for All' – Fast Track Initiative

The `Education for All' – Fast Track Initiative (FTI) is a global partnership between donors and developing countries to ensure accelerated progress towards the Millennium Development Goal of universal primary education by 2015. In 2002, the `Education for All' – Fast Track Initiative (FTI) was established as the first ever global compact on education, to help low-income countries achieve free, universal basic education by 2015. The initiative is managed by the World Bank. All low-income countries which demonstrate a serious commitment to achieving universal primary completion can receive support from the FTI. The FTI recommends that governments allocate 20% of their budget to education. It also recommends that 42 – 64% of the education budget should be allocated to primary education.

Abuja Declaration on HIV/AIDS, Tuberculosis and Other Related Infectious Diseases

In 2001, heads of state and government of the Organisation of African Unity (OAU) pledged to allocate at least 15% of their annual budget to the improvement of the health sector. This commitment was reaffirmed at a meeting of AU Health Ministers in Johannesburg, South Africa in 2007.

EU Budget and Development Cooperation Instrument (DCI)

Since 2001, the annual EU budget has included the target that 35% of the EU's total annual development assistance commitments should be allocated to social infrastructure and that 20% should be allocated specifically to basic health and basic education.

In 2006, the EU adopted a new legal instrument (regulation) for development co-operation. The adoption of the DCI was accompanied by a declaration from the EC in which it committed itself to ensuring that, by 2009, 20% of funds under the geographic programmes covered by the DCI would be allocated to basic health and basic and secondary education.

In November 2004, following publication of the first report, a group of experts met in Brussels to discuss how the methodology could be enhanced. On the basis of those discussions and in close collaboration with the statistics and monitoring division of the OECD/DAC, the methodology was further developed, to allow for comparisons of performance across donors and ranking of relative performance.

Box 9: 2015-Watch Report 2: The Millennium Development Goals: A comparative performance of six EU Member States and the EC aid programme

The second 2015-Watch report, published in May 2005, assessed the EC alongside the development programmes of the EU Member States which are home to the six Alliance2015 members. Based on a slightly revised methodology, the report ranked the countries in terms of their relative orientation towards the MDGs.

This report found that smaller countries were generally performing better than their larger counterparts. It also found that the good "ODA performers" (i.e. those EU Member States which have already achieved the 0.7% ODA/GNI target) were not necessarily the best overall performers due to shortcomings in other stages of their policy processes.

The focus of the third report was education. It re-examined the EU as a donor, its policy orientation towards the MDGs overall and especially towards MDG 2 which sets an obligation on the international community to achieve universal primary education by 2015.

The third 2015-Watch report revealed that only 1.53% of total sector-allocable EU aid was allocated to basic education. This was a particularly disturbing finding. In a letter written to the President of Alliance2015 in response to the publication of the report, the EC did not contest this evidence. It did, however, indicate that it was considering the inclusion of general budget support (GBS) in its statistical accounting for the education and health sectors.

Box 10: 2015-Watch Report 3 The EU's contribution to the Millennium Development Goals – Special focus: Education

The third 2015-Watch report, published in October 2006, broadened the scope of the previous 2015-Watch reports by including two chapters on the impact of the EU's policy on the South. The report focused on education and the efforts made by the EU to reach MDG 2. The report used a slightly modified methodology which included a new set of parameters to focus on education and to accommodate an assessment of the contribution of budget support to the MDGs.

This report found that there was continued weak performance on the implementation of the MDGs in EU development co-operation. It revealed that the allocations to education were decreasing in proportional terms and that the EU's performance on MDG 2 was in fact weaker than it's overall performance. Moreover, consistent with the outcomes of the earlier reports, this report demonstrated that a major problem lies in the translation of the rhetorical framework into budget allocation, programming and evaluations that are sufficiently focused on the MDGs.

In February 2007, Alliance2015 held an expert meeting on the statistical methodologies proposed to allocate GBS to social sectors. The aim of the expert meeting was to examine possible criteria for quantifying the contribution of GBS to the MDGs in order to ensure that statistical data remain credible. A report on the expert meeting is available to the public and the outcomes of the meeting are described in Chapter 3.[7]

As we arrive at the MDG midpoint, this 2015-Watch report is both retrospective in assessing how well the European Commission is performing in directing its aid to the MDGs and prospective in looking at trends for the coming years. Given that the EC is finalising the process of allocating its development aid funds for the period up to 2013, it is crucial that this aid is directed to the MDGs.

Chapter 1 assesses the performance of the European Commission in supporting the MDGs. It is based on the 2015-Watch methodology, which measures performance in (i) the legal and financial framework (ii) the budget allocation (iii) the programming and implementation and (iv) evaluation and impact. The scores are compared with those of earlier years.

In Chapter 2, the country strategy programmes for the period 2007 – 2013 are examined in order to determine how EC aid will be directed, especially towards health and HIV&AIDS, education and the promotion of gender equality. It also analyses the extent to which the EC prioritises transport in its country programming.

Chapter 3 goes on to focus on General Budget Support asking whether the statistical allocation of GBS to the social sectors constitutes a statistical deception or an "educated guess". It also recommends how GBS might further the MDG agenda to which donors nationally and internationally are committed.

The EC has identified 'ownership' as a basic principle for the ongoing programming exercise. Alliance2015 attaches great importance to the principle of ownership in development co-operation. Chapter 4 focuses on how this principle is translated in the formulation of priorities in the CSPs for the ACP countries. It raises the spectre of an EU which increasingly focuses on transport while deprioritising spending on social sectors. It points to the emergence of two growing gaps – the finance gap between promised and delivered funding – and the credibility gap – between policy and practice.

The overall aim of the 2015-Watch tool is to measure the contributions of donor countries and multilateral agencies to the achievement of the MDGs. The methodology analyses the extent to which donors' development policies are oriented towards this internationally-agreed set of goals. It has been designed to allow comparative analysis over time and to monitor the quality of a donor's contribution to the MDGs. The methodology also allows the performances of different donors to be compared.

1. Methodology for Chapter 1

The 2015-Watch tool is a diagnostic instrument. By using it to analyse donors' development policies, it is possible to determine the relative strengths and weaknesses of any given donor in terms of policy orientation. It is also possible to pinpoint the precise stage(s) of the policy process which are insufficiently oriented towards the achievement of the goals.

The methodology is based on the concept that the quality of donors' development aid is directly related to the quality of their policy processes. The policy process is divided into four distinct phases: objective setting; allocation of resources; programming and implementation; and monitoring and evaluation (see Graph 2).

The scoring system accords an equal weight to each of the four policy phases. This reflects one of the fundamental concepts of the 2015-Watch methodology – that all four phases of the policy process are equally important in determining the overall quality of the donor's development aid.

The complete 2015-Watch methodology is set out in Annex 1 and the EU's scores for each policy phase are set out in Annex 2.

2. Selection of documents

The documents analysed in policy phases I, III and IV are primarily official EU publications. Phase II involves a statistical analysis for which the main data source was the OECD/DAC's online Creditor Reporting System (CRS) database. The data for Phase IV are derived from independent evaluation reports of EU country programmes.

The 93 country strategy papers (CSPs) which were analysed for Phase III were selected at random. At least two-thirds of the available CSPs were analysed for each of the following geographical regions: Africa, Caribbean and Pacific, Asia and Latin America and the so-called "European neighbourhood".

Table 1: Number of CSPs analysed for Chapter 1	
Africa, Caribbean and Pacific	55
Asia and Latin America	26
Eastern Europe and Mediterranean	12
TOTAL	**93**

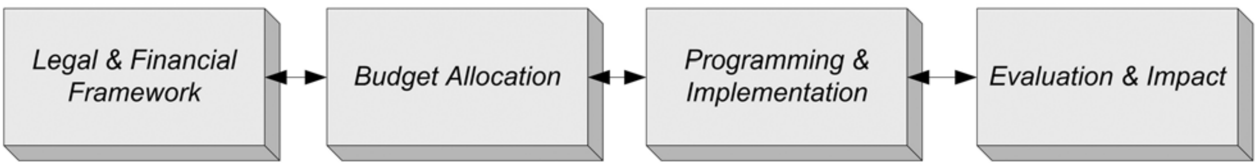
All of the 17 country evaluation reports which were published during the period 2003 – 2007 were analysed within Phase IV.

3. Methodology for Chapter 2

Chapter 2 focuses on the EU's approach to programming in the following areas: health, education, gender equality, HIV&AIDS and transport. For each theme, CSPs for countries falling under the scope of the Cotonou Agreement (ACP), the DCI (Asia and Latin America) and the ENPI (Eastern Europe and Mediterranean) are analysed. It should be noted that the information on the CSPs for the ACP countries is tentative as the documents have not yet been signed by either the EC or the ACP governments.

In the case of the ACP countries, the probable content of the CSPs has been established with

Graph 2: The Policy Process



reference to three different sources:

1. Communication with EC delegations in all ACP countries;

2. Communication with the ACP countries' embassies in Brussels and specific requests for information on the programming of EDF 10

3. Communication with EC country desk officers from EC Headquarters in Brussels.

The information received from these three sources has enabled some assessment of the likely content of the new ACP CSPs, even though the documents are not yet in the public domain.

The CSPs for 31 of the 48 countries which fall under the scope of the DCI have been analysed for this chapter.[8] These have been compared with 35 CSPs for countries in Asia and Latin America from the previous programming period (2001 – 2006).

16 of the EU's neighbour countries fall under the scope of the ENPI. 13 of the CSPs for these countries from the previous programming period (2002 – 2006) have been analysed as well as 14 from the ongoing one (2007 – 2013).

None of the CSPs for the 78 ACP countries has yet been signed or published. For this reason, the information about the ACP CSPs is based on the three sources listed above. From these sources, it has been possible to establish information about 61 draft CSPs for the ACP countries. 74 ACP CSPs covering the previous programming period (2001 – 2007) have also been analysed.

All of the available CSPs from the previous programming period were analysed for this chapter. The countries are listed in Annex 5.

Table 2: Number of CSPs analysed and / or CSP information available for Chapter 2

	2001/2 – 2006/7	2007/8 - 2013
DCI	35	31
ENPI	13	14
ACP	74	61
TOTAL	**122**	**106**

In order to assess the extent to which the EU prioritised the different sectors CSPs have been divided into the following categories:

1. Focal sector;
2. Non-focal sector;
3. Included under other focal sectors such as 'human resources development';
4. Project or programme in the sector;
5. Mainstreaming;
6. Those which include no support for sectors.

Detailed analysis across all six categories is set out in Annex 4 while Chapter 2 focuses primarily on 'Focal Sector' coverage.

Research for the three country case studies was based on communications with officials from both the EC delegations in Madagascar, Mozambique and Tanzania, and from those countries' embassies in Brussels. It also involved analysis of various documents from the 'Education for All' – Fast Track Initiative as well as the relevant EU programming documents. Furthermore, interviews were held with experts in the field in order to check the information provided in the chapter.

4. Methodology for Chapter 3

Chapter 3 is based on a review of the Alliance2015 expert meeting on the contribution of General Budget Support to social sectors which took place in February 2007 in Brussels. The complete report of the meeting is available on the website of Europe External Policy Advisors.

5. Methodology for Chapter 4

Chapter 4 draws on the findings of the research which has been presented in the previous chapters and tries to determine the logic behind the European Commission's decision to prioritise certain activities over others. It is based on the various sources listed above as well as on interviews with EC officials and other resource persons.

2005: The EU's Contribution to the Millennium Development Goals

This chapter assesses the performance of the European Commission in supporting the MDGs. It is based on the 2015-Watch methodology, which measures performance in (i) the legal and financial framework; (ii) the budget allocation; (iii) the programming and implementation, and (iv) evaluation and impact. The scores are compared with those of earlier years.

1.1. Introduction

The purpose of this chapter is to assess the progress which the European Union (EU) has made in terms of the orientation of its development co-operation policies towards the Millennium Development Goals (MDGs). The subject of analysis is the aid programme managed by the European Commission ("EU aid programme") in 2005. 2005 was a crucial year for the MDGs. Millions of people across the globe participated in the 'Make Poverty History' campaign and world leaders reaffirmed their commitment to supporting the achievement of these internationally-agreed goals. For this reason, the EU's performance in 2005 should be seen as a clear test of its resolve to make good on its impressive commitments.

In this 2015-Watch report, performance in 2005 has been compared with the scores achieved in 2003 and 2004 and presented in the second and third 2015-Watch reports respectively. 2005 has been selected as the focal year for analysis as it is the most recent year for which all necessary data are available. However, given that there have been several policy developments since 2005, all relevant policy documents from 2006 and the first half of 2007 have also been taken into account. Though not scored, these illustrate the latest performance trends midway to the 2015 deadline for the achievement of the MDGs.

In May 2005, the Council of the EU reaffirmed the EU's commitment to the achievement of the MDGs:

'The EU is strongly committed to the implementation of the Millennium Declaration and the MDGs. The EU underlines the link between achieving the MDGs and implementing the outcomes of the UN international conferences and summits in the economic, social, environmental and other related fields. We furthermore recognize that there has been progress towards meeting the MDGs, but that this progress varies greatly by goal and by region, so that considerable improvement in mutual performance will be needed to achieve them by 2015. In that context, the EU reaffirms the high relevance of each of the MDGs, and the high importance to achieve the MDGs in each country.'[9]

1.2. Legal and Financial Framework

1.2.1. Primary Law

The legal basis for the EU's development policy is provided by the EC Treaty. This Treaty includes poverty eradication as one of three principal objectives of EU development co-operation. It also takes account of the principle of policy coherence for development.

The overall legal basis for the EU's development policy has remained unchanged since the first 2015-Watch report was published in May 2004.

1.2.2. Development Policy

In December 2005, the presidents of the European Parliament, the European Commission and the Council of the EU adopted a revised EU development policy statement: The European Consensus. The new document, which replaced the November 2000 Joint Statement of the Council and the Commission on the European Community's Development Policy, is the first to include the achievement of the MDGs as the overarching objective of EU development co-operation. Moreover, the European Consensus includes all of the key MDG sectors – basic education, basic health, gender equality, environmental sustainability and HIV&AIDS – as objectives of EU development co-operation.

Box 11: The European Consensus

'The primary and overarching objective of EU development cooperation is the eradication of poverty in the context of sustainable development, including pursuit of the Millennium Development Goals (MDGs).'

'The Community aims to contribute to 'Education for All'. Priorities in education are quality primary education and vocational training and addressing inequalities.'

'The Community will support the full implementation of strategies to promote sexual and reproductive health and rights and will link the fight against HIV/AIDS with support for reproductive and sexual health and rights. The Community will also address the exceptional human resource crisis of health providers, fair financing for health and strengthening health systems in order to promote better health outcomes, making medicines more affordable for the poor.'

'[T]he EU will include a strong gender component in all its policies and practices in its relations with developing countries.'

'The Community will support the efforts undertaken by its partner countries to incorporate environmental considerations into development, and help increase their capacity to implement multilateral environmental agreements.'

'In all countries, the fight against HIV/AIDS is defined as an effort cutting across sectors and institutions.'[10]

1.2.3. Volume and Poverty Focus of Aid

In March 2002, the heads of state and government of the then 15 EU Member States collectively committed their countries to working towards achieving the 1970 0.7% ODA/GNI target. They set an interim target of 0.39% to be achieved by 2006. In May 2005, the GAERC reaffirmed that pledge and set itself two new collective targets of 0.56% ODA/GNI by 2010 and 0.7% ODA/GNI by 2015.

In terms of progress on these targets, in 2006, the OECD/DAC reported that the EU DAC members collectively exceeded this target in 2005 by achieving an average 0.44% ODA/GNI. In May 2007, the GAERC reported that the EU DAC members had achieved 0.42% ODA/GNI in 2006.

The European Consensus provides that EU development aid will be focused on the least developed and other low-income countries (OLICs). Similarly, several articles of the 2000 ACP-EU Partnership Agreement (Cotonou Agreement) provide for special treatment for the least developed ACP countries.

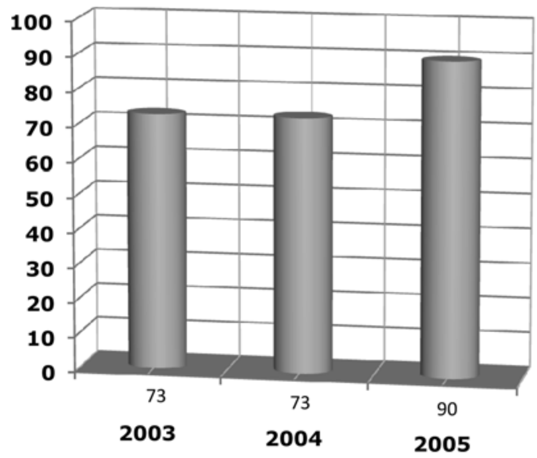
The new legal provision for development co-operation (DCI) provides that 'Least developed countries and low income countries shall be given priority in terms of overall resource allocation in order to achieve the MDGs.'[11]

All of the above are progressive developments towards a stronger policy framework. In terms of the financial framework however, progress has not been so strong.

The 1999 Interinstitutional Agreement, which includes the financial perspective (1999 – 2006), contains no poverty-based criteria for the allocation of EU ODA. In May 2006, a new interinstitutional agreement (IIA) and financial perspective was adopted for the period 2007 – 2013. Like its predecessor, the new IIA does not include poverty-based criteria for the allocation of EU ODA.

The EU scores 90% for the orientation of its legal and financial framework towards the MDGs. The revision of the EU's development policy statement in 2005 has resulted in a higher score for this policy phase than was achieved for 2003 and 2004.

Graph 3
Phase I: Legal and Financial Framework
2003 - 2005 Comparison



1.3. Budget Allocation

1.3.1. Targeting the MDG Sectors
As in previous years, the 2005 EU budget includes several targets concerning the allocation of EU ODA to social sectors.

