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**COVER NOTE**

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signed by Mr Jordi AYET PUIGARNAU, Director

date of receipt: 21 April 2010

to: Mr Pierre de BOISSIEU, Secretary-General of the Council of the European Union

Subject: Commission Staff Working Document accompanying the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - A twelve-point EU action plan in support of the Millennium Development Goals

- Progress made on the Millennium Development Goals and key challenges for the road ahead

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Delegations will find attached Commission document SEC(2010) 418 final.

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EUROPEAN COMMISSION

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**COMMISSION STAFF WORKING DOCUMENT**

***Progress made on the Millennium Development Goals and key challenges for  
the road ahead***

*accompanying the*

**COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN  
PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL  
COMMITTEE AND THE COMMITTEE OF THE REGIONS**

**A twelve-point EU action plan in support of the Millennium Development Goals**

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## CHAPTER ONE: THE MILLENNIUM DEVELOPMENT GOALS (MDGs): WHAT PROGRESS HAS BEEN MADE?

### 1.1 What the MDGs are... and what they are not ...?

The Millennium Development Goals (MDGs) constitute the first ever set of shared development goals at international level, on which there is an unprecedented level of consensus. This unique, relatively simple, and wide-ranging framework of goals, targets and indicators has become a rallying point to combat world poverty in its different dimensions.

The MDGs constitute a set of eight goals, 18 quantifiable and time-bound targets and 48 indicators to be achieved (mostly) by 2015. Goals 1 to 7 address different dimensions of poverty, such as hunger, disease, lack of education and inadequate access to clean water and sanitation. Goal 8 sets out the global responsibility of the international community to support the achievement of the other goals, particularly in the areas of aid, debt, trade and access to information and communication technologies and essential drugs<sup>1</sup>.

The MDGs should not be perceived as a disparate set of sectoral targets and indicators, however. They are interdependent and are mutually reinforcing. Inequalities in child mortality (MDG 4), for example, reflect the depth of poverty children experience as well as unequal access to nutrition (MDG 1). The MDGs should be integrated within comprehensive and coherent development strategies, as both economic and social development is needed to foster sustainable MDG progress. There is no dichotomy in this regard. Investment in infrastructure such as roads and energy facilities and a sound business environment are crucial to sustainable development and effective health and education systems.

Assessing the impact of the MDG framework in changing behaviours, policies and resource allocation and in improving development outcomes is very complex, not only because of lack of research and evaluation but also because of the multiplicity of factors and interactions influencing development processes over time. However, there is a largely shared consensus that the MDGs have played an essential political role in galvanising international effort and mobilising support for development, particularly after the dramatic decline in aid and slow rates of development experienced in many countries during the 1990s<sup>2</sup>.

At country level, the MDGs have provided a general framework allowing developing countries to plan their social, economic and environmental development and monitor/track progress over time, sometimes on the basis of targets and indicators

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<sup>1</sup> In 2007, the MDG monitoring framework was revised to include four new targets for employment and decent work, reproductive health, access to HIV/AIDS treatment and loss of biodiversity, agreed by member states at the 2005 World Summit and recommended, in 2006, by the UN Secretary-General in his report on the work of the organisation. The current framework therefore comprises eight goals, 21 targets and 60 indicators (see Annex).

<sup>2</sup> Francois Bourguignon et al. (2008) in the EU research paper ‘Millennium Development Goals at Midpoint: Where do we stand and where do we need to go?’  
[http://ec.europa.eu/development/icenter/repository/2008.11.06%20MDG\\_long\\_paper\\_en.pdf](http://ec.europa.eu/development/icenter/repository/2008.11.06%20MDG_long_paper_en.pdf)

specifically adapted to reflect their local reality. They have also had a positive influence on data collection and helped donors to focus on results. The MDGs have proven to be an effective advocacy and communication tool for political decision makers and civil society actors to raise the profile and generate commitments and pledges for development.<sup>3</sup>

At the same time, the ‘limits’ of the MDG framework should be considered. The MDGs do not provide recipes or prescriptions for how to foster development progress. Nor do they capture and reflect exhaustively all the different, and sometimes very context-specific, dimensions of development and poverty. The MDGs constitute a benchmark of global goals that have to be adapted at regional and country level.

## 1.2 What progress has been made on the MDGs<sup>4</sup>?

### a) *Some significant progress, but insufficient and highly uneven*

Over the last two decades, the world has made strong and sustained progress in reducing extreme poverty as well as on other goals such as universal primary education, gender equality in primary education, and access to water.

#### **Some encouraging progress...**

- The overarching MDG goal of halving extreme poverty by 2015 is still within reach on the basis of current projections. Worldwide, extreme poverty decreased, in terms of people affected, from 1.8 billion to 1.4 billion between 1990 and 2005, though there are strong regional disparities.

- Enrolment in primary education reached 88 per cent in 2007, up from 83 per cent in 2000. Major breakthroughs have been achieved in sub-Saharan Africa, where enrolment increased by 15 percentage points from 2000 to 2007, and Southern Asia, which gained 11 percentage points over the same period.

- Deaths among children under five have declined steadily worldwide, to 8.8million in 2008, down from 12.6 million in 1990, despite population growth. In 2008, the global under-five mortality rate was 65 deaths per 1 000 live births, down from 93 in 1990.

