

Legal & Financial **Budget Allocation** Funding Im **Framework** Law & Policy Strong legal basis A decrease in No p for development proportion of EU proposed but yet aid for fight against healt HIV&AIDS and basic to be included and educ ratified in Treaty education between amendments 2000 and 2005 EU policy "European Lack relating to gender as objective of EU EU joint strategy to reach 0.7% ODA/GNI target and 0.56% spending targets of 35% for social services and 20% for basic health and education in Budget Poverty eradication - main objective of the EU Development Agreement on 20% target for basic health and education for s for s prior Cooperation under Development Instrument Cooperation prog Instrument

Alliance 2015 Halfway to 2015:

Mid-term Review

About Alliance2015

Alliance 2015 is a European partnership of six like-minded non-governmental organisations, working in the field of development co-operation and committed to reaching the Millennium Development Goals. The members are CESVI from Italy, Concern Worldwide from Ireland, Deutsche Welthungerhilfe from Germany, HIVOS from the Netherlands, Ibis from Denmark and People in Need from the Czech Republic. Alliance2015 was founded in 2000.

Alliance2015 has joined forces to fight poverty more effectively, co-operating on various levels in developing countries as well as in campaigns to influence public and political opinion in Europe. This is done together without giving up the individual philosophies, approaches or brands of each organisation.

One focus of Alliance2015 policy work is the monitoring of donor performance in relation to the Millennium Development Goals. Since 2004, under the 2015-Watch series, Alliance2015 has produced four independent reports.

The Alliance2015 Scorecard presents the main findings and recommendations from these

http://www.alliance2015.org

About 2015-Watch

2015-Watch measures the contributions made by donor countries and multilateral agencies to the Millennium Development Goals. The policy process is divided in four parts in order to assess to what extent each of these parts is oriented towards the Millennium Development Goals. The four stages of the policy process are:







The longest running Alliance 2015 campaign involves all six Alliance2015 members. Its ultimate goal is to eliminate all forms of child labour through the provision of fulltime, quality education. The link to the MV Foundation in India gives the campaign both strength and credibility.

http://www.schoolisthebestplacetowork.org

The more recent Virus Free Generation campaign focuses on a young target audience, raising awareness about the impact of HIV&AIDS in Southern Africa. It mobilises youth in Europe to lobby for education, prevention and access to medication.

http://www.virusfreegeneration.eu

EU aid for education, heal

Half

Mid

EU aid commitments to b basic health and HIV&AI 100 75 50 45 40 35 30 25 20 15 10 0 2000 2001 2002 ■ Basic education ■ Basic

2015

Alliance lowards the eradication

Source: OECD/DAC 2007

Despite strong political commitment to the Millenr disappointing record when it comes to financing the

20% target for basic healt

Latest statistical data on 2005 spending shows the El health, less than 3% to basic education and 0.13% t

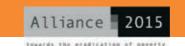
The gap between policy and practice is a weakne Millennium Development Goals. These goals will not

Facts & Figures

- 'EU aid' is development aid which is implement Total EU aid for the period 2007 2013 is \leqslant 51
- On average, the annual EU aid budget is € 5.7 EU Member States and the European Commiss

billion per annum on development aid

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Key issues from Mid-term Review

Issue 1: EU aid for Africa lacks democratic scrutiny

In 2007, EU aid programmes for Asia, Latin America and neighbouring countries were adopted. They cover the period 2007-2013 and were scrutinised by the European Parliament. This scrutiny followed a battle in which the Parliament insisted there should be democratic control over EU plans for development co-operation with third countries.

In the coming months the next generation of aid programmes for Africa will be finalised. In February 2007, the German Presidency announced it would ensure these programmes would also be examined by the Parliament. The European Commission has not since acted on this intent and the German Presidency has not raised the issue again.

The European Commission is placing strong emphasis on good governance in Africa. It is entirely unacceptable that the aid programmes for African countries should not be allowed to pass through the European Parliament for scrutiny. This scrutiny was applied in the case of Asia, Latin America and neighbouring countries.

Alliance2015 recommends that:

- The European Parliament should ensure democratic scrutiny by putting in place clear benchmarks for the annual discharge of the European Development Fund (EDF) and by assuming its right of scrutiny over the implementation of the EDF;
- EU Member States should make full use of their right to scrutinise African country programmes in the EDF Committee and to ensure that they prioritise the Millennium Development Goals;
- The ACP-EU Joint Parliamentary Assembly and national parliaments should ensure national ownership by scrutinising country programmes.