Box 12: EU Budget 2005

For OECD Development Assistance Committee (DAC) list 1 countries, a benchmark of 35% of annual commitments is allocated to social infrastructure, mainly education and health, but also including macroeconomic assistance with social sector conditionality. In this context the contribution from the EU budget should be seen as part of overall donor support to the social sector in any given country. A degree of flexibility should be the norm. A benchmark of 20% of total annual commitments will be allocated to activities in the sector of basic health and basic education, including sectoral budget support to health and education ministries where it is to serve basic health and basic education.[12]

The budget chapters covering the EU's relations with Africa, Caribbean and Pacific (ACP), Asia and Latin America (ALA), and the Middle East and the Southern Mediterranean (MEDA) region all include a target to allocate 35% of EU ODA to social infrastructure (primarily to education and health) as well as to general budget support (GBS) with social sector conditionality. They also include a target to allocate 20% of total ODA to basic health and basic education, encompassing sectoral budget support in relation to these sectors.

In 2005, all of the regional budget chapters continue to include references to actions in support of gender equality and women's rights. However, as in previous years, they do not include any quantitative allocation targets. In 2005, the EU applied the DAC gender marker to all of its ODA commitments.[13]

The only quantitative target in 2005 for allocating EU ODA in support of environmental policies appears in the budget line for relations with Latin America. The other regional budget chapters mention the environment but do not include specific allocation targets. The EU also applied the DAC environment marker to all of its ODA commitments.[14]

In 2005, the regional budget lines for relations with ACP countries, Asia and MEDA all include a reference to AIDS control but none of them contains any quantitative allocation targets. However, in 2005, the European Commission did pledge € 58 million to the Global Fund to Fight AIDS, Malaria and Tuberculosis.

The EC's 2003 Guide to the Programming and Implementation of Budget Support does not explicitly link the EC's approach to the use of budget support to the MDG framework. It does however include numerous references to support for poverty eradication and support to social sectors.

A new set of guidelines for programming EC budget support was published in 2007. Although the new guidelines do include several references to the MDGs, they still do not explicitly link the EC's approach to the use of budget support to the MDG framework.

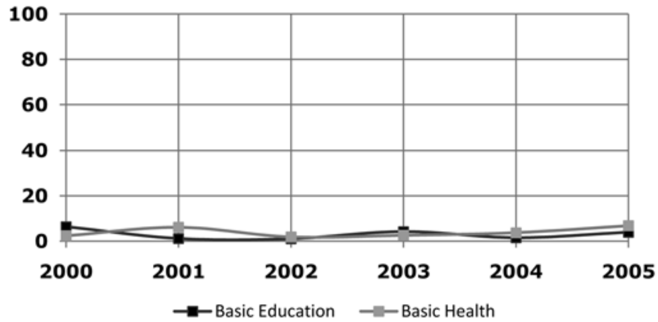
In December 2006, the EU set itself a new target for allocating ODA to the social sectors. In a declaration attached to the adoption of the new Development Cooperation Instrument (DCI), the European Commission committed itself to ensuring that, by 2009, 20% of funds under the geographic programmes covered by the DCI would be allocated to basic health and basic and secondary education.

1.3.2. Allocations to the MDG Sectors

In 2005, the EU made ODA commitments to the value of US $ 11.154 billion.[15] 12.6% of its total ODA was allocated to basic social services. As in previous years, these commitments still fall short of the 20% target but they do represent a slight increase on 2000.

Whereas the proportion of total EU ODA committed to basic health has increased during the period 2000 – 2005 from 1.5% to 4.71%, the proportion of total EU ODA for basic education has decreased from 3.99% in 2000 to 2.73% in 2005.

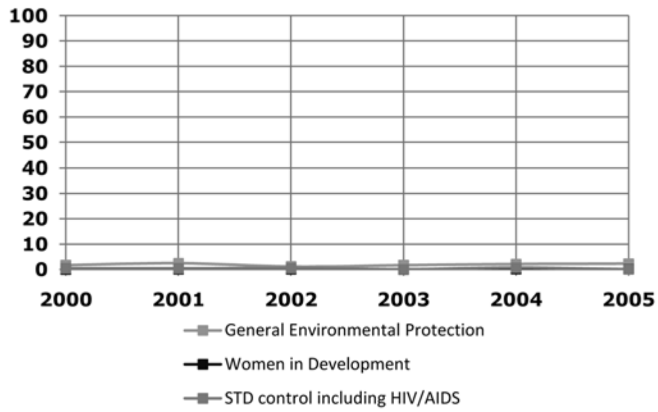
Graph 4
EU ODA commitments to Basic Social Services
2000 - 2005



The proportion of the EU's total ODA commitments to the DAC sector 'Women in Development' has increased from 0.03% in 2000[16] but it remains very low at 0.1%.

Similarly, there has been a slight increase in the proportion of total EU ODA allocated to the DAC sector 'General Environmental Protection'. In 2005, this sector accounted for 2.34% of total EU ODA.

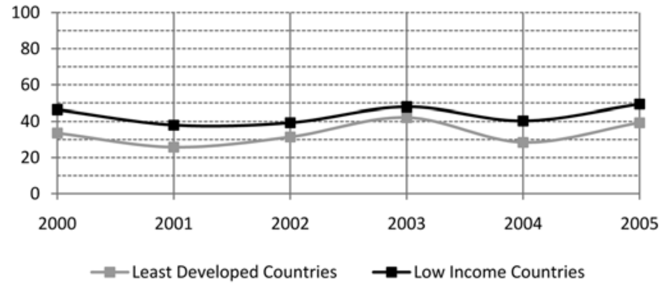
Graph 5
EU ODA commitments for cross-cutting issues:
Gender Equality, Environment and HIV&AIDS
2000 - 2005



The proportion of total EU ODA committed in support of 'STD Control including HIV/AIDS' has decreased during the period 2000 – 2005. In 2000, this sector accounted for 0.46% of total EU ODA, a figure which fell to just 0.13% in 2005. However, it should be noted that throughout the period, the EU consistently paid its annual pledges to the Global Fund to Fight AIDS, Tuberculosis and Malaria in full.

In terms of geographic focus, in 2005, the EU committed 49.33% of its total ODA to low income countries (LICs).[17] This represents a slight increase on 2000 when the percentage was 46.36%. Similarly, the proportion of ODA it committed to the least developed countries (LDCs) has risen

Graph 6
EU ODA to Low Income Countries
2000 - 2005

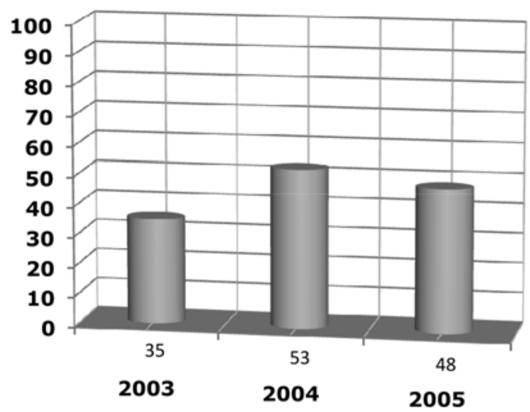


from 33.53% in 2000 to 39.3% in 2005.

In 2005, the 15 EU DAC members allocated 0.11% of their collective GNI to LDCs. Although this falls short of the 2000 UN target of allocating 0.15 – 0.20% of total ODA to LDCs, it still represents progress on 2000 when EU DAC members allocated 0.09% GNI to LDCs.

The EU scores 48% for the orientation of its

Graph 7
Phase II: Budget Allocation
2003 - 2005 Comparison



sectoral budget allocations towards the MDGs. Points are lost because it still does not have quantitative targets for gender equality, environment or HIV&AIDS and in the areas where targets do exist, they are all still to be achieved. The 2005 score is slightly lower than the score for 2004 (53%) but an improvement on the score for 2003 (35%).

1.4. Programming and Implementation

1.4.1. Criteria for Country Strategies
In 2005, the basis for the formulation of country strategy papers (CSPs) was still the 2001 Guidelines for implementation of the Common Framework for Country Strategy Papers. This set of guidelines includes poverty eradication as the first of a series of programming principles. They also include both gender equality and the environment as cross-cutting issues to be mainstreamed. They do not, however, include basic health, basic education or the fight against HIV&AIDS as criteria for the design of CSPs.

The 2001 guidelines were updated in 2006. The revised set of guidelines includes HIV&AIDS as a cross-cutting issue to be mainstreamed in each priority area and provides that both reproductive health and education must be taken into account in the design of CSPs. However, they still do not include basic education as a specific criterion.

The 2006 revision of the guidelines for drafting CSPs was accompanied by the development of a series of thematic guidelines for addressing a wide variety of issues, including gender equality, education, health and HIV&AIDS in the EU's country programming.

1.4.2. MDG Sectors in National Indicative Programmes
National Indicative Programmes (NIPs) set out the concrete activities which the EU will undertake in its partner countries in the context of the overall country strategies. With the exception of the ACP countries, there are usually two NIPs for each CSP. The NIPs analysed for approximately half of the EU's neighbour countries and countries in Asia were updated in 2005. More than two-thirds of the available CSPs for each geographical region were analysed (See Annex 3).

Although the vast majority of the 93 CSPs analysed list poverty eradication as one of the principal objectives of EU development co-operation, only 17 provide explicitly that this will be the overarching objective of the EU's co-operation with a particular country. However, poverty eradication does not appear to be an objective at all in 19 of the 93 CSPs analysed.

Less than half of the NIPs analysed include specific activities in support of basic education. However, 14 of those NIPs which do include support for basic education include it as an objective of GBS with no guarantee that EU aid will actually benefit this goal (See Chapter 3).

The situation is only slightly better when it comes to the inclusion of support to basic and/or reproductive health in NIPs. Just over half of the NIPs analysed include any activities in support of this sector. As is the case for basic education, 15 of the NIPs which provide for support to basic and/or reproductive health do not include it as an objective in its own right but as one of several objectives of GBS.

Only 13 out of the 93 NIPs which were analysed include any specific actions in support of tackling HIV&AIDS. None of the NIPs analysed for countries in Latin America or the Pacific region includes specific activities in support of tackling HIV&AIDS. 22 NIPs do not even include a reference to HIV&AIDS.

Although the majority of the CSPs include at least some analysis of the situation regarding gender equality, none of the NIPs analysed includes gender as a priority area for action. Moreover, despite the fact that many NIPs include references to gender being taken into account in the EU's actions, less than one third include specific activities in support of the promotion of gender equality or women's rights. None of the NIPs analysed for countries in the Caribbean region includes any specific activities in support of the goal of promoting gender equality.

The vast majority of CSPs provide that environmental concerns will be taken into account in the EU's actions. However, almost half of the NIPs analysed included no specific actions in support of this goal.

Box 13: Standard references to cross-cutting issues

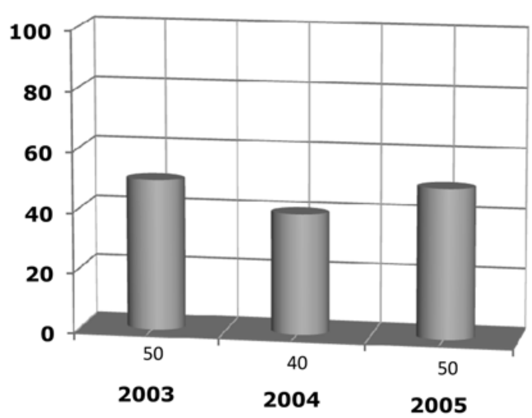
Country Strategy Paper X
[A]s laid down in Article 20 of the [Cotonou] Agreement, systematic account shall be taken in mainstreaming into all areas of co-operation the following thematic or cross-cutting themes: gender issues, environmental issues, institutional development and capacity building.

National Indicative Programme X
Wherever relevant EC policies/strategies concerning cross-cutting issues such as human rights and democratisation, gender and environment have been taken into consideration.

The CSPs and NIPs for the EU's partner countries in all regions were in the process of being updated in 2006 and 2007. The quality of the new generation of CSPs and NIPs is analysed in Chapter 2.

The EU scores 50% for the orientation of its aid programming and implementation towards the MDGs. The formal criteria for drafting the CSPs remain relatively weak though there has been a slight improvement in the overall inclusion of actions in support of the MDG sectors in the NIPs. Points continue to be lost because the MDG sectors are still inconsistently targeted in the NIPs. The 2005 score is slightly higher than the 2004 score, perhaps due in part to the improvements in the NIPs covering the period 2005 – 2006.

Graph 8
Phase III: Programming and Implementation
2003 - 2005 Comparison



1.5. Evaluation and Impact

1.5.1. Criteria for Evaluation
In 2005, the principles and criteria for the evaluation of the EU's external aid programmes were as set out in the 2001 document of guidelines, called Evaluation in the European Commission. These guidelines include poverty eradication, gender and the environment as cross-cutting issues to be evaluated. However, they do not include basic health, basic education or HIV&AIDS.

The 2001 guidelines for evaluations were updated in 2006. However, the new guide Evaluation Methods for the European Union's External Assistance does not include specific sectors to be evaluated.

1.5.2. Evaluation of the Impact of Aid on MDG Sectors
All of the country evaluation reports which have been published since 2003 have been analysed.[18]

Of the 17 country evaluation reports analysed, only those for Ghana, Rwanda and Tanzania report any positive impact on poverty eradication. The evaluations of the CSPs for Morocco, Ukraine and the Seychelles do not measure the impact of EU aid on poverty eradication. The other evaluation reports note either zero or only limited impact.

The country evaluation reports for Bangladesh, the Comoros Islands, Ghana, Mali, Rwanda and Tanzania all note that the EU's aid has had a positive impact on basic education in those countries. The country evaluation reports for Benin, Honduras[19] and Morocco note either zero or limited impact. However, almost half of the country evaluation reports analysed do not include an assessment of the impact of the EU's aid on basic education.

The country evaluation reports for Bangladesh, Ghana, Mali, and Rwanda all note that the EU's aid has had a positive impact on basic and/or reproductive health in those countries. The evaluations of the CSPs for the Comoros Islands, Ethiopia, Honduras, Lesotho, Mauritius and the Seychelles do not include an assessment of the impact of the EU's aid on basic health. The remaining country evaluation reports note either zero or limited impact.

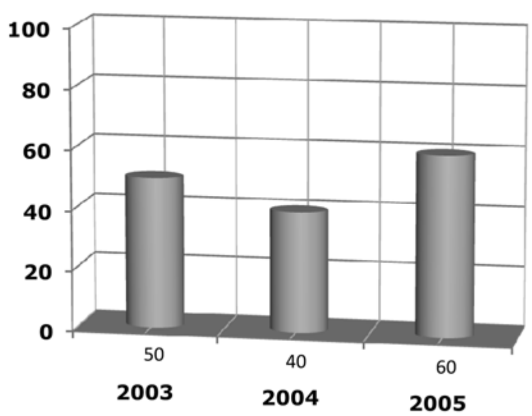
None of the 17 evaluation reports analysed notes any significant impact of the EU's aid on HIV&AIDS. A limited number of them indicate that the EU's interventions may have had some impact but this cannot be stated with any degree of certainty. However, the majority of the country evaluation reports analysed do not include an assessment of the impact of the EU's aid on HIV&AIDS.

The country evaluation reports for Morocco and Rwanda are the only ones to note a positive impact on gender equality. The majority of the evaluation reports do include an assessment of the impact of the EC's aid on gender equality but report either zero or only limited impact. The evaluation of the CSP for Armenia includes no assessment of the impact of the EU's aid on gender equality.

The country evaluation reports for Bangladesh, Ethiopia, Malawi, Mauritius and Ukraine all note that the EU's aid has had a positive impact on the environment in those countries. The majority of the evaluation reports include an assessment of the impact of the EC's aid on the environment but report either zero or limited impact. The evaluation of the CSP for Armenia includes no assessment of the impact of the EU's aid on the environment.

The EU scores 60% for its orientation towards the MDGs in terms of its evaluation and impact. Points are lost because the impact of the EU's aid on the MDG sectors is inconsistently assessed in the evaluation reports and because in those cases where the impact is measured it is assessed as being limited. The 2005 score is higher than both the 2004 and 2003 scores (40% and 50% respectively). This may be in part due to the positive results from the high number of country evaluation reports published in 2005 and 2006.

Graph 9
Phase IV: Evaluation and Impact
2003 - 2005 Comparison



1.6. Conclusions and Recommendations

The EU scores 62% for its overall performance in 2005.

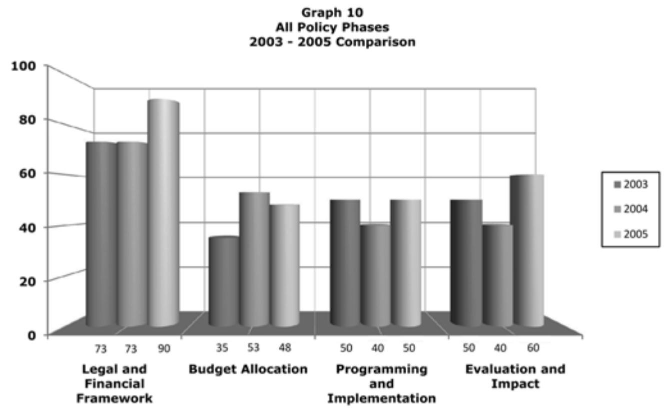
This score is an improvement on both the 2004 and 2003 scores, thus indicating that the EU has made some progress in terms of the orientation of its development co-operation policies towards the realisation of the MDGs.
The 2005 revision of the EU's development policy statement has, for the first time, placed the MDGs at the heart of the EU's development co-operation. The improvement in the overall legal and financial framework is reflected in the notable increase in the EU's score for this policy phase.

As in previous years, the EU's failure to meet its own ODA targets remains a significant weakness in its development policy process. The new commitment to allocate 20% of EU ODA under country programmes to basic health and basic and secondary education by 2009 is a positive development. However, given the EU's track record on meeting its ODA targets for allocating to social sectors as well as the planned increase in the use of general budget support, it remains to be seen whether this target will be achieved by a genuine increase in funding or simply by creative accounting.

With regard to aid programming, the weaknesses of the 2001 programming guidelines continue to result in a lack of attention to the MDG sectors in NIPs. However, it should be noted that there was a slight improvement in the 2005 score over the previous year, due in part perhaps to the revision of a significant number of NIPs in 2004.