- Coverage rates for insecticide-treated bed nets to counter malaria have tripled since 2000. Globally, deaths from measles fell by over 60% between 2000 and 2005, with striking gains in Africa, where measles deaths decreased by nearly 75% over the same period — from an estimated 506 000 to 126 000.

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<sup>3</sup> Richard Manning, ‘Using indicators to encourage development: lessons from the Millennium Development Goals’, DIIS Report 2009:01.  
[http://www.diis.dk/graphics/Publications/Reports2009/DIIS\\_Report\\_20091\\_Using\\_indicators\\_to\\_encouragedevelopment.pdf](http://www.diis.dk/graphics/Publications/Reports2009/DIIS_Report_20091_Using_indicators_to_encouragedevelopment.pdf)

<sup>4</sup> A more detailed table highlighting progression each goal and target is annexed.

- 87% of the global population now have improved sources of drinking water, compared to 77% in 1990<sup>5</sup>. Current trends suggest that more than 90% of the global population will be using improved drinking water sources by 2015.

However, recent analyses and reports from the UN and the World Bank<sup>6</sup>, together with the EU's own analysis, show that progress has been highly uneven among regions, countries and population groups, and that we are still off-track at global level on several targets such as maternal mortality, child mortality and access to sanitation. Sub-Saharan Africa in particular is off-track on all MDG targets.

**...But progress is insufficient and uneven so far**

- In 2009, the number of chronically hungry persons topped the 1 billion mark, while at least another 2 billion are undernourished. South Asia has the highest rates of malnutrition. One third of the world's 150 million malnourished children live in India.

- Large gaps still remain in access to education and completion rates, with significant inequalities based on gender, ethnicity, income, language or disabilities. 72 million children of primary school age were not in school in 2007. Seven out of ten such children out of school live in sub-Saharan Africa or South and West Asia.

- There has been little improvement in maternal mortality since 1990, with still 450 deaths per 100 000 live births in developing regions in 2005. Together, sub-Saharan Africa and Southern Asia account for 85% of all maternal deaths.

- Despite the overall decrease in the number of new infections, the total number of people living with HIV worldwide continues to grow (which is partly due to increased survival because of increased coverage with anti-retroviral treatment). The number of people living with HIV globally now stands at 33.4 million. Sub-Saharan Africa remains the worst affected region, accounting for 71% of all new HIV infections in 2008. In sub-Saharan Africa, women outnumber men 3 to 1 among 15-24 year olds with HIV.

- Between 1990 and 2006, the proportion of people without improved sanitation decreased by only 8%<sup>7</sup>. More than 2.5 billion people remain without improved sanitation, and at the current rate of progress the MDG sanitation target will be missed for over 700 million people. The lowest sanitation coverage is found in sub-Saharan Africa, where only 31% of the population has improved sanitation, up just 5% since 1990.

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<sup>5</sup> World Health Organisation and United Nations Children's Fund (2008) Joint Monitoring Programme: Progress on Drinking Water and Sanitation: Special Focus on Sanitation. WHO: Geneva. [http://www.who.int/water\\_sanitation\\_health/monitoring/jmp2008/en/index.html](http://www.who.int/water_sanitation_health/monitoring/jmp2008/en/index.html)

<sup>6</sup> UN MDG Report 2009, [http://www.un.org/millenniumgoals/pdf/MDG\\_Report\\_2009\\_ENG.pdf](http://www.un.org/millenniumgoals/pdf/MDG_Report_2009_ENG.pdf); World Bank Global Monitoring Report 2009, [www.worldbank.org/gmr2009](http://www.worldbank.org/gmr2009).

<sup>7</sup> World Health Organisation and United Nations Children's Fund (2008) Joint Monitoring Programme: Progress on Drinking Water and Sanitation: Special Focus on Sanitation. WHO: Geneva.

Some progress has been made over the last years towards fulfilling the global commitments embodied in MDG 8 which sets the Global Partnership for Development. On debt relief for instance, 35 of the 40 countries that were deemed potentially eligible for debt relief under the Highly Indebted Poor Countries (HIPC) Initiative had qualified (decision point) by the end of March 2009. They are expected to receive debt relief of US \$57.3 billion as well as US \$23.6 billion in additional relief under the Multilateral Debt Relief Initiative (MDRI), both measured in terms of end-2008 values. Overall, for the average developing country, the burden of servicing external debt fell from almost 13 % of export earnings in 2000 to 4 % in 2007 (prior to the financial crisis). Good progress has also been made in the years prior to the crisis regarding the access of the world's population to information and communication technologies (ICT), especially cellular telephones. During 2007, Africa added over 65 million new mobile subscriptions and mobile penetration had risen to close to one third of the population, from just 1 in 50 people in 2000.

However, the last MDG Gap Task Force Report (2009) shows that the Global Partnership for Development has suffered important setbacks recently, most of which have arisen from the global financial and economic crisis. On the basis of 2008 ODA figures, an additional US \$35 billion would be needed this year to meet the Gleneagles G8 ODA target by 2010, of which an extra US\$ 20 billion for Africa alone. Regarding access to medicines, people in developing countries currently pay in average three to six times more than international reference prices for the cheapest generic medicines. On trade, only 80 % of least developed country (LDC) exports have acquired so far duty-free status in industrialized country markets, while the 2005 World Trade Organization (WTO) Hong Kong Ministerial Declaration foresees to allow 97% duty-free access to imports from the poorest countries (except arms and oil).

In the countdown to 2015, urgent responses will therefore be needed to bridge the existing implementation gaps<sup>8</sup>.