Issue 2: EU investment in health and education falls

Since 2001, the EU budget has included targets for allocating aid to basic health and basic education. None of these targets have been met. In the case of basic education, the proportion of aid has actually fallen from 3.99% in 2000 to 2.73% in 2005 (see graph on reverse).

Our analysis of the EU's country programmes for the period 2007 – 2013 suggests that Europe will continue to miss its targets. The European Commission is deprioritising health and education, most notably in its plans for Africa, the Caribbean and the Pacific (ACP) region

Education is foreseen as a priority sector in just five out of 61 ACP programmes analysed. Health is prioritised in just two and the fight against HIV&AIDS in just one of the same group of 61 programmes.

Africa is the continent in most need of assistance. But, it seems it will receive little direct EU support for the Millennium Development Goals.

Alliance2015 recommends that:

- The European Commission should provide direct support for programmes in the areas of basic health and basic education;
- The European Commission should include specific measures to support gender equality, children's rights and the fight against HIV&AIDS in its country programmes;
- The European Commission should identify clear criteria for deciding which aid modalities are best suited to each partner country. These should include (i) Millennium Development Goals results indicators (ii) the financing gap on education and health (iii) the strength or weakness of the health and education sectors and (iv) the presence (or not) of other donors;
- In 2008, the European Court of Auditors should investigate whether the European Commission has a policy to meet its targets on basic health and education by 2009. It should also assess implementation and progress to date;
- The European Commission should identify what EU Member States are doing to support the Millennium Development Goals and where it needs to act to close financing gaps and to support the achievement of the goals.



Halfway to 2015: Mid-term Review



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Issue 3: EU interests prevail over Millennium Development Goals

The European Commission proposes that the 'Governance Facility' will support education and health in partner countries. However, out of a total of 23 indicators, only one is related to the Millennium Development Goals. Other indicators focus on issues such as migration, trade liberalisation and counter-terrorism which are not related to the achievement of the Millennium Development Goals.

2015-Watch analysis of EU country programmes covering the period 2007 – 2013 suggests that transport will be a major priority. 19 of the 61 country programmes available foresaw transport as a priority sector for EU support. Moreover, the overall volume of aid available for this sector is set to increase.

The European Commission cites the principle of 'ownership' as justification for its increased reliance on General Budget Support. However, the definition of ownership is far from clear. Our research suggests it does not extend to the involvement of national parliaments or civil society in determining the priorities for EU activities in a given country.

Alliance2015 recommends that:

- Support for transport should be included as part of General Budget Support in countries where this is the principal aid modality. The Commission must disclose which European companies are benefiting from the grant contracts allocated to the transport sector;
- The European Commission should ensure that the Governance Facility is based on the international framework for human rights, rather than promoting European interests such as migration, trade liberalisation or counter-terrorism;
- The European Commission should define and operationalise ownership. It should also identify exactly how it has ensured ownership in the programming process for 2007 – 2013
- The European Commission should develop a long-term predictable financing instrument for the payment of recurrent costs such as salaries for both school teachers and health workers as part of its General Budget Support.

Issue 4: EU aid statistics at risk of distortion

The European Commission is looking at how to improve its reporting on Europe's contributions to the Millennium Development Goals in Africa. It is considering methodologies which will affect what it reports and how. It is proposing to reflect aid which is provided through General Budget Support, as allocations to health and education. This runs contrary to the principle that General Budget Support is by definition not allocated to any particular sector. It appears the Commission might also be considering how rural development and transport might be considered contributions to health and education. Proposals which lead to "creative accounting" will distort the reality of the EU aid flows.

Alliance2015 recommends that:

- The European Commission should ensure that the statistical allocation of General Budget Support is done in accordance with the nature of the instrument;
- The European Commission should ensure that reporting is in line with the Organisation for Economic Co-operation and Development's (OECD) accounting criteria for reporting on of the purpose of aid;
- The OECD/DAC should keep high standards of data collection for statistical analysis, as this provides an important tool for monitoring aid allocations to different sectors;
- The OECD/DAC should propose a common methodology to measure different forms
 of General Budget Support and the contributions of donors to the achievement of the
 Millennium Development Goals through General Budget Support.