The revision of the guidelines for drafting CSPs and the development of thematic guidelines for such issues as education, gender and HIV&AIDS should have had a significant impact on the quality of the new generation of CSPs. However, it seems that the criteria for drafting CSPs have been largely ignored in the ongoing process of programming EU aid until 2013 (See Chapters 2 and 4)

Shortcomings in the guidelines for evaluating the EU's CSPs continue to limit the quality of the evaluation phase of the EU's development policy process. It seems unlikely that the 2006 revision of these guidelines will increase the 'MDG focus' of EU evaluations. There was a slight increase in the EU's score for this phase. This may be partly due to the country evaluations published in 2005 and 2006 which, although still inconsistent in their assessment of the MDG sectors, do report more positive impact of EU aid than those reports published in earlier years.



1.6.1. Recommendations

- Given that budget allocation to MDG sectors and programming and implementation of aid remain the weakest parts of its aid programme, the Commission should ensure that its future programmes include focal and non-focal programmes for basic health and education

- The Commission should set clear criteria for identifying which aid modality is most suited to the situation in partner countries and include in its criteria: (i) the results indicators in the country on the MDGs; (ii) the financing gap on education and health; (iii) the strength or weakness of the health and education sectors in the country; (iv) the presence (or not) of other donors, with special responsibility given to "aid orphans" to ensure their needs in education and health are addressed.

- In 2008, the European Court of Auditors should investigate whether the Commission will be in a position to meet its commitment to achieve the target of 20% to basic health and education by 2009.

The European Commission's Country Programmes: 2007/8 – 2013

This chapter examines whether the European Commission's Country Programmes from 2007 up to 2013 address the MDG areas and compares these with the previous period. The chapter looks at this for the three regions: Asia and Latin America within the framework of the Development Cooperation Instrument (DCI), the ACP countries within the framework of the Cotonou Agreement, and the countries in the European Neighbourhood within the framework of the European Neighbourhood Partnership Instrument (ENPI). The findings are compared with the situation in the previous programming period, 2001/2 – 2006/7. The education sectors in three countries are looked at in more detail. These countries are: Madagascar, Mozambique and Tanzania.

2.1. Introduction

The purpose of this chapter is to analyse the Country Strategy Papers (CSPs) for the period 2007 – 2013 in order to determine the EU's development co-operation priorities for most of the seven and a half years between now and the 2015 deadline for the achievement of the MDGs. The findings are compared to a similar analysis of the previous generation of CSPs which covered the period 2001/2 – 2006/7. Three case studies on education are drawn upon and specific points emerge from each and across all three.

As illustrated in the previous chapter, CSPs set out the overall strategy, which the EU pursues in its co-operation with partner countries. Each CSP also includes an NIP which covers at least the first half of the period 2007 – 2013.[20] The NIP provides details of specific activities which the EU will undertake in order to achieve the overall objectives as set out in the CSP.

2.2. Trends in Country Strategy Programmes 2007 – 2013

The following section examines the extent to which key social sectors are represented in the next generation of CSPs as focal sectors. More detailed data are provided in Annex 4 pertaining to activities identified through non-focal sectors, a sector frequently appearing as 'human resources development', and specific project or programme support as well as mainstreaming of certain sectors. The collection of empirical data is explained in the methodology.

The analysis of the detailed range of information collected suggests a serious erosion of social sector coverage within the next generation of CSPs, most notably in the case of the ACP region.

2.2.1. Programming in the education sector

The inclusion of the education sector in Country Strategy Programmes shows a worrying degree of regional disparity. The table below shows that especially in DCI countries there is a marked improvement, while in ENPI and ACP countries the situation is cause for alarm.

Table 3: Inclusion of education as a focal sector as a percentage of total available CSPs

	2001/2 – 2006/7	2007/8 – 2013
DCI	8.6%	35.5%
ENPI	15.4%	7.1%
ACP	17.6%	8.2%

For the forthcoming period (2007 – 2013), education is specified as the focal sector in 11 of the 31 DCI CSPs. In the previous period (2001 – 2006), only three out of 35 CSPs for this region included education as a focal sector.

In terms of the ENPI region, only one of the 14 CSPs analysed might be deemed to include education as a focal sector. The CSP for Moldova is an interesting case, in that while it does not identify education as a specific focal sector, it includes two focal sectors each of which lists education as a very important programming aim. In the previous programming period (2002 – 2006), education was included as a focal sector in two of the 13 CSPs for this region.

In the case of the ACP region, five of the 61 draft CSPs analysed for the coming period (2008 – 2013) foresee education as a focal sector. In the previous programming period (2002 – 2007), education was a focal sector in 13 out of 74 ACP CSPs.

Box 14: Binding targets for health and education for ACP countries in the 2007 EU Budget

Chapter 21 06 (Geographical cooperation with African, Caribbean and Pacific (ACP) States)

'For countries defined as Official Development Assistance (ODA) recipients by the OECD Development Assistance Committee (DAC), a benchmark of 35% of annual commitments has in the past been allocated to social infrastructure, mainly education and health, but also including macroeconomic assistance with social sector conditionality, recognising that the EU contribution must be seen as part of the overall donor support to the social sectors and that a degree of flexibility should be the norm. The Commission will continue to report on this benchmark.'

'Moreover, in parallel with the Commission Declaration concerning Article 5 of Regulation (EC) No 1905/2006 (...) the Commission will endeavour to ensure that a benchmark of 20% of its allocated assistance under country programmes covered by the Development Cooperation Instrument (DCI) will be dedicated, by 2009, to basic education and basic health, through project, programme or budget support linked to these sectors, taking an average across all geographical areas and recognising that a degree of flexibility must be the norm, such as in cases where exceptional assistance is involved.'[21]

Box 15: Binding targets for health and education for Latin American countries in the 2007 EU Budget

Chapter 19 09 (Latin America)

'In accordance with the Commission Declaration concerning Article 5 of Regulation (EC) No 1905/2006 (...) (the DCI), for countries defined as Official Development Assistance (ODA) recipients by the OECD Development Assistance Committee (DAC), the Commission will continue to report annually on the benchmark, used in the past but now superseded, of 35% of assistance to developing countries to be allocated to social infrastructure and services, recognising that the EU contribution must be seen as part of the overall donor support to the social sectors and that a degree of flexibility must be the norm.

Moreover, also in accordance with that Commission Declaration, the Commission will endeavour to ensure that a benchmark of 20% of its allocated assistance under country programmes covered by the DCI will be dedicated, by 2009, to basic and secondary education and basic health, through project, programme or budget support linked to these sectors, taking an average across all geographical areas and recognising that a degree of flexibility must be the norm, such as in cases where exceptional assistance is involved.'[22]

Box 16: Binding targets for health and education for Asian countries in the 2007 EU Budget

Chapter 19 10 (Asia)

'In accordance with the Commission Declaration concerning Article 5 of Regulation (EC) No 1905/2006 of the European Parliament and of the Council of 18 December 2006 establishing a financing instrument for development cooperation (OJ L 378, 27.12.2006, p. 41) (the DCI), for countries defined as Official Development Assistance (ODA) recipients, by the OECD Development Assistance Committee (DAC), the Commission will continue to report annually on the benchmark, used in the past but now superseded, of 35% of assistance to developing countries to be allocated to social infrastructure and services, recognising that the EU contribution must be seen as a part of the overall donor support to the social sectors and that a degree of flexibility must be the norm.

Moreover, also in accordance with that Commission Declaration, the Commission will endeavour to ensure that a benchmark of 20% of its allocated assistance under country programmes covered by the DCI will be dedicated, by 2009, to basic and secondary education and basic health, through project, programme or budget support linked to these sectors, taking an average across all geographical areas and recognising that a degree of flexibility must be the norm, such as in cases where exceptional assistance is involved.'[23]

2.2.2. Programming in the health sector

In the health sector a similar picture emerges. While the results for the DCI are positive, the planning of programmes in ENPI and ACP countries for the coming period looks extremely worrying.

Table 4: Inclusion of health as a focal sector as a percentage of total available CSPs		
	2001/2 – 2006/7	2007/8 – 2013
DCI	5.7%	16.1%
ENPI	7.7%	0.0%
ACP	9.5%	3.3%

Health is included as a focal sector in the CSPs for five out of 31 DCI countries. During the previous programming period, health was included in only two out of 35 CSPs, both of which came under the Asian region.

In terms of the ENPI CSPs, health is included as a focal sector in none of these countries. One ENPI CSP out of 14 included health as a focal sector during the previous programming period.

Health is foreseen as a focal sector in just two out of 61 ACP CSPs. During the previous programming period, this priority was a focal sector in seven out of 74 CSPs across the region.

Table 5: Inclusion of health or education as a focal sector as a percentage of total available CSPs		
	2001/2 – 2006/7	2007/8 – 2013
DCI	14.3%	51.6%
ENPI	23.1%	7.1%
ACP	27.0%	11.5%

2.2.3. Programming in the gender sector

None of the CSPs for ENPI or DCI countries includes gender as a focal sector. In terms of the ACP CSPs, based on the information available, none are expected to include gender as a focal sector. The European Commission's policy is to include gender equality as a cross-cutting issue, but it is unclear how this translates into allocation of financial support to this end.

2.2.4. Programming in the fight against HIV&AIDS

None of the DCI or ENPI CSPs analysed, and none of the ACP CSPs about which information was provided included the fight against HIV&AIDS as a focal sector. The fight against HIV&AIDS was not included as a focal sector because it is now a policy which is regarded by the EC as a 'cross-cutting' issue. As is the case with gender the result is that there seems to be hardly any specific resources allocated to this purpose. While in previous CSPs separate projects with regard to the fight against HIV&AIDS were identified in the NIPs, this now seems to be the case in just one out of 61 ACP CSPs.

2.2.5. Programming in the transport sector

The evidence collected for the research of this publication suggests that the absolute amount of resources contributed to the transport sector will increase under EDF 10. It also appears that fewer countries will benefit from this increased support, as indicated below. It is especially disconcerting that the support appears to be concentrating on the ACP countries – the countries which are behind in realising the MDGs by 2015 and, in order to do so, have strong requirements for investments in health and education.

Despite this problematic situation vis-à-vis health and education, transport is foreseen as a focal sector in 19 out of the 61 ACP CSPs about which information is available. During the previous programming period, it was included as a focal sector in 30 out of 74 ACP CSPs. However, a larger amount of resources is allocated to these 19 countries than was previously allocated to the 30.

Transport is also envisaged as a focal sector in countries with extensive General Budget Support programmes by the EC, begging the question as to why this sector is not regarded as being covered by the macroeconomic support provided to the country.

None of the CSPs for DCI countries includes transport as a focal sector. Transport was included as a focal sector in three out of 35 CSPs during the previous programming period.

One out of 13 ENPI CSPs includes transport as a focal sector compared to two out of 14 during the previous programming period.

2.3. From broad analysis to specific examples

The section above has highlighted that social sectors are to be given relatively little focus in the next generation of EU Country Strategy Papers. It is worth investigating this more closely at country and thematic level. Turning to Africa and the priority of education, the following section draws on three country case studies, each of which begs the same question: why was education not selected as a focal area by the European Commission? This question is particularly pertinent given the funding gap which exists in each of these countries.

2.3.1. Education in Madagascar

Madagascar is a country which has shown significant increases in the net enrolment rate since the abolition of school fees in 2003. Recognising this progress and investment, there is still a long way to go in order to achieve the ultimate goal of universal basic education. While 2004 figures showed positive progress, the 2006 EFA-FTI status report confirms that Madagascar is still 'off-track'. In 2006, primary education completion rates stood at only 57% and one in four children was expected to drop out in the first year of primary education.[24] The country continues to require significant investment in education. And evidence suggests the funding gap is set to grow over the coming years.

Although the EU has supported education in Madagascar in the past, under the ninth EDF, education is conspicuous by its absence. This CSP gave priority instead to transport, rural development and food security, and good governance. € 418.49 million was committed for the period, of which 35% was given as General Budget Support.[25]

In terms of the tenth EDF, there are indications that Madagascar is bringing to the partner donor's attention the existing needs with regards to financing for education. The Government of Madagascar is currently undertaking a tour of European governments to ask for contributions to its education sector, underscoring the government's commitment to find financial resources for the education sector.

'The success in terms of schooling remains relative insofar as the school retention rate and the internal effectiveness has yet to be significantly improved.'

Government of Madagascar, Madagascar Action Plan 2007 – 2012, A Bold and Exciting Plan for Rapid Development

Officials from Madagascar and the European Commission reported that they recognised that the focus for EC aid was narrow given that it was directed very clearly to transport and rural development and that there was limited, if any, scope for the EC funding to target education and health.

In the case of Madagascar, the argument that there is a division of labour does not stand as there is inadequate financing for the education sector. It would appear, therefore, that the efforts of the Government of Madagascar to raise the importance it attaches to the education sector have not translated into direct financial support from the EU.

Table 6: Madagascar

	US$ million		
	2006	**2007**	**2008**
Primary education costs	166.9	181.2	195.5
Government funding	85.6	94.5	103.2
Total external financing needs:	81.3	86.7	92.3
Direct donor funding	*8*	*8*	*8*
Catalytic Fund (FTI)	*25*	*25*	*0*
Funding gap	***48.3***	***53.7***	***84.3***

Source: Progress Report for the Education for All-Fast Track Initiative: September 2006

"Hence, we believe in the necessity of developing a holistic vision of the education system. Indeed, the vision of the education sector as described in the Madagascar action plan, (...) is to transform the education system to be more efficient and more relevant. That's why today we are in the process of developing a strategy for the reform of post primary education."

"It is obvious that for Madagascar, the implementation of these reforms require additional funds that the country can not provide alone. However, in today's situation, the predictability of funds is an issue. Since the Government has always respected its commitment to EFA in its budget (..) we would like to have a longer term commitment of partners as well to ensure that resources will really be available for implementation over years if they agree with the government's plan. Otherwise it is not easy to plan and achieve in the right way, that is to say with the long term objectives in view."

Mr Haja Nirina Razafinjatovo, Minister of National Education and Scientific Research of the Republic of Madagascar, Intervention at the High-Level Education Conference, 'Keeping our Promises on Education', 2 May 2007, Brussels

2.3.2. Education in Mozambique

Mozambique is another country which has shown progress in terms of net enrolment rates following the abolition of school fees in 2004. However, as with Madagascar and despite this progress, the 2006 EFA-FTI status report cited the country as 'off-track' in terms of its ability to fulfil the target of universal basic education.

In 2003, the FTI endorsed Mozambique's national plan for achieving universal education. In 2004/2005, the EC contributed € 17.35 million to the so-called FASE basket fund for support to the national sector plan (ESSF).[26] The National Education Sector Plan (ESSP II) was renewed in 2004 and approved for 2005 to 2009, incorporating targets set in the FTI-endorsed plan for basic education. Major donors to ESSP II include Canada, Denmark, Finland, Germany, Ireland, Netherland, the UK and Sweden, while the EC's allocation represents 11% of total contributions.

In September 2006, the FTI reported Mozambique as having an annual funding gap for education of US$ 101.5 million which is set to remain at that level until 2008 at the very least.

Under the ninth EDF, the total budget of € 329 million was prioritised as follows: transport infrastructure (25 – 35%); macroeconomic support (45 –55%); food security and agriculture (0 – 15%). Under the tenth EDF, the likely focal areas are good governance and institutional reforms, and infrastructure and transport.

Table 7: Mozambique

	US$ million		
	2006	**2007**	**2008**
Primary education costs	210	210	210
Government funding	78.8	78.8	78.8
Total external financing needs:	131.2	131.2	131.2
Direct donor funding	*29.7*	*29.7*	*29.7*
Catalytic Fund (FTI)	*0*	*0*	*0*
Funding gap	***101.5***	***101.5***	***101.5***

Source: Progress Report for the Education for All-Fast Track Initiative: September 2006

As much as 50% of the EU's aid may be channelled through General Budget Support. It seems clear that the EU no longer has a focus on education in Mozambique, despite the significant funding gap which persists.

The key issue here is whether General Budget Support would allow for the education sector to develop. From interviews it appears that the education sector still needs strengthening and, therefore, support to ESSP II is necessary to ensure the sector's absorption capacity.

2.3.3. Education in Tanzania

Education has been central to Tanzania's Poverty Reduction Strategy and to its Vision 2025.[27] Despite this focus in the country's development strategies and significant donor support, there has been continuous deterioration in the education sector with stagnant or worsening basic education indicators.[28]

Over the years, the Government of Tanzania has embarked on a series of policies and reforms with the aim of ensuring that all children have equitable access to good quality basic education. The Primary Education Development Plan (PEDP), approved in June 2001, was a five year plan which aimed to increase enrolment, improve the quality of teaching, build capacity within the system and strengthen institutional arrangements around planning and delivery of education services. Over that period, the EC has been one of 45 donors investing in Tanzanian education.

Under the ninth EDF, the EC allocated € 43.5 million in support of four priorities: equity and quality in basic education, the development of the sector-wide approach, cohesive planning and financing structures and strengthening of the effectiveness and efficiency of the sector funding system, including fiscal decentralisation. Support to date has been both wide and deep – recognising the scale of the problem of education provision.

It is surprising therefore that education is unlikely to be chosen as a focal sector under the tenth EDF. The priorities appear to be infrastructure and trade and regional integration.

In interviews it was clarified that the education sector in Tanzania still needs strengthening to enable comprehensive planning. There are still a number of ministries involved and a sectoral approach would benefit the long-term planning for the sector. The absence of high-quality sectoral planning means that needs are picked up too late and therefore left under-resourced. A case in point is the need for secondary education, emerging from the success of enrolling children in primary education. The lack of a sectoral approach in education has created a situation where this need has not been identified, and therefore resources have not been allocated to it.

Tanzania provides another example of how moving too quickly from Sectoral Budget Support to General Budget Support leaves the education sector with inadequate planning and resources. This creates the situation that General Budget Support cannot be adequately channelled to the education sector and thus leaves it under-funded.

2.4. Support to health and education in ACP countries

Which conclusions can be drawn from the above case studies?