**b) *A focus on fragile countries***

Fostering sustainable progress towards the MDGs is particularly challenging in 'situations of fragility', where 'the social contract between the population and state structures has been broken due to the state's incapacity and/or unwillingness to deal with its basic functions and responsibilities'<sup>9</sup>. Many of the world's poorest countries can be described as 'fragile', the majority of them located in sub-Saharan Africa. One third of the world's poor are living in so-called 'fragile states'<sup>10</sup>. Fragile countries also account for one third of maternal deaths worldwide.

Overall, fragile countries display poor human development records. Recent analyses show that fragile countries have significantly lower yardsticks for the broad set of MDG targets and indicators in relation to other developing countries. The first European Report on Development (ERD 2009) indicates a strong negative correlation between fragility

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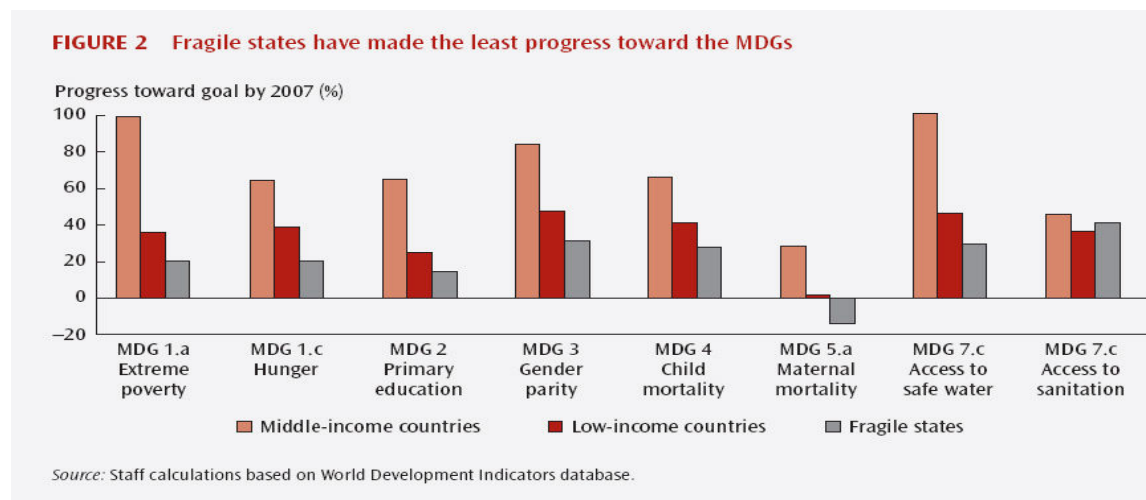
<sup>8</sup> MDG Gap Task Force Report 2009, <http://www.un.org/esa/policy/mdggap/>.

<sup>9</sup> See Doc. 15118/07 of 20 November 2007. See also the Commission Communication *Towards an EU response to situations of fragility* - COM(2007) 643, 25.10.2007.

<sup>10</sup> European Report on Development 2009, 'Overcoming fragility in Africa — Forging a new European approach', <http://erd.eui.eu/erd-2009>.



and MDG performance<sup>11</sup>. Using the CPIA (Country Policy and Institutional Assessment) classification, the last World Bank Global Monitoring Report (2009) also shows clearly that MDG performance has so far been much lower in fragile and conflict-affected countries (see figure below)<sup>12</sup>.



### 1.3 The impact of the financial/economic crisis on developing countries

While the immediate impact of the financial crisis is now behind us, its consequences for the real economy of developing countries will be long-lasting, threatening not only the achievement of the MDGs by 2015, but also undermining past progress.

#### a) *Impact on economic development*

Virtually all developing countries have been struck by the global financial and economic crisis much harder than expected initially. Although they have been relatively spared from the direct effects of the financial crisis, they have been severely affected as the crisis has spread throughout the highly globalised and inter-connected world economy, mainly through trade and financial market channels.

The specific impact of the crisis, combined with the effects of the previous food and fuel shocks, varies greatly among countries, depending on a combination of factors such as the regional-national context, the economic situation pre-crisis, the degree of vulnerability and resilience to external economic shocks, as well as the action taken in response.

Countries heavily dependent on external finance and with limited economic diversification are those that have been the hardest hit by the crisis. Fragile countries have also been strongly affected, especially because of their lack of resilience, meaning

<sup>11</sup> For a detailed analysis of this issue, see: Harttgen and Klasen, 'Fragility and MDG Progress: how useful is the fragility concept?', research paper produced for the ERD 2009, <http://erd.eui.eu/publications/erd-2009/background-papers/fragility-and-mdg-progress/>.

<sup>12</sup> World Bank Global Monitoring Report 2009. [www.worldbank.org/gmr2009](http://www.worldbank.org/gmr2009)

the capacity to cope with and recover from shocks through the design and implementation of appropriate policy responses<sup>13</sup>.

Since the outbreak of the crisis, Gross Domestic Product (GDP) in developing countries has decelerated sharply, with an average growth rate of only 1.2% in 2009 (down from 5.6% in 2008 and 8.1% in 2007)<sup>14</sup>. In sub-Saharan Africa in particular, growth fell to 1.1% in 2009. This is a major setback in comparison with the impressive average growth rates above 5% experienced since 2000 (e.g. 5.1% in 2008 and 6.5% in 2007).