Firstly, it clearly emerges that the funding gap in all of these countries is a serious cause for concern. It is a stark reminder that investment in education must persist as a priority in the minds of donors, including the European Commission. More particularly, where donors agree on 'division of labour', the complementarity agreed must not compromise social sector development. Limited absorption capacity in the education sector can only be resolved by expanded investment in that same sector by multiple donors. The EC, as one of the largest donors and with the largest coverage of countries, should contribute especially in countries such as Madagascar which have limited donors.

Secondly, while Africa has demonstrated serious progress in terms of enrolment, there are still 38 million children out of school and only 62% of children complete grade 6 of primary school.[29] In a number of countries progress has been made in increasing numbers of students enrolling in primary education. However, the lack of sectoral capacity for planning and financial resources now creates difficulties in the lack of capacity for secondary education. These issues were identified in countries including Mozambique and Tanzania, where the Commission seems to have ceased contributing to sectoral programmes in education for the period 2007 – 2013.

Finally, the human resources crisis is the sobering reality behind these funding gaps. The chronic shortage of teachers and health workers in developing countries was recently raised again in a Commission communication.[30] In Africa, 1.6 million teachers need to be hired to reach the goal of achieving primary universal education for all,[31] while staffing of Africa's health systems has hit crisis levels. Just 3% of the world's health work force is in Africa, while the continent suffers from 25% of the world's burden of disease.[32] In May 2007, the General Affairs and External Relations Council (GAERC) adopted conclusions that recognise the human resources crisis for health and education.[33] However, it is in the translation and implementation of those conclusions that the EU's obligations will be fulfilled or otherwise. Current consideration of MDG contracting is of interest to make sure that General Budget Support does indeed support the social sectors, and may hold some potential in terms of supporting recurrent costs.

2.5. Conclusions and Recommendations

The results of the analysis above suggest that despite various improvements in the rhetorical framework since agreement on the MDGs in 2002, the implementation of EU development policy in favour of these goals will continue to be limited between now and the 2015 deadline. It is equally clear that there is a striking regional disparity, and that this disparity is indicative of the positive framework created in the Development Cooperation Instrument (DCI) for Asian and Latin American Countries. There is strong evidence of regression, particularly in ACP countries, for which the legal framework was not updated to reflect the EC's commitment to the MDGs.

In terms of EU support for education, there are significant regional disparities. The increase in the proportion of DCI CSPs which include education as a focal sector is a positive development. This reflects the EC's commitment to ensuring that 20% of the funding available under the DCI will be allocated to basic health and basic education by 2009.

However, this positive result for the DCI countries is tempered by the significant decrease in the number of ACP CSPs in which education is foreseen as a focal sector. Only five out of the 61 ACP CSPs analysed foresee the prioritisation of education for 2007 – 2013. In the previous period, 13 out of 74 countries included education as a focal sector.

This trend is particularly worrying given that countries in this region have some of the worst education indicators in the world and their education sector policies are still weak. Three case studies underline this point more sharply. The lack of focus on education in the ACP countries raises serious questions about the EU's contribution to the achievement of MDG 2 as well as to the implementation of the binding budget requirement (See Box 14).

Similar regional disparities are evident in relation to the inclusion of health as a focal sector. Although there has been an increase in the number of CSPs for countries in Asia and Latin America which include health as a focal sector, this is negated by a decrease in the number of ACP CSPs which prioritise this sector. Only two out of the 61 ACP CSPs foresee support to health as a focal sector for 2007 – 2013. A staggering 44 others foresee no support to health at all. This compares with seven focal sectors for health in the previous period. Furthermore, there is evidence to suggest that even when support to health is included as a focal sector in ACP CSPs, there is no guarantee that the funds available to support this goal will be maintained at the levels of the previous programming period.

The EC's efforts to support the promotion of gender equality in its country programming continue to be a major area of weakness. The shortcomings in the EU's efforts to mainstream gender in its development co-operation raise significant doubts about its ability to successfully mainstream the fight against HIV&AIDS in developing countries. Although very few of the CSPs analysed provide for HIV&AIDS mainstreaming, the EC's stated intention to utilise this tool as a major element of its efforts to achieve MDG 6 suggests that it should feature in a significant proportion of the forthcoming ACP CSPs. These concerns about mainstreaming are only amplified by the fact that specific support for the fight against HIV&AIDS is only foreseen in 5 of the 61 ACP CSPs about which information was available. This contrasts sharply with the previous generation of CSPs, where provision was made in 17 CSPs for specific actions targeted towards the fight against HIV&AIDS.

Despite this situation, transport is foreseen as a focal sector in 19 out of the 61 ACP CSPs about which information is available. Worse is that the absolute amount of resources to transport is growing under EDF 10 in this coming period, with a greater concentration on fewer countries. Even in countries with extensive EC General Budget Support programmes, transport is included as a focal sector. It is unclear why transport should not be covered by the macroeconomic support provided to the country.

In three case studies looking at Madagascar, Mozambique and Tanzania, it was found that progress on education had been made, but it also appeared that important challenges remained in the education sectors, relating to:

1. The poor results indicators – necessitating a specific focus on education;

2. The financing gap on education – necessitating additional financial resources;

3. The absorption capacity on education – necessitating support to the sectors;

4. The lack of real figures available in terms the division of labour in the EU on education.

The MDGs do not include any targets which might suggest that transport would help to resolve the issues in the education and health sectors. Evaluations assessing weaknesses in the health and education sectors do not identify sectoral support to the transport sector as a necessary response. The huge bias of the European Commission towards transport, therefore, needs to be questioned.

2.5.1. Recommendations

- General Budget Support should be accompanied by programmes for basic health and education in order to ensure that the organisation and administration of the sectors are supported, generating absorption capacity, and with a view to ensuring that the European Commission takes responsibility for closing the financing gaps in education and health and fulfils the target to contribute 35% of its aid to social sectors and 20% to basic health and education.

- In line with the Paris Declaration on Aid Effectiveness, transport, which is not an MDG sector, should be included as part of General Budget Support. It can be supported through loans and public private partnerships. The Commission must disclose which European companies are benefiting from contracts in the transport sector.

- Specific measures need to be identified to support the fight against HIV&AIDS, gender equality and children’s rights – the cross-cutting themes which are of crucial importance to the achievement of the MDGs.

- The European Commission should identify what Member States are undertaking in each partner country in MDG sectors, and, on the basis of findings in relation to the financing gap in these sectors, identify what it can usefully do to support the MDGs, in line with the Paris Declaration on Aid Effectiveness.

- The European Commission should create a long-term predictable financing instrument for the payment of recurrent costs such as salaries for school teachers and health workers to accompany General Budget Support.

Measuring the Contribution of General Budget Support to Social Sectors: Statistical Deception or an Educated Guess?

On 28 February 2007, Alliance2015 hosted an expert meeting on General Budget Support (GBS)[34] which addressed two questions: (i) can proof be given that GBS is a useful tool for the advancement of the Millennium Development Goals (MDGs) and (ii) is it possible to measure the contribution of GBS to the MDGs at donor level? These questions are centred on the assessment of whether the statistical allocation of GBS to the social sectors constitutes a statistical deception or an "educated guess".[35]

The following chapter provides the context for, and draws from, these discussions. It raises a number of concerns and recommends how GBS might further the MDG agenda to which donors nationally and internationally are committed.

3.1. Introduction

General Budget Support (GBS) is considered by some to be the ideal instrument to support national poverty eradication programmes and to create ownership in partner countries. It certainly holds out the possibility of greater aid effectiveness and lower transaction costs. It can create long-term predictability and can benefit recurrent costs in education and health in particular. It can strengthen domestic processes of budget accountability, not just to donors but more importantly to beneficiaries.

However, these benefits can only be realised under the right conditions and these conditions must in turn be conducive to the achievement of the MDGs.

Firstly, sectors must be strong enough to benefit from funding channelled through GBS. In some cases, they must be strengthened and their absorption capacity increased. This takes time. GBS should not be imposed before sectors are ready or prepared to deal with the consequences. In other words, the transition from Sector Budget Support (SBS) to GBS should be determined in part by the strength and readiness of the sector to reap the benefits.

Secondly, conditions related to GBS should be conducive to the achievement of the MDGs. Conditions linked to GBS should not frustrate governments' abilities to advance towards their goals and to bridge financing gaps in respect of health, education, gender equality and HIV&AIDS. Unreasonable IMF ceilings on social expenditure for example can be a cause of such frustration.

Thirdly, GBS must provide some predictability over the medium to long-term. Annual "stop and go" financing, such as is provided by EU GBS, hampers planning for sustainable growth.

The European Commission has a major spending target in relation to GBS. It aims to channel 50% of all its resources through GBS over the coming years. Many EU Member States – though not approaching this level – allocate significant sums via this aid modality or through Sector Budget Support.[36] The 50% target is hugely ambitious but is also quite visible through the increased allocations via GBS in the next generation of CSPs for ACP countries. This clear shift towards GBS raises as many challenges as questions.

Between the increasing sums of money being channelled through GBS and the anticipated benefits of this aid modality lies one key challenge which stands out from the rest – how to achieve transparency in terms of allocations to and delivery on the MDGs in the context of GBS.

3.2. Statistical rigour – the central requirement

The question of whether the EU allocates its ODA to MDG sectors was raised by the findings of the third 2015-Watch report which was published in 2006. In this report it was found that only 1.1% of total EU aid was allocated to education. In a letter to the Alliance2015 President,[37] the European Commission acknowledged the validity of these figures but emphasised its belief that General Budget Support contributes to social sectors. What follows logically is the need for statistical evidence to demonstrate the contribution which General Budget Support makes to social sectors.

The statistical reporting of GBS is especially sensitive, given that public trust in GBS is limited. While in a few countries, such as the UK, the public is in general highly supportive of GBS, in other countries, GBS is viewed with suspicion, and public fears over lack of accountability are growing.

Scepticism regarding the state's ability to deliver for the poor only emphasises the need to prove that GBS is effective and can be targeted. Lack of proof leads only to lack of trust in ODA spending and increases the potential for reduced support for public contributions towards poverty eradication. The reliability of the statistical presentation of GBS is a matter of both public and political importance.

The international community has charged the OECD Development Assistance Committee (DAC) with the responsibility of collecting statistical analysis of Official Development Assistance (ODA). This is published annually in the OECD/DAC's Development Co-operation Report. The statistical annexes of the reports draw mainly on OECD databases compiled from information provided by the OECD members. The indicators and methodologies are adopted by the OECD/DAC. The figures are provided by the OECD/DAC Member States on the basis of agreements in relation to indicators and methodologies.

The sectoral allocations of ODA are measured on the basis of the 'main purpose of the ODA allocation'. While this allows for Sector Budget Support to be allocated to the sector it is targeting, General Budget Support is registered within a separate category, given that it is not targeting a specific sector.

3.3. General Budget Support versus Sector Budget Support

The new aid modalities, General and Sector Budget Support and Poverty Reduction Budget Support, are promoted through the Paris Declaration, alongside the aims to further:

- Coordination and harmonisation of donors
- Lower transaction costs
- Higher allocative efficiency of public expenditure
- Greater predictability of funding
- Increased effectiveness of the state and public administration
- Improved domestic accountability
- Ownership

An important difference between General Budget Support and Sector Budget Support lies in their objectives. Sector Budget Support aims principally to strengthen the state's capacity to plan specific sector interventions. It is a tool through which donors can directly target improvements in MDG sectors, such as education and health, on the basis of the principles agreed in the Paris Declaration, such as a harmonised and coordinated approach based on ownership. Sector Budget Support aims to close funding gaps in these sectors. General Budget Support, on the other hand, is not given with specific social sector aims in mind. Its primary purpose is to close the finance gap within a government's general budget. GBS tends to be given in the context of macroeconomic assistance.

Box 17: Types of Budget Support

General Budget Support
This refers to funding which is disbursed through the recipient government's own financial management system. Funds are not earmarked for specific uses, but are accompanied by various understandings and agreements in relation to the government's development strategy. Instead of focusing narrowly on the use of aid, governments and donors jointly monitor implementation of the agreed strategy as a whole.

Sector Budget Support
This refers to funds which are often channelled through the general budget, but earmarked for a specific sector and accompanied by various understandings and agreements about the government's sectoral strategies. Sector Budget Support is monitored on the basis of agreed indicators related to the specific sector.

Poverty Reduction General Budget Support
This refers to a package of financial inputs, 'conditionality, dialogue, technical assistance, harmonisation and alignment'.[38] This kind of budget support is closely associated with the introduction of Poverty Reduction Strategy Papers led by the Bretton Woods institutions, with the stated aim of greater partnership between donors and partner governments.

3.3.1. The case for a link between General Budget Support and support to basic social services

The implicit claim that General Budget Support is good for poverty eradication is difficult to substantiate. A recent evaluation of General Budget Support concluded that: 'Study Teams could not confidently track distinct [...] PGBS effects to the poverty impact level in most countries.'[39] The report explains that this applies especially to income levels and aspects of empowerment. However, the report also concludes that 'There are some clear links from Poverty Reduction General Budget Support to improved basic services, through funding and through a collective commitment of donors and governments to service delivery targets.'[40] Here it should be noted that the report speaks explicitly of 'Poverty Reduction General Budget Support', the aims of which are formulated towards poverty eradication. EC General Budget Support in its current form does not operate on the basis of any expressed aim to contribute towards poverty eradication.

A recent evaluation of Dutch sector support found a positive link between sector support and social sectors. 'The concentration on the social sectors occurred because here the preconditions for this application of the sector-wide approach were better than in other areas.'[41] However, the evaluation also concluded that the quality of services provided improved 'little if at all', and that getting 'sector policy to focus more on the poor and on poverty reduction is still beset with huge problems.'[42]

Other sources point to the crisis in health workers and teachers as a main issue requiring predictable long-term funding for recurrent costs, currently not provided under EC General Budget Support modalities.

3.3.2. Aid modalities targeted to the social sectors

The input allocations which the OECD/DAC measures are largely based on the understanding that achievements in social sectors require financial allocations to those sectors. Many international targets are based on the assumption that progress in social sectors can only be achieved if a certain level of funding is invested in those sectors. The 20:20 compact, launched at the 1995 Social Summit, advanced the idea that donors and governments shared a responsibility to ensure adequate investment in social areas. The 20% budget target introduced by the European Parliament in 2001 is also based on the idea that international donors have an obligation to contribute to investment in national health and education systems in order to alleviate poverty.

Other targets emphasise the role of the international community and national governments in ensuring adequate financing of social sectors.

In April 2001, the heads of state and government of the Organisation of African Unity (OAU) pledged to set a target of allocating 15% of their national budget to the improvement of the health sector.

The 'Education for All' - Fast Track Initiative, which was established in 2002, recommends that governments allocate 20% of their national budget to education and that they allocate 42 – 64% of their education budget to primary education.[43]

The Netherlands and the UK, the largest contributors of budget support, both favour Sector Budget Support to the social sectors in order to ensure that improvements in those sectors are facilitated. In a resolution adopted by the European Parliament in April 2006, the European Commission was also asked to favour Sector Budget Support in health and education.[44]

While such targets in relation to health and education should guide the EU aid programme, direct allocation to the social sectors is in reality dwarfed by the significant funding channelled both through GBS and other programmes such as transport and trade. The low levels of funding allocated directly to social sectors seem at odds with the much greater obligations Europe has made to targeting the MDG sectors in particular.

This problem has motivated the EC to find ways in which GBS can be measured as a contribution to social sectors, even if GBS is by definition untargeted.

3.4. Notional allocation of General Budget Support

3.4.1. Back to Basics

The OECD/DAC takes the position that the credibility of the statistical system must come first. For sectoral information, the principle of "DAC statistics reflecting real transfers to sectors in the countries"[45] must be maintained. As early as 1998, the Reality of Aid publication warned of the difficulty of attribution and the risk that – under General Budget Support – funds originally earmarked for social sectors could be diverted towards other sectors such as defence and military operations.[46]

The Dutch Ministry of Foreign Affairs takes the clear position that combining input goals, such as the spending of X amount on primary education, with General Budget Support is not possible. The Ministry also emphasises that attributing General Budget Support to specific inputs or outputs is inconsistent with the overall approach of GBS.[47]

If attribution of General Budget Support is not possible – and GBS cannot be linked to one donor or to one input sector, why then are donors trying to link GBS statistically to a contribution the donor makes to a specific sector? Evidence suggests that there is increasing spending via GBS and that there are a growing number of spending targets; hence ministers want to be able to tell the public how they are linked. The only problem is that GBS does not allow that link to be made statistically.

The UK's Department for International Development (DFID) was the first to instruct country offices to report on "notional" allocation of GBS. The methodology is based on the idea that GBS is allocated to sectors as a proportion of that country's allocation to particular sectors. For instance, if a country spends X amount on education and DFID's GBS to that country represents 20% of the national budget, then the notional allocation to DFID would be 20% of budget allocation X.

3.4.2. Creating deceptive statistics?
The notional allocation of GBS raises a number of questions, which undermine the credibility of the statistics produced.

3.4.2.1. Defence and other non-ODA expenditure
The notional allocation of GBS would work if all parts of the national budget were equally relevant for its purpose. However, this is not the case, and the main problem is that GBS is not ringfenced, and can therefore be used in non-ODA sectors such as defence.

DFID proposed to apply the notional allocation of GBS to the ODA-eligible parts of the budget only. However, given that the use of GBS is not restricted to the ODA-eligible parts, it would be a misrepresentation of reality and therefore would not pass an audit of the use of public resources.

3.4.2.2. Statistics need to be consistent with conditions for GBS
Notional allocation of budget support is often used in relation to 'Poverty Reduction Budget Support', with the idea that the budget is tied to poverty reduction measures. However, General Budget Support is not exclusively used for such specific sectors. More importantly, in providing GBS some donors, including the EU, attach no transparent or publicly available conditionalities or indicators, which could link its GBS to poverty eradication.

3.4.3. Scenarios
The questions related to the statistical validity of General Budget Support's notional allocation to social sectors might be best illustrated by the following hypothetical cases.

Box 18a: Examples of deception in notional allocation of General Budget Support

Case 1: Reporting decreases in social sectors
The national budget in a partner country has increased but the allocation to education decreased in the same period. In that period, the country received GBS from donor X. Despite the GBS, the education budget has gone down. Applying the notional statistical methodology, donor X books a proportion of the education sector budget as its allocation to this sector. The contribution will show as a positive allocation. However, GBS has not in this case contributed to increased spending on education. Its impact on the education budget should be presented as negative. Notional allocation would in this case be deceptive.

Case 2: Double counting
The national budget in a partner country has increased and so has the budget for education. This is mostly the result of a few donors which have put enormous emphasis on supporting that country's education sector through sectoral programmes. Donor X has provided a large amount of GBS, and, therefore, can notionally claim a large part of the education budget as its own proportional allocation, even if donor X had not provided any support at all to the education sector of the country. Donor X would then get the credit for the efforts undertaken by other donors, and, moreover, the credit would be awarded twice: once to the donors putting in the programmes for education and once by donor X as part of its claim for GBS. This could be called statistical cheating.

Box 18b: Examples of deception in notional allocation of General Budget Support

Case 3: Deception through statistical misrepresentation
A partner country has a decreasing budget. One donor in particular is concerned with protecting the education sector and puts in specific targeted funding to protect recurrent costs. A second donor X contributes a large amount of GBS, which is conditional on support to education and counter-terrorism. While the country's education budget for recurrent costs is protected through the targeted funding of one donor, its military costs increase enormously. Donor X would be able to claim the part of the education sector, so again the investment there would be claimed twice, while the increase in the military expenditure remains unaccounted for. Moreover, this case demonstrates the need to include non-ODA expenditure such as the military budget in the notional analysis of the national budget. Non-ODA spending should then be subtracted from the ODA figures as recorded.

Case 4: Statistics hiding intrusion and influence of donors in unreported conditionalities
A partner country receives a large amount of GBS from donor X, who has requested a specific focus on support for teachers' salaries. Donor Y communicates that it will provide GBS but only if the country agrees to sign an agreement to open the country for donor Y's investment. The country, needing the money for the budget, agrees to sign the investment agreement. Donor X provides support for the teachers' salaries in a sector-wide programme for education that the country had requested. Donor Y would be able to claim an allocation to education as part of its GBS, even if its efforts have concentrated on getting an investment treaty signed in exchange for GBS.

These cases demonstrate how notional statistical allocation could be deceptive, if such scenarios cannot be accounted for in the methodology.

3.5. Contribution instead of attribution: measuring results rather than input?

The watchdog Social Watch has developed an approach to measuring progress which focuses entirely on the results of policy interventions. The Social Watch indicators are linked to the Millennium Development Goals and derived from the international development framework established in the UN Social Summit and the Beijing Conference. They show whether countries have progressed towards or moved away from achieving these international development goals, and they show whether governments have been able to use the support to their general budget to eradicate poverty. They provide, therefore, the ultimate set of indicators of success or failure of General Budget Support.

Attribution cannot be measured on the basis of such indicators, which are only a measure of contribution. In other words, while the use of such indicators helps to demonstrate that Budget Support contributed to positive results (if that was the case), it cannot establish a causal link between the allocation of the Budget Support and the results achieved.

3.6. Refining a possible methodology for the statistical allocation of GBS to MDG sectors

Can the methodology for notional allocation of GBS be reworked so that a statistical allocation of GBS to social sectors would be credible?

First of all, any such methodology should be based on rigour in baseline data. GBS should only be provided if governments have adequate instruments for financial accountability. Notional statistical reporting of GBS should be considered only where an adequate national budget exists.

In addition to this obvious requirement, the following issues should be dealt with in the methodological approach of notional allocation of GBS:

1. All expenditure, including military spending, should be attributed to the GBS provided by GBS donor(s), and the notional contributions to the non-ODA sectors should be deducted as non-ODA in OECD/DAC reporting;

2. Negative trends in the budget should be presented as negative results in the reporting;

3. Double counting is cheating; sectoral and programmatic contributions to the national budget need to be attributed to their respective donors;

4. All indicators and conditionalities applied in relation to GBS need to be openly and transparently published and made available in the public domain.

3.6.1. Allocating all GBS to social sectors
Some observers have indicated that the European Commission plans to attribute all of its GBS exclusively to social sectors. This would be seriously misguided. Firstly, GBS is not in reality allocated to any one particular sector or group of sectors, and secondly neither is that its aim. If the European Commission were contemplating such proposals, it would have to ensure GBS was ringfenced and then applied to social sectors. The funds would also need to be spent under conditions of sector-wide approaches. If not, the statistics would be meaningless and deceptive. In addition, there appears to be some evidence of the Commission looking at including expenditure on transport and rural development as expenditure on health and education. This would not be in conformity with OECD/DAC rules for the reporting of ODA by purpose.

3.7. Conclusions and Recommendations

The European Commission's General Budget Support is not a substitute for sector support. Its main aim is to close the macroeconomic financing gap. There are no specific allocations included to the social sectors. It can be used for "non-DACable" items such as support to military budgets. General Budget Support cannot be traced to allocations to social sectors and therefore it cannot be counted as part of social sectors in statistics that measure the 'purpose of aid'.

The assessment of the effectiveness of GBS must include indicators of progress and regression, such as those produced annually by Social Watch, in order to compare input data from the national budget with output data in terms of poverty eradication.

The OECD/DAC proposal to develop 'Results at a Glance' overviews per country on inputs, outputs, outcomes and results, and combining various indicators is a welcome step towards credible reporting on the effectiveness of GBS.

At the same time, it is essential that public trust in ODA is not undermined by deceptive representations or any form of statistical cheating. While the notional methodology could in principle be a basis for allocating GBS to social sectors, it could only credibly do so if the following issues are taken into account in the methodological design:

- All expenditure, including military spending, should be attributed to the GBS provided by GBS donor(s), and the notional contributions to the non-ODA sectors should be deducted as non-ODA in OECD/DAC reporting;

- Negative trends in the budget should be presented as negative results in the reporting;

- Double counting is cheating; sectoral and programmatic contributions to the national budget need to be attributed to their respective donors;

- All indicators and conditionalities applied in relation to GBS need to be openly and transparently published and made available in the public domain.

3.7.1. Recommendations
- The Commission should ensure that the statistical allocation of General Budget Support is in accordance with the nature of the instrument. Specific sectors should be allocated not through General Budget Support but in line with accounting criteria set by the OECD/DAC on the reporting of the purpose of aid.

- It is further recommended that the OECD/DAC ensures a uniform methodology for all its members so that the credibility of the statistics it produces is maintained at the highest level.

- The Commission should report its sectoral spending according to the methodological requirements on identifying the purpose of aid as provided by the OECD/DAC. Support for transport or rural development cannot be recorded as contributions to health and education.

The Paris Declaration: Promoting Ownership and Governance

Acknowledging the problematic results of the programming of EDF 10 with ACP countries, the chapter examines the agenda-setting and decision-making processes of the programming exercise. There is strong evidence that the European Commission has instructed its delegations to prioritise trade, transport, General Budget Support and governance. The chapter examines whether the Commission defines the principle of 'ownership' in agenda-setting and decision-making and establishes how this relates to the concept of promoting governance in ACP countries.

4.1. Introduction

This chapter examines whether the European Commission's claim for new support to education and health can be substantiated. This question is particularly relevant as the following conclusions emerge from the previous three chapters:

1. Until 2005, the European Commission improved in directing its programmes to the MDGs and progress was made in the legal framework and policy frameworks;

2. From 2007 onwards, a significant decrease in support to MDG sectors is emerging, which will result in a dramatic decrease of MDG focus from 2007 onwards;

3. The Commission's strategy to change the 'appearance' of its aid to ACP countries, aiming to show an increase to MDG sectors, especially health and education, where in reality shifts to those sectors are not materialising.

In 2001, the European Parliament included a target of allocating 20% of EU ODA to the social sectors, including in ACP countries. In 2005, the EU committed 6.34% of its total ODA to the education sector, a decrease from 6.6% in 2000.[48] Despite the promises of new funding for education made recently by the EU Commissioner, neither health nor education seems to be a priority under EDF 10.

Worst case predictions suggest that allocations to health and education will be as low as 4% for the two sectors together in ACP countries. Chapter 2 confirms that the Country Strategy Papers for ACP countries for the period 2008 – 2013 will show a dramatic decline in support for the education sector. Education has been identified as a focal sector in just five out of the 61 ACP countries considered. With regards to health, it is shocking to notice that it has been selected as a focal sector in just two out of 61 ACP countries. The fight against HIV&AIDS was not identified as a focal sector in any ACP country, due to it not being identified by the Commission as a possible focal sector – despite in some ACP countries, such as in Southern Africa, a prevalence rate of 30% of people living with AIDS.

> *"The statement 'Let us keep the promises in education' is not just a simple slogan."*
>
> *Louis Michel, European Commissioner for Development Co-operation[49]*

The question emerging is whether the Commission's implementation in ACP countries constitutes in reality a deprioritisation of the MDG sectors.

4.2. Ownership: following instructions from EC Headquarters

The European Commission has long maintained that priorities were selected by partner countries in conformity with the Paris Declaration on Aid Effectiveness. The principle that partner countries should have ownership over their development policies is unquestioned. The question that needs examination is what the European Commission understands by ownership.

The European Commission has not operationalised 'ownership' and it emerges therefore as a principle without much, if any, specification of what it means in the process of decision-making. The following facts emerge from a closer assessment of the decision-making process:

1. No evidence emerged of any national parliament in ACP countries being involved in a debate, let alone approval, of the CSP.

2. In many ACP countries, the EC's or government consultation with civil society is weak, if at all

existent. CSP documents are undisclosed until they are fully approved. Essential information on consultations is often missing (i.e. when, where, with whom meetings were held, the minutes of the meeting, what the Commission / government learnt from the consultation).[50]

3. In many ACP countries, the only interaction on the selection of focal sectors that took place was with National Authorising Officers, who are either from the ministry of finance or ministry of planning. Reportedly a wider interaction with the government often did not take place, leaving education and health ministries unaware of the process of prioritisation of sectors.

4. In many of the interviews undertaken with Commission staff in ACP countries and in Brussels, it emerged that clear instructions had gone out from Headquarters that the following modalities were to be prioritised without assessment of the conditions in the country concerned:

    a. General Budget Support
    b. Trade
    c. Transport
    d. Governance

5. From interviews, it also emerged that staff had great difficulty in getting any changes made to these priority areas, even if they believed and argued that the national ministries for health and education would benefit best from sectoral support, and they had assured themselves of the validity of these claims by sectoral ministries.

6. Interviews have intimated that delegation staff or officials from partner countries, who identified health and education as priorities for focal sectors, got little hearing by Headquarters. It is reported that some countries identified health or education as a focal sector but the Commission delegation had to refuse their inclusion as focal sectors under pressure or instruction from Headquarters.

7. Despite the European Parliament's right of scrutiny over CSPs for Latin American and Asia under the DCI as well as over the CSPs with neighbourhood countries under the ENPI, it remains unclear as to whether the European Parliament will assume its right of scrutiny over the ACP CSPs.

8. The role of the ACP-EU Joint Parliamentary Assembly to scrutinise the ACP CSPs also remain unclear.

9. The absence of parliamentary scrutiny leaves the Commission open to suspicion that it avoids sharing the ownership of the programmes with European elected representatives, as a means of hiding the contents of the ACP CSPs.

10. An EU Member States' Committee does examine the CSPs. However, there is no public sharing of when debates take place on which CSPs, the agenda, or the outcome of the meetings.

The agenda-setting, decision-making and approval of the ACP CSPs occurs with a democratic deficit and a lack of parliamentary scrutiny. It would appear that the European Commission at present holds a disproportionate control over the 'ownership' of the CSPs.

It seems that the process of acquiring ownership in the ACP countries is very narrowly interpreted, mainly embodied in the National Authorising Officer from the ministry of finance or ministry of planning. The lack of parliamentary scrutiny compounds the impression of secrecy and the appearance of a hidden agenda. This undermines the argument put forward by the Commission that the outcome of the focal areas is determined by the recipient country. All indications are that the Commission delegations determined the focal areas following clear instructions from Headquarters.

4.3. The Governance Facility

Commissioner Michel included the so-called "Governance Facility" as part of his contribution to education in his speech to the high-level conference 'Keeping the promises on Education' on 2 May 2007. However, the Governance Facility does not appear to be directly supporting the education or health sectors.

The Governance Facility is presented as an incentive tranche. It operates on the basis of a check list which is filled out by the European Commission delegation in the partner country – and there does not appear to be a further procedure to examine evidence with the partner country itself. The checklist presents 23 indicators, only one of which relates to the MDGs. Other indicators relate to European interests, and include such issues as migration, trade liberalisation, and counter-terrorism.

Given that the Governance Facility's primary goal would appear to be the promotion of European interests both in itself and linked to the allocation of General Budget Support, the claim that it does in effect support the education or health sector would appear unsubstantiated.

4.4. Conclusions and Recommendations

While ownership is key to the credibility of the new aid modalities under the Paris Declaration, it was found that the EC's definition of the concept of 'ownership' is unclear. As a result, the specific requirements to ensure ownership is realised for its programmes are not adequately identified.

In addition, it is unclear how the Governance Facility promotes governance. The Governance Facility is merely a checklist for EC delegations to identify whether countries are eligible for additional funding from the EC. While the Commission at times attributes funding to the social sectors in the Governance Facility, it actually does not include specific finances for the education and health sectors. It essentially provides for a tool to ensure that European interests are taken care of by the partner countries. While education does not appear on the list of issues looked at for the allocation of the incentive tranche, other issues such as counter-terrorism, migration and trade liberalisation are included.

4.4.1. Recommendations

- In line with the Paris Declaration principle of ownership, parliaments should assume their roles in approving the CSPs. The Commission should define ownership and identify how it has ensured ownership in the programming process for 2007 – 2013.
- The Commission should ensure that the Governance Facility is based on the international framework of human rights, rather than promoting European interests, such as counter-terrorism, migration issues and trade liberalisation through the development co-operation incentive tranche.
- The European Parliament, the ACP-EU Joint Parliamentary Assembly and national parliaments, ratifying EDF 10, should ensure adequate scrutiny over the implementation of the EDF in the Country Strategy Programmes. The European Parliament should ensure clear benchmarks are in place for the annual discharge of the EDF, which is the responsibility of the European Parliament, and assume the right of scrutiny over the ACP CSPs.
- The EU Member States, through their seat inthe EDF Committee, have the right of scrutiny over the ACP CSPs. The Member States therefore have a principal responsibility to ensure that the ACP CSPs are prioritising the achievement of the MDGs. The Member States also carry a principal responsibility to ensure that the CSPs are approved on the basis of democratic scrutiny and therefore the Member States have an obligation to identify the way in which effective parliamentary control is exercised over the ACP CSPs.

1. United Nations, (2000), Resolution adopted by the General Assembly: United Nations Millennium Declaration, p. 2
2. 2. Council of the European Union, (2005), Press Release: 2660th Council meeting, General Affairs and External 3. Relations, External Relations, Brussels, 23-24 May 2005, Press: 112 N° 8817/05, p. 21
3. Organisation for Economic Co-operation and Development, (2005), Paris Declaration on Aid Effectiveness

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4. Council of the European Union, (2005), Press Release: 2660th Council meeting, General Affairs and External Relations, External Relations, Brussels, 23-24 May 2005, Press: 112 N° 8817/05, p. 28

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5. Michel, L., (2007), « Tenons les promesses que nous avons faites dans le domaine de l'éducation », Speech to the High-Level Meeting on Education, Brussels, 2 May 2007, Speech 07/263, (Unofficial translation), p. 2
6. The fight against HIV&AIDS is one of the key components of MDG 6: Combat HIV&AIDS, malaria and other diseases.
7. Alliance2015, (2007), Expert Meeting: Measuring the contribution of General Budget Support to social sectors - Summary Report, (Reisen, M., van, EEPA, Editor)

Methodology

8. The following 48 countries are eligible under Article 1(1) of the Development Cooperation Instrument: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay, Venezuela, Afghanistan, Bangladesh, Bhutan, Cambodia, China, India, Indonesia, Democratic People's Republic of Korea, Laos, Malaysia, Maldives, Mongolia, Myanmar/Burma, Nepal, Pakistan, Philippines, Sri Lanka, Thailand, Viet Nam, Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, Uzbekistan, Iran, Iraq, Oman, Saudi Arabia, Yemen and South Africa

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9. Council of the European Union, (2005), Press Release: 2660th Council Meeting, General Affairs and External Relations, External Relations, Brussels, 23-24 May 2005, Press: 112 N° 8817/05, p. 21
10. Commission of the European Communities, (2006), Joint statement by the Council and the representatives of the governments of the Member States meeting within the Council, the European Parliament and the Commission on European Union Development Policy: 'The European Consensus'
11. Commission of the European Communities, (2006), Regulation EC N° 1905/2006 of the European Parliament and of the Council of 18 December 2006 establishing a financing instrument for development cooperation, p. 45
12. Commission of the European Communities, (2005), General budget of the European Union for the financial year 2005
13. The DAC gender marker is used by DAC members to identify activities which have gender equality as a principal or significant objective.
14. The DAC environment marker is used by DAC members to identify activities which have environmental sustainability either as a principal or significant objective.
15. 2004 (constant) prices
16. This is based on data retrieved from the CRS database in 2005. The data for 2000 – 2004 was not available when the research was done for this report in April – May 2007.
17. Low-income countries (LICs) are least developed countries (LDCs) and other low-income countries (OLICs)
18. 2006: Armenia, Comoros Islands, Mali, Mauritius, Rwanda, Seychelles Tanzania,
    2005: Benin, Ghana
    2004: Egypt, Ethiopia, Honduras, Lesotho
    2003: Bangladesh, Malawi, Morocco, Ukraine
19. The country evaluation report for Honduras is unclear about the impact of the EU's aid on basic education

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20. Under EDF 9, ACP CSPs only included one NIP which covered the entire duration of the CSP subject to a mid-term review
21. Commission of the European Communities, (2007), General budget of the European Union for the financial year 2007
22. Ibid.