Virtually all emerging and developing countries have been deeply affected by reduced trade volumes as well as falling and volatile commodity prices. In Eastern Africa for instance, the World Bank notes a sharp reduction in agricultural earnings due to reduced exports of cotton from Tanzania and a drop of nearly 25% in the price of coffee in Rwanda<sup>15</sup>.

Recently, commodity prices have staged a comeback and world trade is beginning to pick up, so some developing countries are well placed to recover in 2010. However, the near-term outlook for commodity prices depends on the timing and strength of the global recovery.

In addition, many developing countries have also been severely affected by decreasing remittances, albeit with notable regional differences. According to the World Bank, remittance flows to developing countries plummeted by 6.1% in 2009, falling to \$317 billion from \$338 billion in 2008. Latest projections foresee a modest recovery in remittance flows in 2010 and 2011, but they are still unlikely to reach the levels of 2008.

Other private capital flows, including Foreign Direct Investment (FDI), have also dropped significantly due to a tightening of liquidity in global financial markets. For Low Income Countries (LICs), private capital flows represent a significant relative share of their national income and investment, and the cutbacks are expected to curtail their growth prospects as well as their ability to meet their huge financing needs<sup>16</sup>.

#### **b) *A fragile recovery***

Recently, there have been some first signs of mild recovery at global level, due notably to the strong performance of Asian economies and stabilisation or modest recovery elsewhere (including in the US and Western Europe). Global growth is expected to expand by 3.9% in 2010 and 4.3% in 2011<sup>17</sup>. While growth in advanced countries is expected to average 2.1% in 2010 and 2.4% in 2011, growth in emerging and developing

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<sup>13</sup> European Report on Development 2009 p. 6., *Overcoming fragility in Africa — Forging a new European approach*. <http://erd.eui.eu/erd-2009>

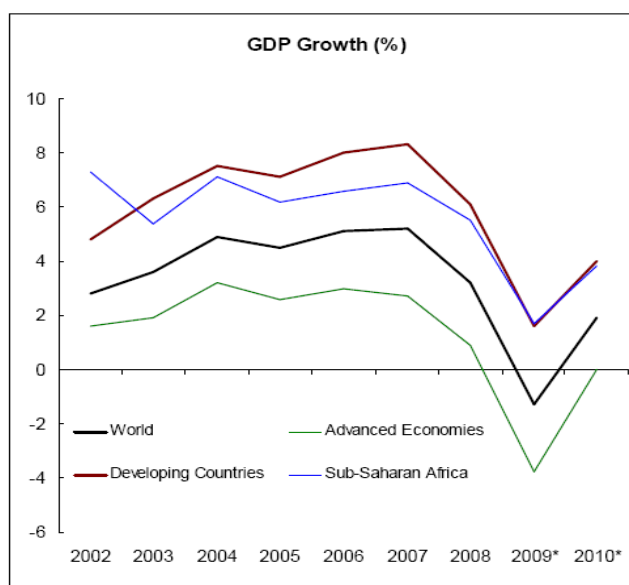
<sup>14</sup> [http://ec.europa.eu/development/icenter/repository/2008.11.06%20MDG\\_long\\_paper\\_en.pdf](http://ec.europa.eu/development/icenter/repository/2008.11.06%20MDG_long_paper_en.pdf)  
World Bank, 'Global Economic Prospects 2010 - Crisis, Finance and Growth', January 2010. <http://siteresources.worldbank.org/INTGEP2010/Resources/GEP2010-Full-Report.pdf>

<sup>15</sup> World Bank, 'Protecting Progress: The Challenge Facing Low-Income Countries in the Global recession', September 2009.

<sup>16</sup> The World Bank assesses the total financing needs of all developing countries at around \$1.2 trillion in 2010. Sub-Saharan Africa's financing needs represent close to 12% of GDP (World Bank, GEP 2010).

<sup>17</sup> IMF, 'World Economic Outlook — Update', 26 January 2010.

economies is expected to rise to about 6% in 2010. According to the latest World Bank estimates, growth in sub-Saharan Africa is projected to rise to 4.3% in 2010.



The IMF warns however that the global recovery remains very fragile since prospects are very uncertain. In particular, concerns remain about the strength of the financial system and the sustainability of the recovery once fiscal and monetary stimuli are phased out.

The monitoring of trade restrictive measures carried out so far by international bodies such as the World Trade Organization (WTO) or the Organization for Economic Cooperation and Development (OECD) shows that the recourse to trade distorting measures as a response to the economic crisis has been relatively limited. In order to maintain this trend, extreme vigilance will be needed to ensure that protectionist tendencies do not undermine the economic recovery process.