23. Ibid.
24. Government of Madagascar, (2006), Madagascar Action Plan 2007 – 2012: A Bold and Exciting Plan for Rapid Development, p. 52
25. Commission of the European Communities, (2005), Addendum to the Country Strategy Paper and National Indicative Programme for Madagascar (2002 – 2007), p. 1
26. Alliance2015, (2006) 2015-Watch: The EU's contribution to the Millennium Development Goals - Special focus: Education, p. 54
27. Government of Tanzania, (1999), The Tanzania Development Vision 2025
28. Website of United Nations Statistics Division
29. World Bank (2007), Press Release No: 2007/357/HD: High-Level Education Conference, Brussels, 2 May 2007
30. Commission of the European Communities, (2006), Communication from the Commission to the European Parliament and the Council: A European Programme for Action to tackle the critical shortage of health workers in developing countries (2007–2013)
31. World Bank (2007), Press Release No: 2007/357/HD: High-Level Education Conference, Brussels, 2 May 2007
32. Hartleb, T., (2007), Article about the Third Ordinary Session of the Conference of African Union Ministers of Health, 'Africa's Health: Rely less on donors, conference told' in Mail & Guardian online on 10 April 2007
33. Council of the European Union, (2007), Press Release: 2800th Council meeting, General Affairs and External Relations, External Relations, Brussels, 14-15 May 2007, Press: 103 N° 9471/07, p. 30

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34. A report of this meeting and all the documents provided by the speakers can be downloaded from the website of Europe External Policy Advisors.
35. This description is based on interviews with EC officials.
36. The EC is the donor with the greatest focus on increased allocations via General Budget Support. OECD/DAC data indicate only marginal increases for many Member States.
37. Manservisi, S., (2007), Letter to Alliance2015 President, Jaap Dijkstra on 5 January 2007 regarding the launch of the Alliance2015 report - 2015-Watch: The EU's contribution to the Millennium Development Goals - Special focus: Education
38. IDD and Associates, (2006), Joint Evaluation of General Budget Support 1994-2000, p. S1
39. Ibid., p. S7
40. Ibid., p. S7
41. Ministry of Foreign Affairs of the Netherlands, (2006), From Project Aid toward Sector Support: An evaluation of the sector-wide approach in Dutch bilateral aid 1998-2005, p. 11
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Chapter 4

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Definitions

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ACP .... Africa, Caribbean and Pacific
AIDS .... Acquired Immune Deficiency Syndrome
AU .... African Union
CRS .... Creditor Reporting System
CSP .... Country Strategy Paper
DAC .... Development Assistance Committee
DCI .... Development Cooperation Instrument
DFID .... UK Department for International Development
EC .... European Commission
EDF .... European Development Fund
EIB .... European Investment Bank
ENPI .... European Neighbourhood and Partnership Instrument
EU .... European Union
EFA-FTI .... Education for All-Fast Track Initiative
GAERC .... General Affairs and External Relations Council
GBS .... General Budget Support
GNI .... Gross National Income
HIV .... Human Immunodeficiency Virus
IIA .... Interinstitutional Agreement
LDC .... Least Developed Country
LIC .... Low Income Country
MDG .... Millennium Development Goal
MEDA .... Middle East and Southern Mediterranean
NIP .... National Indicative Programme
NGO .... Non-Governmental Organisation
OAU .... Organisation for African Unity
ODA .... Official Development Assistance
OECD .... Organisation for Economic Co-operation and Development
OLIC .... Other Low Income Country
PGBS .... Partnership General Budget Support
SBS .... Sector Budget Support
SWAp .... Sector-Wide Approach
STD .... Sexually Transmitted Disease
TB .... Tuberculosis
UK .... United Kingdom
UN .... United Nations

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Basic Education
The definition of basic education is derived from MDG 2: Achieve universal primary education. According to the related target (Target 3) this implies that by 2015, all boys and girls will be able to complete a full course of primary schooling. For statistical purposes, in Phase II of the methodology, the term "basic education" is the OECD/DAC definition and covers basic education comprising primary education, basic life skills for youth and adults, and early childhood education.

Basic Health
The definition of basic health is derived from MDG 4: Reduce child mortality; MDG 5: Reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio; and MDG 6: Combat HIV/AIDS, malaria and other diseases. For statistical purposes the OECD/DAC definition is used, which includes basic health care provision, training of basic health personnel and development of basic health infrastructure; nutrition, infectious disease control, and public health campaigns.

Country Strategy Paper
The Country Strategy Paper is the EU's principal programming document for a specific country. It sets out the overall objectives of the EU's development co-operation strategy with its partner country.

Country Strategy Programme
The EU's aid strategy for a partner country as set out in a Country Strategy Paper.

EU Aid Programme
This refers to the aid programme which is managed by the European Commission. The abbreviation EU is used in this publication for all references to the European Commission, the European Communities and the European Union. The EU contribution refers to the aid which is channelled through the EU budget and the European Development Fund (EDF).

Focal Sector
Focal sectors are the main sectors for EU funding. The European Commission allows only two focal sectors to be selected for each partner country. A non-focal sector is a supplementary activity with a lower priority attached to it.

General Budget Support
The general characteristics of budget support are that it is channelled directly to partner governments using their own allocation, procurement and accounting systems, and that it is not linked to specific project activities. All types of budget support include a lump sum transfer of foreign exchange. Differences in General Budget Support arise on the extent of earmarking and on the levels and focus of the policy dialogue and conditionality.[51]

Impact Indicators
Impact indicators measure outcomes against general objectives in terms of national development and poverty reduction. Examples of impact indicators include literacy rates and unemployment rates.

Input Indicators
Input indicators measure the financial, administrative and regulatory resources (often called "process") provided by Government and donors. It is necessary to establish a link between the resources used and the results achieved in order to assess the efficiency of the actions carried out. Examples of input indicators include the 'share of the budget devoted to education expenditure', 'the abolition of compulsory school uniforms' and the definition of a sector strategy.

National Indicative Programme
The National Indicative Programme sets out the specific actions to be carried out in order to fulfil the overall objectives of the Country Strategy Paper.

Official Development Assistance (ODA)
ODA is defined by the OECD/DAC as grants and concessional loans (i.e. loans with a grant element of at least 25%) that are provided by the official sector (bilateral or multilateral agencies) to developing countries for the purpose of supporting economic development and welfare. In addition to financial flows, ODA includes technical assistance.

Outcome Indicators
Outcome indicators measure the results at the level of beneficiaries. The term "results indicators" is also used. Examples of outcome indicators include 'school enrolment' and 'the percentage of girls among children entering first year of primary school'.

Output Indicators
Output indicators measure the concrete

consequences of measures taken and resources used. Examples of output indicators include 'the number of schools built' and 'the number of teachers trained'.

Ownership
National ownership means that citizens through their government take responsibility in managing the country's development and poverty reduction processes according to national priorities and citizens' needs. It includes the active participation of citizens in formulating, implementing, monitoring and evaluating the country's development and poverty reduction policies, strategies and programmes. It also means that citizens hold their governments to account for the use of public funds and commitments, including the provision of public services and the attainment of development results.

Paris Declaration
The Paris Declaration on Aid Effectiveness was adopted at the Second High-Level Forum on Aid Effectiveness in Paris in March 2005. It commits donors and developing countries to take far-reaching and monitorable actions to reform the ways in which aid is delivered and managed for greater aid effectiveness. The Paris Declaration's partnership commitments focus on national ownership, harmonisation, alignment, managing for results and mutual accountability.

Purpose of Aid
The OECD/DAC system to measure sectoral allocation measures the main purpose of the aid effort. General Budget Support (GBS) is listed separately from sector specific allocations as GBS is not allocated to a specific sector.

Rome Declaration
The Rome Declaration on Aid Harmonisation was adopted at the First High-Level Forum on Harmonisation in Rome in February 2003. It commits developing countries and donors to taking action to enhance developing country ownership in the development process and to improve the management and effectiveness of aid by implementing a range of good practice principles and standards for development co-operation.

Sectoral Allocation
The term "sectoral allocation" is used in this report to refer to an allocation made by donors in a specific sector based on 2005 OECD/DAC figures. These figures are constantly updated; there may be small differences between those reported for the same time period in earlier reports, due to OECD/DAC updates. The sectoral allocation includes budget support allocated to a specific sector, and direct allocation through specific programmes or projects.

Sector Budget Support
Sector Budget Support is distinct from General Budget Support as it is earmarked for a discrete sector or sectors, and may include conditionality relating to these sectors. Additional sector reporting may augment normal government accounting, though the means of disbursement are based on government procedures.[52]

Sector-Wide Approach (SWAp)
A SWAp is a mechanism for organising dialogue between the relevant government agency, development partners and non-state actor stakeholders around a particular sector and its policies, strategies and programmes. Development partners adopt a harmonised approach to their engagement in the sector. A SWAp is not a funding instrument and all aid modalities (GBS, basket and project funds) can be used under it.

Transport Sector
The definition of the transport sector is based on the OECD/DAC definition of 'transport and storage' and covers all road, rail, water and air transport.

Table 1: LEGAL AND FINANCIAL FRAMEWORK

Component	Parameters	Criteria	Scoring Method	Parameter Scores Range	Sum of Scores Range	Standardisation	Component Scores Range	Final Score Range for Phase
(1a) Primary Law	a) Poverty eradication	Inclusion as the main policy objective	0 = not included 1 = included	[0 - 1]	[0 - 2]	None	[0 - 2]	[0 - 10]
	b) Coherence	Law takes account of policy coherence for development	0 = no mention 1 = mentioned	[0 - 1]				
(1b) Development Policy	a) MDGs as objectives	Inclusion as the overall objective of development policy	0 = not included 1 = included	[0 - 1]	[0 - 1]	None	[0 - 1]	
	b) Poverty eradication	Inclusion as the main objective of development policy	0 = not included 1 = included	[0 - 1]	[0 - 6]	Normalised to a 2 point scale (Sum of scores divided by 3)	[0 - 2]	
	c) Basic education	Inclusion as a policy objective	0 = not included 1 = included	[0 - 1]				
	d) Basic health / reproductive health	Inclusion as a policy objective	0 = not included 1 = included	[0 - 1]				
	e) Gender equality	Inclusion as a policy objective	0 = not included 1 = included	[0 - 1]				
	f) Environment	Inclusion as a policy objective	0 = not included 1 = included	[0 - 1]				
	g) HIV&AIDS	Inclusion as a policy objective	0 = not included 1 = included	[0 - 1]				
(2) Volume of ODA	a) Target 0.7% ODA/GNI	Existence of a policy to achieve and maintain UN target of 0.7% GNI for ODA	0 = no timetable set 1 = timetable set but no progress towards the target 2 = timetable set and progress towards target 3 = target achieved and maintained	[0 - 3]	[0 - 5]	None	[0 - 5]	
	b) Poverty focus	Existence and use of poverty allocation criteria for ODA	0 = no criteria 1 = geographic criteria linked to poverty 2 = criteria focused on LICs	[0 - 2]				

Table 2: BUDGET ALLOCATION

Component	Parameters	Criteria	Scoring Method	Parameter Scores Range	Sum of Scores Range	Standardisation	Component Scores Range	Final Score Range for Phase
(3) Targeting the MDG sectors	a) Target 20% of ODA to basic social services	Existence of commitment to allocate target	0 = no existence 1 = existence	[0 - 1]	[0 - 6]	Normalised to a 2 point scale (Sum of scores divided by 3)	[0 - 2]	[0 - 10]
	b) Gender equality and DAC gender marker	Existence of target and use of DAC gender marker	0 = no target and no use of marker 1 = target or use of marker 2 = target and use of marker	[0 - 2]				
	c) Environment and DAC environment marker	Existence of target and use of DAC environment marker	0 = no target and no use of marker 1 = target or use of marker 2 = target and use of marker	[0 - 2]				
	d) HIV&AIDS	Existence of target	0 = no target 1 = target exists	[0 - 1]				
	e) Budget support	Linkage to the MDG framework	0 = not linked 1 = linked but not explicitly 2 = explicit link to MDGs	[0 - 2]	[0 - 2]	None	[0 - 2]	
(4) Allocation to the MDG sectors	a) Target 20% of ODA to basic social services	Percentage of ODA allocated to basic social services	0 = stagnation below target level 1 = progress 2 = 20% achieved	[0 - 2]	[0 - 8]	Normalised to a 4 point scale (Sum of scores divided by 2)	[0 - 4]	
	b) Gender equality	Allocation of target to gender equality	0 = stagnation 1 = progress 2 = achieved	[0 - 2]				
	c) Environment	Allocation of target to the environment	0 = stagnation 1 = progress 2 = achieved	[0 - 2]				
	d) HIV&AIDS	Allocation of target to HIV&AIDS	0 = stagnation 1 = progress 2 = achieved	[0 - 2]				
	e) Poverty focus: allocation to LDCs	Target 0.15 to 0.20% of GNP to LDCs	0 = stagnation 1 = progress 2 = achieved	[0 - 2]	[0 - 2]	None	[0 - 2]	

Table 3: PROGRAMMING AND IMPLEMENTATION

Component	Parameters	Criteria	Scoring Method	Parameter Scores Range	Sum of Scores Range	Standardisation	Component Scores Range	Final Score Range for Phase
(5) Criteria for Country Strategies (Guidelines)	a) Poverty eradication	Inclusion as the main criterion for design of country strategy	0 = not included 1 = included	[0 - 1]	[0 - 1]	None	[0 - 1]	[0 - 10]
	b) Gender equality	Inclusion as a criterion for design of country strategy	0 = not included 1 = included	[0 - 1]	[0 - 1]	None	[0 - 1]	
	c) Environment	Inclusion as a criterion for design of country strategy	0 = not included 1 = included	[0 - 1]	[0 - 1]	None	[0 - 1]	
	d) Basic education	Inclusion as a criterion for design of country strategy	0 = not included 1 = included	[0 - 1]	[0 - 3]	0 or 1 points = 0 2 points = 1 3 points = 2	[0 - 2]	
	e) Basic health / reproductive health	Inclusion as a criterion for design of country strategy	0 = not included 1 = included	[0 - 1]				
	f) HIV&AIDS	Inclusion as a criterion for design of country strategy	0 = not included 1 = included	[0 - 1]				
(6) MDG sectors in National Indicative Programmes (for *n* selected countries)	a) Poverty eradication	Inclusion as the main objective of the programme	0 = not included 1 = included	[0 - *n*]	[0 - *n*]	≤ *n*/2 points = 0 [*n*/2 - *n*-1] points = 1 *n* points = 2	[0 - 2]	
	b) Gender equality	Inclusion as an objective of the programme	0 = not included 1 = included	[0 - *n*]	[0 - *n*]	< *n* points = 0 *n* points = 1	[0 - 1]	
	c) Environment	Inclusion as an objective of the programme	0 = not included 1 = included	[0 - *n*]	[0 - *n*]	< *n* points = 0 *n* points = 1	[0 - 1]	
	d) Basic education	Inclusion as an objective of the programme	0 = not included 1 = included	[0 - *n*]	[0 - 3n]	[0 – *n*] points = 0 [*n*+1 – *n**3] points = 1	[0 - 1]	
	e) Basic health / reproductive health	Inclusion as an objective of the programme	0 = not included 1 = included	[0 - *n*]				
	f) HIV&AIDS	Inclusion as an objective of the programme	0 = not included 1 = included	[0 - *n*]				

Table 4: EVALUATION AND IMPACT

Component	Parameters	Criteria	Scoring Method	Parameter Scores Range	Sum of Scores Range	Standardisation	Component Scores Range	Final Score Range for Phase
(7) Criteria for Evaluation (Guidelines)	a) Poverty eradication	Inclusion as the main criterion for evaluation	0 = not included 1 = included	[0 - 1]	[0 - 1]	None	[0 - 1]	**[0 - 10]**
	b) Gender equality	Inclusion as a criterion for evaluation	0 = not included 1 = included	[0 - 1]	[0 - 1]	None	[0 - 1]	
	c) Environment	Inclusion as a criterion for evaluation	0 = not included 1 = included	[0 - 1]	[0 - 1]	None	[0 - 1]	
	d) Basic education	Inclusion as a criterion for evaluation	0 = not included 1 = included	[0 - 1]	[0 - 3]	0 or 1 points = 0 2 or 3 points = 1	[0 - 1]	
	e) Basic health / reproductive health	Inclusion as a criterion for evaluation	0 = not included 1 = included	[0 - 1]				
	f) HIV&AIDS	Inclusion as a criterion for evaluation	0 = not included 1 = included	[0 - 1]				
(8) Evaluation of impact of aid in the MDG sectors (for n selected country evaluations)	a) Poverty eradication	Impact of aid	0 = not evaluated 1 = evaluated but limited / no impact 2 = impact	[0 - $2n$]	[0 - $2n$]	$\leq n$ points = 0 [$n+1$ - $2n-1$] points = 1 $2n$ points = 2	[0 - 2]	
	b) Gender equality	Impact of aid	0 = not evaluated 1 = evaluated but limited / no impact 2 = impact	[0 - $2n$]	[0 - $2n$]	[0 - n] points = 0 [$n+1$ - $2n$] points = 1	[0 - 1]	
	c) Environment	Impact of aid	0 = not evaluated 1 = evaluated but limited / no impact 2 = impact	[0 - $2n$]	[0 - $2n$]	[0 - n] points = 0 [$n+1$ - $2n$] points = 1	[0 - 1]	
	d) Basic education	Impact of aid	0 = not evaluated 1 = evaluated but limited / no impact 2 = impact	[0 - $2n$]	[0 - $6n$]	[0 - $2n$] points = 0 [$2n+1$ - $4n$] points = 1 [$4n+1$ - $6n$] points = 2	[0 - 2]	
	e) Basic health / reproductive health	Impact of aid	0 = not evaluated 1 = evaluated but limited / no impact 2 = impact	[0 - $2n$]				
	f) HIV&AIDS	Impact of aid	0 = not evaluated 1 = evaluated but limited / no impact 2 = impact	[0 - $2n$]				