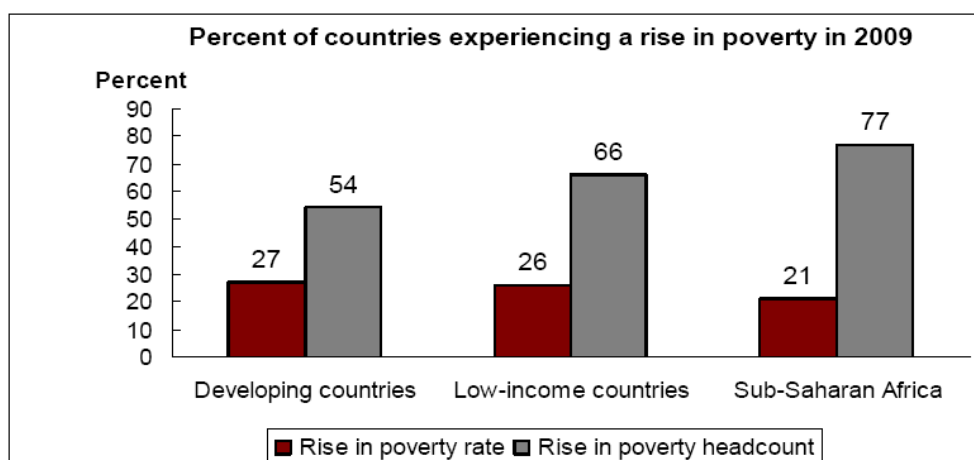
**c) Impact on social development**

As both internal and external sources of development finance dry up and fiscal situations deteriorate, it is more difficult for developing countries to fund infrastructure and social services. Past experience shows that economic downturns tend to have severe and lagging impacts on poverty, health, education and employment, with sometimes long-term consequences for human capital.

The global economic crisis threatens the past gains already made on the MDGs but the precise magnitude of the impact is still difficult to estimate and will vary from country to country. However, it is reasonable to expect that the social effects of the crisis will be particularly felt in Low Income Countries because of their limited resources to maintain levels of public spending and to respond to needs emerging from the crisis, as well as the absence or weakness of mechanisms to cushion the effects of shocks on ordinary people (such as unemployment benefits or social security arrangements).

Because of the succession of food and financial/economic crises, the pace of poverty reduction has already significantly slowed. The World Bank estimates that the financial and economic crisis could have pushed around 55 million more people into extreme

poverty in 2009, and some 64 million people by the end of 2010. This is in addition to the 130-155 million people who were already pushed into poverty in 2008 as a result of the food crisis. The number of poor people is expected to rise in more than half of all developing countries, two-thirds of low-income countries, and three-quarters of sub-Saharan African countries (see figure below)<sup>18</sup>.



Note: Based on a poverty line of \$1.25/day in 2005 PPP.

The decrease in government revenues may also force many poor countries to cut public resources allocated to social spending, notably on nutrition, health and education. Prospects are particularly grave for child mortality. UNICEF estimates that child malnutrition and infant mortality might increase with between 200 000 and 400 000 additional deaths in 2009. Women, children, the poor, and minority groups are expected to suffer disproportionately from the health impacts of the crisis<sup>19</sup>. The World Bank's preliminary findings indicate that social spending has been largely protected so far<sup>20</sup>, and in some countries social safety nets have even been extended (for example in Yemen, Ethiopia, and the Philippines).

With regard to unemployment, the number of jobless worldwide reached nearly 212 million in 2009 following an unprecedented increase of 34 million compared to 2007<sup>21</sup>. The global unemployment rate for 2009 is estimated at 6.6%. The global youth unemployment rate reached 13.4% the same year.

The ILO also stresses that the number of women and men in vulnerable employment<sup>22</sup> is estimated to have increased by as much as 110 million in 2009 compared to 2008. The share of workers in vulnerable employment worldwide is now estimated at over 1.5 billion, equivalent to over half of the world's labour force. Even more alarmingly, the ILO warns that 633 million workers and their families were living in absolute poverty in

<sup>18</sup> World Bank, Global Monitoring Report 2009. [www.worldbank.org/gmr2009](http://www.worldbank.org/gmr2009)

<sup>19</sup> African Centre for Gender and Social Development (AGCS), 'African perspectives of the Global Economic and Financial Crisis, including the impact on health', 2009.

<sup>20</sup> World Bank Global Monitoring Report 2010, preliminary publicity, March 2010.

<sup>21</sup> International Labour Organisation, 'Global Employment Trends 2010', January 2010. [http://www.ilo.org/wcmsp5/groups/public/---ed\\_emp/---emp\\_elm/trends/documents/publication/wcms\\_120471.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_elm/trends/documents/publication/wcms_120471.pdf)

<sup>22</sup> Vulnerable employment is often characterised by inadequate earnings, low productivity and difficult conditions of work that undermine workers' fundamental rights.

2008, with as many as 215 million additional workers living on the margin and at risk of falling into poverty in 2009.

## **CHAPTER TWO: LESSONS TO BE LEARNT FROM EU SUPPORT FOR THE MDGs**

### **2.1 MDGs: some general lessons**

In order to make progress on the MDGs, it is important to identify and analyse success stories, which policies work and how best those policies can be implemented, using both country-level evidence and specific examples. This helps to identify why certain countries and regions are progressing well on the MDGs while others are stagnating or lagging behind, and what lessons might be drawn in order to design strategies to accelerate progress on the MDGs.

Each situation is context-specific, and there is great variability between countries, regions within countries and between sectors in terms of what works and what does not in making progress towards the MDGs. Extreme caution is therefore needed when trying to identify good practice and successful approaches and in considering scaling up or replicating successful approaches in other contexts.

It must be borne in mind that treating poverty as a multi-dimensional issue emphasises the interrelatedness and mutually reinforcing nature of the individual MDG goals.

Interesting general lessons can be drawn, however, and there are ample illustrations of interventions that have supported country-led progress towards the MDGs.

#### **General lessons with respect to progress towards the MDGs**

***a) Economic growth is essential for progress on the MDGs, so the global economic context is critical.***

The impact that sustained economic growth has on poverty reduction will depend on the level of inequality in a country. For example, India, which has consistently experienced high growth rates, only saw a reduction in poverty from 51% to 42% between 1990 and 2005 (and an increase in the absolute numbers living in poverty). Studies have shown that growth can make a major contribution to poverty reduction<sup>23</sup>, but changes in income distribution are important too<sup>24</sup>.

The instability of the global economic context, as illustrated by the recent food and fuel crises and the current economic crisis, has been a serious obstacle to progress towards the MDGs. This has highlighted the need to tackle the challenges of reducing vulnerability and enhancing resilience at the level of both countries and individual people.

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<sup>23</sup> Dollar and Kraay, 2001, 'Growth is Good for the Poor', Policy and Research Working Paper, The World Bank. Kraay, A. (2006), 'When is Growth Pro-Poor? Evidence from a Panel of Countries', *Journal of Economics* 80, 198-227. <http://www.sciencedirect.com/science>

<sup>24</sup> Paul Collier, 2007. 'The Bottom Billion: Why the Poorest Countries are Failing and what can be done about it', Oxford University Press. <http://www.oup.com/us/catalog/general/subject/Economics/Developmental/?view=usa&ci=9780195311457>

**b) *But economic growth is not sufficient to ensure sustainable progress on the MDGs***

To achieve the MDGs, countries will need to improve the structure and quality of economic growth as well as make appropriate changes to national development strategies. Countries need to ensure that poor people gain from economic progress and are protected in difficult times. Concrete measures such as social protection help tackle chronic poverty and cushion populations against economic shocks.

**c) *Ownership and sound domestic policies are crucial to success***

It is important to encourage ownership of the MDGs in partner countries. Key domestic factors influencing MDG progress include domestic budget allocation to MDG sectors, the relevance of domestic policies in MDG-related areas, and ‘good governance’ in public financial management and efforts to tackle corruption and promote democracy. It is also important to assist developing countries with the tools they need to mobilise domestic resources effectively, including through promoting the principles of good tax governance. Ensuring leadership by developing countries themselves is important – including by ensuring that the MDGs are incorporated into national development strategies - including specific goals in policy documents such as Poverty Reduction Strategy Papers.

For example, the Comprehensive African Agriculture Development Programme (CAADP) is the African Union’s own programme for addressing MDG 1 on food security. African governments have committed to raising agricultural productivity by 6% per year by increasing investment in agriculture to 10 %of national budgets. So far, Chad Ethiopia, Madagascar, Mali, Namibia and Niger have met or surpassed the 10% goal. Kenya, Malawi, Rwanda and Zambia, have already boosted their agriculture budgets significantly in pursuit of the 10% target. A high level of ownership is seen as critical in CAADP’s relative success.

**d) *Improving the quality of donor development policies is also important***

Development-related policies pursued by all relevant actors are important. This includes both MDG-related sectoral policies and other policies that address issues that inhibit sustainable pro-poor development. Trade, migration, agricultural, environmental, financial and many other EU policies can have an impact on the capacity of developing countries to attain the MDGs. ‘Policy Coherence for Development’ is an important EU approach in this regard<sup>25</sup>.

**e) *Good governance and democracy are important to MDG progress***

Poor and disempowered people struggle to meet their basic needs and are the most vulnerable. Increasing the voice of the people through democratic structures holds government to account. Citizen monitoring of MDG progress may engender political commitment and prevent the reversal of MDG gains already achieved.

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<sup>25</sup> See PCD Work Programme 2010-2013 - SEC(2010) 421, 20.4.2010.  
[http://ec.europa.eu/atwork/programmes/docs/execution\\_report\\_2009.pdf](http://ec.europa.eu/atwork/programmes/docs/execution_report_2009.pdf)

**f) *Increased emphasis on equity and social justice is linked to MDG progress***

Inequalities in life chances based on income, gender, age, social exclusion and geographic location underpin the distribution of extreme poverty among and between populations. Persistent inequalities also undermine progress on the MDGs — acting as a brake on progress.<sup>26</sup> Addressing gender equality and women's empowerment and marginalised groups by adopting a human rights-based approach to the MDGs also addresses the social and structural barriers to progress on the MDGs. National capacities should be built for disaggregated data collection. Equity-based targets and reporting systems, for example, could strengthen the MDGs on nutrition and child mortality. Civil society actors can play an important role in providing basic services to the most marginalised groups of population and/or in remote areas where governments are either reluctant or unable to operate.

**g) *Environmental sustainability needs to be given adequate attention***

The depletion of natural capital resulting from unsustainable management of natural resources is in many ways undermining development efforts. Environmental sustainability, including maintenance of ecosystems services which are important for the poor, is crucial for MDG progress. Maintaining healthy ecosystems, resistant to stress, and avoiding non-reversible damage, is necessary for securing economic growth and reaching the MDGs in the face of resource depletion and global environmental challenges.

**h) *ODA is crucial to foster MDG progress***

Aid remains a powerful tool through which the international community can bring about progress on the MDGs by easing budget constraints, building capacities and fostering domestic policy reforms, and by having a 'leverage' effect on economic growth. Indeed, development aid is more important than ever, since the financial crisis has reduced other sources such as private capital flows, remittances and export revenues to developing countries. We need not only to increase the volume of aid, but also to increase the quality of aid. EU Member States are committed to delivering 0.7% of gross national income in Official Development Aid (ODA) by 2015 in support of the MDGs. Global progress also needs to be made in implementing the Paris Declaration and the Accra Agenda for Action (2008) commitments. New binding commitments on aid effectiveness will be discussed at the 4th High Level Forum on Aid Effectiveness in Seoul in 2011.