OVERALL SCORE

Policy Phase	Components	Component Score Range	Phase Score Range	Overall Score Range
I. Legal and Financial Framework	(1) Legal Framework	[0 – 5]	[0 - 10]	**[0 - 40]**
	(2) Financial Framework	[0 – 5]		
II. Budget Allocation	(3) Targeting the MDG sectors	[0 – 4]	[0 - 10]	
	(4) Allocation to the MDG sectors	[0 – 6]		
III. Programming and Implementation	(5) Criteria for country strategies	[0 – 5]	[0 - 10]	
	(6) MDG sectors in the National Indicative Programmes	[0 – 5]		
IV. Evaluation and Impact	(7) Criteria for evaluation	[0 – 4]	[0 - 10]	
	(8) Impact of aid in the MDG sectors	[0 - 6]		

PHASE I: OVERALL LEGAL AND FINANCIAL FRAMEWORK

Component	Parameter	Criteria	Scoring Method	Score Obtained	Sum of Scores	Standardisation	Score	Component Score	Phase Score
(1a) Primary Law	a) Poverty eradication	Inclusion as the main policy objective	0 = not included 1 = included	1	2	None	2	5	9
	b) Coherence	Law takes account of policy coherence for development	0 = no mention 1 = mentioned	1					
(1b) Development Policy	a) MDGs as objectives	Inclusion as the overall objective of development policy	0 = not included 1 = included	1	1	None	1		
	b) Poverty eradication	Inclusion as the main objective of development policy	0 = not included 1 = included	1	6	Sum of scores divided by 3	2		
	c) Basic education	Inclusion as a policy objective	0 = not included 1 = included	1					
	d) Basic health / reproductive health	Inclusion as a policy objective	0 = not included 1 = included	1					
	e) Gender equality	Inclusion as a policy objective	0 = not included 1 = included	1					
	f) Environment	Inclusion as a policy objective	0 = not included 1 = included	1					
	g) HIV&AIDS	Inclusion as a policy objective	0 = not included 1 = included	1					
(2) Volume and poverty focus of ODA	a) Volume of ODA	Existence of a policy to achieve and maintain UN target of 0.7% GNI for ODA	0 = no timetable set 1 = timetable set but no progress towards the target 2 = timetable set and progress towards target 3 = target achieved and maintained	2	4	None	4	4	
	b) Poverty focus of ODA	Existence and use of poverty allocation criteria for ODA	0 = no criteria 1 = geographic criteria linked to poverty 2 = criteria focused on LICs	2					

PHASE II: BUDGET ALLOCATION

Component	Parameter	Criteria	Scoring Method	Score Obtained	Sum of Scores	Standardisation	Score	Component Score	Phase Score
(3) Targeting the MDG sectors	a) Target 20% of ODA to basic social services	Existence of commitment to allocate target	0 = no existence 1 = existence	1	4	Sum of scores divided by 3	1,3	2,3	**4,8**
	b) Gender equality and DAC gender marker	Existence of target and use of DAC gender marker	0 = no target and no use of marker 1 = target or use of marker 2 = target and use of marker	1					
	c) Environment and DAC environment marker	Existence of target and use of DAC environment marker	0 = no target and no use of marker 1 = target or use of marker 2 = target and use of marker	1					
	d) HIV&AIDS	Existence of target	0 = no target 1 = target exists	1					
	e) Budget support	Linkage to the MDG framework	0 = not linked 1 = linked but not explicitly 2 = explicit link to MDGs	1	1	None	1		
(4) Allocation to the MDG sectors	a) Target 20% of ODA to basic social services	Percentage of ODA allocated to basic social services	0 = stagnation below target level 1 = progress 2 = 20% achieved	1	3	Sum of scores divided by 2	1,5	2,5	
	b) Gender equality	Allocation of target to gender equality	0 = stagnation 1 = progress 2 = achieved	1					
	c) Environment	Allocation of target to the environment	0 = stagnation 1 = progress 2 = achieved	1					
	d) HIV&AIDS	Allocation of target to HIV&AIDS	0 = stagnation 1 = progress 2 = achieved	0					
	e) Poverty focus: allocation to LDCs	Target 0.15 to 0.20% of GNP to LDCs	0 = stagnation 1 = progress 2 = achieved	1	1	None	1		

PHASE III: PROGRAMMING AND IMPLEMENTATION

Component	Parameter	Criteria	Scoring Method	Score Obtained	Sum of Scores	Standardisation	Score	Component Score	Phase Score
(5) Criteria for Country Strategies (Guidelines)	a) Poverty eradication	Inclusion as the main criterion for design of country strategy	0 = not included 1 = included	1	1	None	1	3	5
	b) Gender equality	Inclusion as a criterion for design of country strategy	0 = not included 1 = included	1	1	None	1		
	c) Environment	Inclusion as a criterion for design of country strategy	0 = not included 1 = included	1	1	None	1		
	d) Basic education	Inclusion as a criterion for design of country strategy	0 = not included 1 = included	0	0	0 or 1 points = 0 2 points = 1 3 points = 2	0		
	e) Basic health / reproductive health	Inclusion as a criterion for design of country strategy	0 = not included 1 = included	0					
	f) HIV&AIDS	Inclusion as a criterion for design of country strategy	0 = not included 1 = included	0					
(6) MDG sectors in National Indicative Programmes (for n selected countries)	a) Poverty eradication	Inclusion as the main objective of the programme	0 = not included 1 = included	55	55	$\leq n/2$ points = 0 $[n/2 - n-1]$ points = 1 n points = 2	1	2	
	b) Gender equality	Inclusion as an objective of the programme	0 = not included 1 = included	29	29	$< n$ points = 0 n points = 1	0		
	c) Environment	Inclusion as an objective of the programme	0 = not included 1 = included	50	50	$< n$ points = 0 n points = 1	0		
	d) Basic education	Inclusion as an objective of the programme	0 = not included 1 = included	40	105	$[0 - n] = 0$ $[n+1 - n*3] = 1$	1		
	e) Basic health / reproductive health	Inclusion as an objective of the programme	0 = not included 1 = included	52					
	f) HIV&AIDS	Inclusion as an objective of the programme	0 = not included 1 = included	13					

PHASE IV: EVALUATION AND IMPACT

Component	Parameter	Criteria	Scoring method	Score Obtained	Sum of Scores	Standardisation	Score	Component Score	Phase Score
(7) Criteria for Evaluation (Guidelines)	a) Poverty eradication	Inclusion as the main criterion for evaluation	0 = not included 1 = included	1	1	None	1	3	6
	b) Gender equality	Inclusion as a criterion for evaluation	0 = not included 1 = included	1	1	None	1		
	c) Environment	Inclusion as a criterion for evaluation	0 = not included 1 = included	1	1	None	1		
	d) Basic education	Inclusion as a criterion for evaluation	0 = not included 1 = included	0					
	e) Basic health / reproductive health	Inclusion as a criterion for evaluation	0 = not included 1 = included	0	0	0 or 1 points = 0 2 or 3 points = 1	0		
	f) HIV&AIDS	Inclusion as a criterion for evaluation	0 = not included 1 = included	0					
(8) Evaluation of impact of aid in the MDG sectors (for *n* selected country evaluations)	a) Poverty eradication	Impact of aid	0 = not evaluated 1 = evaluated but limited / no impact 2 = impact	17	17	≤ n points = 0 [$n+1$ - $2n-1$] points = 1 $2n$ points = 2	0	3	
	b) Gender equality	Impact of aid	0 = not evaluated 1 = evaluated but limited / no impact 2 = impact	18	18	[0 - n] points = 0 [$n+1$ - $2n$] points = 1	1		
	c) Environment	Impact of aid	0 = not evaluated 1 = evaluated but limited / no impact 2 = impact	21	21	[0 - n] points = 0 [$n+1$ - $2n$] points = 1	1		
	d) Basic education	Impact of aid	0 = not evaluated 1 = evaluated but limited / no impact 2 = impact	16					
	e) Basic health / reproductive health	Impact of aid	0 = not evaluated 1 = evaluated but limited / no impact 2 = impact	15	37	[0 - $2n$] = 0 [$2n+1$ - $4n$] = 1 [$4n+1$ - $6n$] = 2	1		
	f) HIV&AIDS	Impact of aid	0 = not evaluated 1 = evaluated but limited / no impact 2 = impact	6					

OVERALL SCORE

Policy Phase	Components	Component Score Range	Component Score	Phase Score	As Percentage	Overall Score	As Percentage
I. Legal and Financial Framework	(1) Legal Framework	[0 – 5]	5,0	9,0	90%	24,8	62%
	(2) Financial Framework	[0 – 5]	4				
II. Budget Allocation	(3) Targeting the MDG sectors	[0 – 4]	2,3	4,8	48%		
	(4) Allocation to the MDG sectors	[0 – 6]	2,5				
III. Programming and Implementation	(5) Criteria for country strategies	[0 – 5]	3	5,0	50%		
	(6) MDG sectors in the National Indicative Programmes	[0 – 5]	2				
IV. Evaluation and Impact	(7) Criteria for evaluation	[0 – 4]	3	6,0	60%		
	(8) Impact of aid in the MDG sectors	[0 - 6]	3				

Component	Documents
(1a) Primary Law	EC Treaty (consolidated version)
(1b) Secondary Law and Development Policy	ACP-EU Partnership Agreement (2000)
	Regulation (EC) No 1905/2006 of the European Parliament and the Council establishing a financing instrument for development cooperation (2006)
	The European Community's Development Policy – Statement by the Council and the Commission (2000)
	The European Consensus on Development (2006)
(2) Volume and poverty focus of ODA	ACP-EU Partnership Agreement (2000)
	Interinstitutional Agreement between the European Parliament, the Council and the Commission on budgetary discipline and improvement of the budgetary procedure (1999)
	Interinstitutional Agreement between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management (2006)
	The European Consensus on Development (2006)
(3) Budget Commitments	EU Budget 2005
	OECD/DAC online Creditor Reporting System (CRS) database
	Guide to the Programming and Implementation of Budget Support to Third Countries (2003)
	Guidelines on the Programming, Design & Management of General Budget Support (2007)
(4) Budget Allocation	OECD/DAC online Creditor Reporting System (CRS) database
	The Global Fund to Fight AIDS, Tuberculosis and Malaria: Pledges and Contributions
(5) Guidelines for Country Strategies	Guidelines for implementation of the Common Framework for Country Strategy Papers (2001)
	Communication from the European Commission on Increasing the Impact of EU aid: Common Framework for Drafting Country Strategy Papers and Joint Multiannual Planning (2006)
	Annex to the Conclusions of the meeting of the GAERC of 11 April 2006: Format for a common framework for drafting country strategy papers (CSPs) and principles towards joint multi-annual programming (2006)
	Programming Guidelines for Education (2006)
	Programming Guidelines for Gender Equality (2006)
	Programming Guidelines for Country Strategy Papers: Health, AIDS and Population (HAP) (2006)
	EC/EU Policies and Strategies on HIV/AIDS at country level (2006)
	Programming Guide for Strategy Papers - Programming Fiche: Gender Equality (2006)
	Programming Guide for Strategy Papers - Background Information: Environmental sustainability - Mainstreaming (2006)
	Programming Guide for Strategy Papers - Programming Fiche: HIV/AIDS (2006)

Component	Documents	
(6) Country Strategy Papers	CSP and NIPs for Afghanistan (2003-2006)	CSP and NIP for Jamaica (2001-2007)
	CSP and NIPs for Algeria (2002-2006)	CSP and NIP for Kenya (2003-2007)
	CSP and NIP for Angola (2002-2007)	CSP and NIP for Kiribati (2002-2007)
	CSP and NIP for Antigua (2001-2007)	CSP and NIP for Lesotho (2001-2007)
	CSP and NIPs for Argentina (2002-2006)	CSP and NIP for Madagascar (2002-2007)
	CSP and NIPs for Armenia (2002-2006)	CSP and NIP for Malawi (2001-2007)
	CSP and NIPs for Azerbaijan (2002-2006)	CSP and NIPs for Malaysia (2002-2007)
	CSP and NIP for the Bahamas (2002-2007)	CSP and NIP for Mali (2003-2007)
	CSP and NIPs for Bangladesh (2002-2006)	CSP and NIP for Mauritania (2001-2007)
	CSP and NIP for Barbados (2002-2007)	CSP and NIP for Mauritius (2001-2007)
	CSP and NIP for Belarus (2005-2006)	CSP and NIP for Mexico (2002-2006)
	CSP and NIP for Belize (2002-2007)	CSP and NIP for Micronesia (2002-2007)
	CSP and NIP for Benin (2002-2007)	CSP and NIP for Moldova (2004-2006)
	CSP and NIP for Bhutan (2002-2006)	CSP and NIP for Morocco (2002-2006)
	CSP and NIP for Bolivia (2002-2006)	CSP and NIP for Mozambique (2001-2007)
	CSP and NIP for Botswana (2002-2007)	CSP and NIP for Namibia (2002-2007)
	CSP and NIP for Brazil (2001-2006)	CSP and NIP for Nauru (2002-2007)
	CSP and NIP for Burkina Faso (2001-2007)	CSP and NIP for Nepal (2002-2006)
	CSP and NIP for Burundi (2003-2007)	CSP and NIP for Nicaragua (2002-2006)
	CSP and NIP for Cambodia (2004-2006)	CSP and NIP for Niger (2001-2007)
	CSP and NIP for Cameroon (2001-2007)	CSP and NIP for Nigeria (2001-2007)
	CSP and NIP for Cape Verde (2001-2007)	CSP and NIP for Niue (2002-2007)
	CSP and NIP for the Central African Republic (2002-2007)	CSP and NIP for Pakistan (2002-2007)
	CSP and NIP for Chad (2001-2007)	CSP and NIP for Palau (2002-2007)
	CSP and NIP for the Comoros Islands (2002-2007)	CSP and NIP for Panama (2002-2006)
	CSP and NIP for the Cook Islands (2002-2007)	CSP and NIP for Peru (2002-2006)
	CSP and NIP for Costa Rica (2002-2006)	CSP and NIPs for the Philippines (2002-2006)
	CSP and NIP for Côte d'Ivoire (2004-2007)	CSP and NIP for Samoa (2001-2007)
	CSP and NIP for Djibouti (2002-2007)	CSP and NIP for Senegal (2002-2007)
	CSP and NIP for Dominica (2002-2007)	CSP and NIP for South Africa (2003-2005)
	CSP and NIP for Ecuador (2002-2006)	CSP and NIP for Sri Lanka (2002-2006)
	CSP and NIP for Egypt (2002-2006)	CSP and NIP for Saint Lucia (2001-2007)
	CSP and NIP for Equatorial Guinea (2006-2007)	CSP and NIPs for Syria (2002-2006)
	CSP and NIP for Eritrea (2002-2007)	CSP and NIPs for Thailand (2002-2006)
	CSP and NIP for Ethiopia (2002-2007)	CSP and NIP for the Democratic Republic of Congo (2003-2007)
	CSP and NIP for Gabon (2001-2007)	CSP and NIP for the Domincan Republic (2001-2007)
	CSP and NIP for Gambia (2002-2007)	CSP and NIP for the Maldives (2003-2006)
	CSP and NIP for Georgia (2002-2006)	CSP and NIP for the Marshall Islands (2002-2007)
	CSP and NIP for Ghana (2002-2007)	CSP and NIP for the Republic of Congo (2002-2007)
	CSP and NIP for Grenada (2001-2007)	CSP and NIP for the Solomon Islands (2002-2007)
	CSP and NIP for Guatemala (2002-2006)	CSP and NIP for Timor Leste (2006-2007)
	CSP and NIP for Guinea (2006-2007)	CSP and NIP for Tunisia (2002-2006)
	CSP and NIP for Guinea-Bissau (2001-2007)	CSP and NIP for Ukraine (2002-2006)
	CSP and NIP for Guyana (2002-2007)	CSP and NIP for Uruguay (2001-2006)
	CSP and NIP for Honduras (2002-2006)	CSP and NIP for Zambia (2001-2007)
	CSP and NIPs for India (2002-2006)	CSP and NIP for Vietnam (2002-2006)
	CSP and NIPs for Indonesia (2002-2006)	

Component	Documents
(7) Guidelines for Evaluations	Evaluation in the European Commission: A guide to the Evaluation Procedures and Structures currently operational in the Commission's External Co-operation Programmes (2001)
	Evaluation Methods for the European Union's External Assistance (2006)
(8) Evaluation Reports	Armenia: Country Strategy Evaluation (2006)
	Evaluation of the European Commission's Country Strategy for Bangladesh (2003)
	Benin: Country Strategy Evaluation (2005)
	Comoros Islands: Country Strategy Evaluation (2006)
	Evaluation of the European Commission's Country Strategy for Egypt (2004)
	Evaluation of the European Commission's Country Strategy for Ethiopia (2004)
	Ghana: Country Strategy Evaluation (2005)
	Evaluation of the European Commission's Country Strategy for Honduras (2004)
	Evaluation of the European Commission's Country Strategy for Lesotho (2004)
	Mali: Country Strategy Evaluation (2006)
	Evaluation of the European Commission's Country Strategy for Morocco (2003)
	Evaluation of the European Commission's Country Strategy for Malawi (2003)
	Mauritius: Country Strategy Evaluation (2006)
	Evaluation of the European Commission's Country Strategy for Rwanda (2006)
	Seychelles: Country Strategy Evaluation (2006)
	Evaluation of the European Commission's Support to the United Republic of Tanzania (2006)
	Evaluation of the European Commission's Country Strategy for Ukraine (2003)

1. Education

1.1 Education included as a focal sector

DCI CSPs in which education is included as a focal sector	
Argentina	€ 21.5 million will be allocated to the reintegration of young people (15 – 25) in secondary school.
Burma / Myanmar	€ 19 million is foreseen for focal sector 1: education.
Cambodia	35 – 45% (€ 26.6 – € 34.2 million) is foreseen for focal sector 2: basic education.
Chile	€ 8.2 million (20%) is foreseen for social sector 1: education (academic exchanges and scholarships).
Ecuador	€ 41.1 million is foreseen for basic education under the focal sector: contributing to increased government social investment – education.
India	Approximately € 57.2 million (22%) will be allocated to education.
Indonesia	Approximately € 193.44 – € 205.84 million (78 – 83%) will be allocated to basic education and € 4.96 – € 7.44 million (2 – 3%) will be allocated to the *Erasmus Mundus* scholarship programme.
Mexico	€ 4.4 million (8%) will be allocated to 'scholarship and university co-operation' under the education and culture focal sector.
Nicaragua	€ 74.9 million (35%) will be allocated to the education programme.
Pakistan	€ 66 million (33%) will be allocated to focal sector education and human resources development.
Paraguay	€ 95 million will be allocated to education under focal sector 1: education.