## **2.2 The EU's role in promoting the MDGs**

**a) *The MDGs at the centre of EU development policy***

As stated in the European Consensus on Development (2005)<sup>27</sup>, the primary and overarching objective of EU development cooperation is to eradicate poverty in the

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<sup>26</sup> F. Bourguignon et al. (2008) in the EU research paper 'Millennium Development Goals at Midpoint: Where do we stand and where do we need to go?'

[http://ec.europa.eu/development/icenter/repository/2008.11.06%20MDG\\_long\\_paper\\_en.pdf](http://ec.europa.eu/development/icenter/repository/2008.11.06%20MDG_long_paper_en.pdf)

<sup>27</sup> The European Consensus on Development, (December 2005), [http://ec.europa.eu/development/icenter/repository/eu\\_consensus\\_en](http://ec.europa.eu/development/icenter/repository/eu_consensus_en).

context of sustainable development, including pursuit of the UN Millennium Development Goals. The EU — as the provider of 60% of global aid flows — has always shown strong and proactive leadership on sustainable development and the MDGs in international fora. To foster sustainable progress on the MDGs, the EU supports comprehensive development strategies beyond MDG-focused policies, which include democratic governance, human rights protection and the rule of law, pro-poor economic growth, private sector development, trade development, human and social development, and environmental sustainability.

Recognising the need for more concrete and better coordinated actions to speed up progress towards the MDGs, an EU Agenda for Action on MDGs<sup>28</sup> identified in June 2008 a number of intermediate milestones to be reached by 2010 to meet the MDG targets by 2015, as well as examples of EU actions to reach these targets and the expected outcomes in terms of increased EU aid in the sectors concerned. It builds on and is consistent with the work of the UN Secretary General's MDG Africa Steering Group<sup>29</sup>, in which the Commission participates. Since 2009, EU Member States have recorded concerted action in support of the MDGs in the annual Monterrey reporting process.

**b) *EU stories of good practice in support of the MDGs***

What has been the impact of EU development support on MDG progress in developing partner countries? The question is complex, as it is extremely challenging to isolate the effects of external support from other factors, whether domestic or international, which influence development progress.

Sector-specific budget support can help deliver predictable, performance-based results in areas such as health and education. Key criteria to be met by recipient governments for general and sector budget support are commitment to poverty reduction, accountability and positive performance on macroeconomic and financial governance as well as sound sector policy for sector budget support.

The European Commission has adopted an innovative approach to provide budget support with a clear link to MDG outcomes through ‘MDG Contracts’. These ‘Contracts’ provide longer-term (6-year), more predictable commitments of budget support that enable governments to plan their strategies and budgets to achieve the MDGs. In 2009, the Commission launched MDG Contracts in 8 countries (Burkina Faso, Ghana, Mali, Mozambique, Rwanda, Tanzania, Uganda, and Zambia), with total commitments amounting to € 1.8 bn, or 50% of all general budget support programmed during EDF10.

**MDG 1 — Poverty and Hunger**

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<sup>28</sup> EU Agenda for Action on the MDGs (June 2008), <http://register.consilium.europa.eu/pdf/en/08/st11/st11096.en08.pdf>.

<sup>29</sup> The MDG Africa Steering Group was convened in September 2007 and brings together the leaders of multilateral development organisations (including the European Commission) to identify the practical steps needed to achieve the Millennium Development Goals and other internationally agreed development goals in Africa. More information: <http://www.mdgafrica.org/>.



Millions of people are trapped in poverty, most of them in Sub-Saharan Africa and South Asia. Limited education and ill health deprive people of productive livelihoods. Depleted environmental resources, conflict situations and poor governance also deepen poverty. Political will to tackle global hunger and malnutrition is now high<sup>30</sup>. Overall, the achievements under this goal are promising though less so on hunger with over 50 countries having made insufficient progress to reach the target by 2015.

To address poverty and hunger we need increasingly to focus on areas that are harder to reach and on chronic poverty. We know that while sustained per capita income growth will, for example, alleviate malnutrition in Sub-Saharan African, achieving the MDG 1 targets will require not just increasing agricultural production but also complementary measures such as targeted income and food transfers, and targeted measures to protect vulnerable households from floods and drought. Social Protection measures including cash transfer programmes to sustain the poorest and most marginalised families can change the structure of opportunities and help reduce the intergenerational transmission of poverty and inequality. For example, it is estimated that direct cash transfers in Brazil, including social pensions and the Bolsa Familia, accounted for half of the fall in inequality between 1995 and 2007.

The EU and its Member States have largely contributed to the international response to the food crisis. For instance, the launching of the ‘**Food Facility**’ has demonstrated the EU’s ability to react rapidly and substantially to food security problems in developing countries caused by the food price volatility of 2007/08. Thus far, the €1 billion Food Facility is the most significant additional global contribution to stimulating agricultural development and fighting hunger since the G8 leaders pledged their support to this end in Toyako in July 2008 and l’Aquila in 2009. The Food Facility was approved in December 2008 and began to be implemented in 2009. In the course of the year, the EU committed more than €830 million and spent more than €450 million. The Facility operates in 50 target countries and supports projects and programmes implemented by international organisations, NGOs, Member State agencies and national governments. It focuses on three types of actions: (i) measures to improve access to agricultural inputs and services; (ii) safety net measures; and (iii) small-scale measures aiming to increase agricultural production. Research plays an essential role for the attainment of the MDGs. In that regard, the Food, Agriculture, Fisheries and Biotechnology Theme of the 7<sup>th</sup> Framework Programme for Research and Development (FP7) has already allocated at least €200 million on MDG related research and plans in 2010 to spend an additional €190 million on 52 topics jointly identified with our Partners in developing countries and emerging economies in the area of food security and of the impact of climate change on agriculture.