ENPI CSPs in which education is included as a focal sector	
Moldova	Parts of the focal sector 'support for regulatory reform and administrative capacity building' (15 – 25%) and the entire focal sector 'support for poverty reduction and economic growth' (40 – 60%) focus on health and education.

ACP CSPs in which education is foreseen as a focal sector	
Comoros	Education will be a focal sector.
Gabon	€ 8 million will be allocated to the focal sector: education and vocational training.
Jamaica	First focal sector: education (€ 20 million). (NB: This will be financed through programme-based budget support)
Papua New Guinea	The second focal sector will be 'education and training', including two aims: (A) basic education support programme (€ 16 million) and (B) training and skills development training (€ 16 million).
Sudan	Education will be a focal sector (€ 30 million).

1.2. Education as a non-focal sector

None of the CSPs analysed included education as a non-focal sector. During the previous programming period, education was included as a non-focal sector in the CSPs for three countries: one in Africa and two Asia.

1.3. Human resources development as a focal sector

'Human resources development' is included as a focal sector in one DCI CSP. In the previous programming period, and in the same region, this figure stood at five, although one of those five did not specifically refer to education.

One ENPI CSP includes support for education under the focal sector 'human resources development'. During the previous programming period, the CSPs for three of the EU's neighbouring countries included support for education under this focal sector.

Three ACP CSPs include support for education under the focal sector 'human resources development'. Under the previous programming period, this was the case for only two ACP CSPs.

The CSPs for two other ACP countries foresee 'human resources development' as a focal sector. However, neither of them includes specific support for education. In the previous period, the same scenario applied to one ACP CSP.

1.4. Project / programme in the education sector

Nine DCI CSPs include at least one project / programme in the education sector. Over the previous programming period, 17 of the now DCI countries included projects / programmes in this sector.

In terms of the EU's neighbour countries, ten of these CSPs include projects and / or programmes in the education sector. This compares with a figure of seven over the previous period.

Projects and / or programmes in support of education are foreseen in five CSPs across the ACP region. In the previous programming period, 28 ACP CSPs included projects and / or programmes in support of education.

1.5. Education is mainstreamed

Education has been mainstreamed in two DCI CSPs. None of the old CSPs for countries currently under the scope of the DCI mainstreamed education.

Education has not been mainstreamed in any of the CSPs for ENPI countries. This was also the case during the previous programming period.

Similarly, none of the draft ACP CSPs foresees education mainstreaming, nor did any of their predecessors.

1.6. No support for education

In the case of eight DCI CSPs, there is no provision at all for support for education. The same number of DCI CSPs failed to include any support to education in the previous programming period.

Two of the CSPs for ENPI countries include no support for education. During the previous programming period, only one CSP for the EU's neighbouring countries failed to include any support for this sector.

In 46 ACP CSPs, no provision is made for support to education. During the previous programming period, only 29 ACP CSPs failed to include any support for education.

2. Health

2.1 Health included as a focal sector

DCI CSPs in which health is included as a focal sector	
Afghanistan	20% will be allocated to focal sector 3: health.
Burma	€ 22.5 million will be allocated to focal sector 2: health.
India	Focal sector 'social sector reform' includes the health sector. 40% has been allocated to health reform.
Philippines	67 – 76% will be allocated to focal sector 'access to quality basic social services – health'.
Vietnam	35 – 45% will be allocated to focal sector 2: support for the health sector.

ENPI CSPs in which health is included as a focal sector	
None	N/A

ACP CSPs in which health is foreseen as a focal sector	
Democratic Republic of Congo	Health is foreseen as a focal sector. It is hoped that the EDF 9 allocation of € 80 million will be maintained but it might end up as € 30 – 40 million.
East Timor	Health is foreseen as a focal sector.

2.2. Health as a non-focal sector

As was the case during the previous programming period, none of the DCI or ENPI CSPs includes health as a non-focal sector.

In the ACP region on the other hand, health is foreseen as a non-focal sector in three countries for the coming period. This compares with six CSPs during the previous programming period, in which health was a non-focal sector.

2.3. Human resources development as a focal sector

'Human resources development' is included as a focal sector in two of the DCI CSPs. However, neither include any specific references to the health sector. As indicated in the section on education, during the previous programming period, 'human resources development' was included as a focal sector in five of the CSPs for countries which now fall under the scope of the DCI. Of these five CSPs, all but one included specific support for human resources in the health sector.

Similarly, as indicated already, one ENPI CSP includes 'human resources development' as a focal sector. It does not however include any specific reference to the health sector. During the previous programming period, 'human resources development' was included as a focal sector in three CSPs for the EU's neighbouring countries, two of which included specific support for the health sector.

'Human resources development' including support for the health sector is foreseen as a focal sector in the CSPs for four ACP countries. The CSP for one other ACP country foresees 'human resources development' as a focal sector but excludes any specific support to the health sector. During the previous programming period, human resources development was included as a focal sector for four ACP CSPs, of which all but one included specific support for the health sector.

2.4. Project / programme in the health sector

Projects and / or programmes in the health sector are included in 13 DCI CSPs in which neither health nor human development is a priority sector. During the previous programming period, health projects and / or programmes were included in 19 CSPs for countries now falling under the scope of the DCI.

In the case of the ENPI region, projects and / or programmes in the health sector are included in eight CSPs. During the previous programming period, only three CSPs for the EU's neighbouring countries included separate projects or programmes in the health sector.

Projects and / or programmes in the health sector are foreseen in seven ACP CSPs in which neither health nor human resources is likely to be included as focal or non-focal sectors. During the previous programming period, this was the case for 27 ACP CSPs.

2.5. Health is mainstreamed

As was the case during the previous programming period, health has been mainstreamed in none of the CSPs analysed.

2.6. No support for health

In 11 of the countries covered by the DCI, there is no support for health foreseen. This was the case in nine countries during the previous programming period.

In the case of the ENPI region, five CSPs exclude any support for health. During the previous programming period, this was the case in six of the neighbouring countries' CSPs.

44 of the CSPs covering the ACP region foresee no support for the health sector. During the previous programming period, this figure stood at 30.

3. HIV&AIDS

3.1 The fight against HIV&AIDS included as a focal sector

The fight against HIV&AIDS is not included as a non-focal sector in any of the CSPs analysed.

3.2. The fight against HIV&AIDS as a non-focal sector

The fight against HIV&AIDS is not included as a non-focal sector in any of the DCI or ENPI CSPs analysed. During the previous programming period, none of the EU's neighbour countries' CSPs and just one of the countries which now fall under the scope of the DCI recognised this priority as a non-focal sector.

It is foreseen that the fight against HIV&AIDS will be included in just one of the ACP CSPs about which information has been provided. During the previous programming period, three ACP CSPs included support for the fight against HIV&AIDS as a non-focal sector.

3.3. Health as a focal sector

Health and the fight against HIV&AIDS are included as a focal sector in the CSPs for three DCI countries. During the previous programming period, only one CSP for the countries now covered by the DCI included health and the fight against HIV&AIDS as a focal sector.

Two other DCI CSPs include health as a focal sector but they do not include any support for the fight against HIV&AIDS. This was the case for one CSP during the previous programming period.

None of the ENPI CSPs include health as a focal sector. This was also the case during the previous programming period.

It is foreseen that health will be included as a focal sector in two of the ACP CSPs about which information has been received. However, there is no evidence to indicate that these two CSPs will also include the fight against HIV&AIDS. During the previous programming period, three ACP CSPs included health and the fight against HIV&AIDS as a focal sector. Four others included health but did not support the fight against HIV&AIDS.

3.4. Human resources development as a focal sector

'Human resources development' including the fight against HIV&AIDS is included in two of the CSPs for DCI countries. During the previous programming period, one CSP for a country which now falls under the scope of the DCI included specific references to the fight against HIV&AIDS within the focal sector 'human resources development'. Another four CSPs for countries in Asia and Latin America did include 'human resources development' as a focal sector but did not the fight against HIV&AIDS.

One ENPI CSP includes 'human resources development' as a focal sector but it does not include specific references to the fight against HIV&AIDS. This was the case for three CSPs for the EU's neighbouring countries during the previous programming period.

It is foreseen that three ACP CSPs will include 'human resources development' and the fight against HIV&AIDS as a focal sector, an increase of one on the previous programming period.

It is also foreseen that a further two ACP CSP will include 'human resources development' as a focal sector but without any specific references to the fight against HIV&AIDS This was also the case during the previous programming period.

3.5. Project / programme to fight HIV&AIDS

Projects and / or programmes to fight HIV&AIDS are included in one DCI CSP. Over the previous programming period, the CSPs of two Asian countries included such projects on HIV&AIDS.

None of the ENPI CSPs includes any separate projects and / or programmes in the fight against HIV&AIDS. This was also the case during the previous programming period.

It is foreseen that one ACP CSP will include a project / programme in support of the fight against HIV&AIDS. This is a decrease from nine during the previous programming period.

3.6. The fight against HIV&AIDS is mainstreamed

The fight against HIV&AIDS is mainstreamed in eight CSPs for DCI countries. However, it is not mainstreamed in any of the ENPI CSPs. It is foreseen that HIV&AIDS will be mainstreamed in three ACP CSPs

Given that HIV&AIDS mainstreaming is a new development in EU aid programming, it did not feature in any of the CSPs from the previous programming period.

3.7. The fight against HIV&AIDS is not included

In 15 DCI CSPs, there is no provision for support for the fight against HIV&AIDS. During the previous programming period, 25 of those CSPs for countries which now fall under the scope of the DCI included no support for the HIV&AIDS area.

In terms of the countries covered by the ENPI, 12 CSPs exclude the fight against HIV&AIDS, a figure which previously stood at nine.

It is foreseen that 49 of the ACP CSPs will provide no support for the fight against HIV&AIDS. During the previous programming period, this was the case for 51 CSPs.

4. Gender

4.1 Gender included as a focal sector

Gender is not included as a focal sector in any of the CSPs analysed.

4.2. Gender as a non-focal sector

None of the CSPs for ENPI or DCI countries include gender as a non-focal sector. This was also the case during the previous programming period. It is possible that gender might be included as part of a non-focal sector in one of the known ACP CSPs.

4.3. Project / programme on gender

Projects and / or programmes on gender are included in two DCI and five ENPI CSPs. Previously, five DCI CSPs included gender projects.

No projects or programmes on gender are foreseen in any of the ACP CSPs about which information was provided. However, it has been suggested that a gender indicator for the allocation of budget support might be included in the CSP of one ACP country.

During the previous programming period 19 ACP CSPs included projects in support of gender.

4.4. Gender is mainstreamed

Gender has been mainstreamed in 26 DCI and seven ENPI CSPs. In terms of the ACP countries, gender mainstreaming is foreseen in just one of the CSPs about which information was available.

Previously, gender was mainstreamed in 23 DCI CSPs, 5 ENPI CSPs and 22 ACP CSPs.

4.5. No support for gender

One DCI CSP and one ENPI CSP include no support for gender while one of the ACP CSPs about which information was received does not foresee any support for gender.

During the previous period, gender was not mentioned in 7 DCI CSPs, 5 ENPI CSPs and 33 ACP CSPs

5. Transport

5.1. Transport included as a focal sector

DCI CSPs in which transport is included as a focal sector	
None	N/A

ENPI CSPs in which transport is included as a focal sector	
Azerbaijan	Focal sector: Support for legislative and economic reforms in the transport, energy and environment sectors.

ACP CSPs in which transport is foreseen as a focal sector
Burkina Faso, Cameroon, Central African Republic, Comoros Islands, Congo (Republic), Ethiopia, Gabon, Ghana, Gambia, Kenya, Lesotho, Madagascar, Mozambique, Rwanda, Senegal, Suriname, Tanzania, Uganda, Zambia

5.2. Transport as a non-focal sector

Transport is not included as a non-focal sector in any of the CSPs. This was also the case during the previous programming period.

5.3 Project / programme on transport

Projects and / or programmes in the transport sector are included in four DCI CSPs. During the previous programming period five DCI CSPs included transport projects and /or programmes.

Seven CSPs for the ENPI countries include transport projects and / or programmes, an increase from three under the previous programming period.

None of the draft ACP CSPs about which information was provided includes any separate transport projects /programmes. During the previous programming period, four ACP CSPs included separate transport projects and / or programmes.

5.4. Transport is not included

27 CSPs for countries under the scope of the DCI do not include any support for transport. This was also the case during the previous programming period.

Support for transport was not included in six of the ENPI CSPs. Previously, eight CSPs for the EU's neighbour countries did not include any support for transport.

42 of the 61 CSPs about which information was available did not foresee any support for transport. During the previous programming period, 40 ACP CSPs did not include any support for transport.

The Country Strategy Papers (2001/2 - 2006/7) for the following countries were analysed for Chapter 2

2001/2 - 2006/7		
Afghanistan	Guinea	Sierra Leone
Algeria	Saint Lucia	Somalia
Angola	South Africa	Sri Lanka
Antigua and Barbuda	Sudan	Saint Kitts and Nevis
Argentina	Guinea-Bissau	Saint Vincent and the Grenadines
Armenia	Guyana	Suriname
Azerbaijan	Honduras	Swaziland
Bahamas	India	Syria
Bangladesh	Indonesia	Suriname
Barbados	Jamaica	Swaziland
Belarus	Jordan	Syria
Belize	Kenya	Tanzania
Benin	Kiribati	Thailand
Bolivia	Laos	Tonga
Botswana	Lebanon	Trinidad and Tobago
Brazil	Lesotho	Tunisia
Burkina Faso	Madagascar	Tuvalu
Burundi	Malawi	Uganda
Bhutan	Malaysia	Ukraine
Cambodia	Maldives	Uruguay
Cameroon	Mali	Vanuatu
Cape Verde	Morocco	Venezuela
Central African Republic	Marshall Islands	Vietnam
Chad	Mauritania	Yemen
Chile	Mauritius	Zambia
Colombia	Mexico	
Comoros Islands	Moldova	
Congo (Republic)	Mongolia	
Cook Islands	Mozambique	
Costa Rica	Namibia	
Cote d'Ivoire	Nauru	
Democratic Republic of Congo	Nepal	
Djibouti	Nicaragua	
Dominica	Niger	
Dominican Republic	Nigeria	
East Timor	Niue	
Ecuador	North Korea	
Egypt	Pakistan	
El Salvador	Palau	
Equatorial Guinea	Panama	
Eritrea	Paraguay	
Ethiopia	Peru	
Micronesia	Philippines	
Fiji	Papua New Guinea	
Gabon	Rwanda	
Gambia	Solomon Islands	
Georgia	Samoa	
Ghana	Sao Tome and Principe	
Grenada	Senegal	
Guatemala	Seychelles	

The Country Strategy Papers (2007/8 - 2013) for the following countries were either analysed or information about them was made available.

2007/8 - 2013		
Afghanistan	Indonesia	Trinidad and Tobago
Algeria	Israel	Tunisia
Argentina	Jamaica	Tuvalu
Armenia	Jordan	Uganda
Azerbaijan	Kenya	Ukraine
Bahamas	Kiribati	Uruguay
Bangladesh	Laos	Vanuatu
Belarus	Lebanon	Venezuela
Belize	Lesotho	Vietnam
Bhutan	Madagascar	Yemen
Botswana	Malawi	Zambia
Brazil	Malaysia	Zimbabwe
Burma	Mali	
Cambodia	Marshall Islands	
Cameroon	Mauritania	
Cape Verde	Mauritius	
Central African Republic	Mexico	
Chad	Moldova	
Chile	Mongolia	
Colombia	Morocco	
Comoros Islands	Mozambique	
Congo (Republic)	Namibia	
Cook Islands	Nauru	
Costa Rica	Nicaragua	
Cote d'Ivoire	Niger	
Djibouti	Nigeria	
Dominica	Niue	
Dominican Republic	Pakistan	
Democratic Republic of Congo	Palau	
East Timor	Panama	
Ecuador	Papua New Guinea	
Egypt	Paraguay	
El Salvador	Peru	
Equatorial Guinea	Philippines	
Eritrea	Rwanda	
Micronesia	Saint Kitts and Nevis	
Fiji	Samoa	
Gabon	Sao Tome and Principe	
Gambia	Senegal	
Georgia	Sudan	
Ghana	Suriname	
Guatemala	Swaziland	
Guinea-Bissau	Syria	
Guyana	Tanzania	
Haiti	Thailand	
Honduras	Togo	
India	Tonga	

EU ODA Commitments 2000 - 2005 as Percentage of Total EU ODA

Purpose	2000	2001	2002	2003	2004	2005
Basic Social Services	10,16%	6,46%	5,03%	8,59%	11,02%	12,60%
Basic Education	3,99%	0,85%	0,77%	2,82%	1,10%	2,73%
Basic Health	1,50%	4,11%	1,19%	1,73%	2,68%	4,71%
Women in Development	0,03%	0,09%	0,09%	0,02%	0,19%	0,10%
General Environmental Protection	1,66%	2,51%	1,13%	1,67%	2,18%	2,34%
STD Control including HIV/AIDS	0,46%	0,44%	0,57%	0,12%	0,74%	0,13%

Source: OECD/DAC

Net ODA Disbursements to Least Developed Countries as Percentage of EU* ODA

Recipient	2000	2001	2002	2003	2004	2005
Least Developed Countries (LDCs)	0,09%	N/A	0,11%	0,13%	0,12%	0,11%

Source: OECD/DAC

* EU Member States

EU Pledges and Contributions to the Global Fund to Fight AIDS, Tuberculosis and Malaria

Pledge		Contribution					
Amount US$ (millions)	Period	2001 - 2002	2003	2004	2005	2006	Total paid to date
638,548	2001 - 2006	137,064	50,360	264,413	69,557	117,153	638,548

Source: Global Fund to Fight AIDS, Tuberculosis and Malaria