**Example of EU programme support for food security and livelihood recovery in the Eastern Harrarghe zone of Oromia state in Ethiopia**

In the Eastern Harrarghe zone of Oromia state in Ethiopia, the International Committee for the Development of Peoples has been implementing a series of relief, rehabilitation and development programmes through funds secured mainly from the EU. The European

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<sup>30</sup> In 2009, donors pledged \$22 billion over the next three years for agriculture and food security.

Commission (EC) contribution is €4336243. The EC has also provided 19113 tonnes of food. The programme is contributing to long-term self-reliance and is reducing both structural and transitory food insecurity among the target communities.

The specific programmes financed by the EC in the zone include: rehabilitation and extension of water points in Gursum; community-based water supply to improve health status in Gursum and Babile; promotion of food security and economic development in Babile; employment generation schemes and construction of relief food outlets; and integrated food security programmes.

The project has raised the household incomes of beneficiaries, increased vegetable production and productivity, and improved the capacity of target beneficiaries, local communities and government partners to manage project interventions effectively and sustainably. Beneficiaries no longer need to sell assets to buy food and are consuming more food or better quality food than before the advent of the programme.

Access to modern and affordable energy services is a prerequisite for achieving the MDGs, in particular for poverty eradication. In that regard, the **EU Energy Initiative for Poverty Eradication and Sustainable Development (EUEI)** was launched in 2002 as a joint commitment by the EU Member States and the Commission to give priority to the important role of energy in poverty alleviation, and is a catalyst for action. This Initiative is meant to raise political awareness among decision makers, to encourage the coherence and synergy of energy-related activities and to attract new resources from the private sector, financial institutions, civil society and end-users. In addition, the **ACP-EU Energy Facility** has been established in 2005 in order to support projects on increasing access to sustainable and affordable energy services for the poor living in rural and peri-urban areas in [ACP countries](#). Almost seven million people have already benefited from the 74 projects co-financed by the first Energy Facility. After the successful implementation of this [first Energy Facility](#), a second Energy Facility call has been launched in 2009 with a total budget of more than 200 million €. In order to support developing countries in creating a sustainable energy supply, the Facility focuses on renewable energies.

## **MDG 2 — Universal Primary Education**

Education gives people the opportunity to overcome poverty, lead healthy and productive lives and contribute to global stability and prosperity. Countries with more educated populations enjoy higher rates of economic growth. One additional year of schooling is associated with a 0.37% increase in GDP. A child who completes ten years of education will earn, on average, ten times more over a lifetime than a child who dropped out of school in the first grade.

According to the UNESCO Education for All Global Monitoring Report 2010, many countries are close to achieving universal primary enrolment. Currently, 89% of school age children are enrolled in school. Fewer children were out of school in 2007 (72 million) than in 2000. Since 1999, the number of children not attending school has fallen by 33 million and more children are completing a full cycle of primary education. Ethiopia and Tanzania, for example, have each reduced their numbers of out-of-school children by 3 million since the Education for All conference in Dakar in 1999. The

enrolment of girls at primary level is close to parity: the gender gap has closed with 96 girls of primary school age in school for every 100 boys. Nepal and Bangladesh have increased enrolment of girls and the disadvantaged, for example.

Education must be relevant and meaningful to have an impact on welfare-promoting outcomes such as health, gender equality and economic growth. However, many children in developing countries leave school lacking basic literacy and numeracy skills<sup>31</sup>. Achieving MDG 2 requires an enabling environment both in and out of school, including nutritional and health aspects, a relevant curriculum, trained teachers in sufficient quantity, school leadership, and community involvement and accountability<sup>32</sup>. Improving learning outcomes requires the recruitment of 10.3 million more teachers by 2015. Public sector reform is important too to improve teachers' pay, management and conditions, and it is important to ensure that the decentralisation of education management is adequately resourced.

More needs to be done to remove the barriers to access and to make education more inclusive. Within countries, children from the richest households are up to 5 times more likely to be enrolled than those from the poorest.<sup>33</sup> Measures to increase access by abolishing primary school fees have rapidly increased the numbers of children in school. Malawi (1994), Uganda (1997), Tanzania (2001) and Kenya (2003) have taken this step, enabling more than one million extra children in each country to enrol in primary school<sup>34</sup>. However, governments have found they cannot sustain such high levels of enrolment and at the same time provide education of sufficient quality. Enrolment levels have thus subsequently fallen (Uganda 84% 1997 – 76% 2000; Malawi 98% 1999 – 91% 2006).

Evaluations of programmes have shown that the European Commission has contributed to **increasing access to primary education** significantly in a range of countries (Lao PDR, Angola, Vietnam) through infrastructure provision. In countries such as India, where the approach has been wider but the focus still on enrolment, recent evaluation reports suggest that there is nearly full access in terms of children attending school and there being schools in every locality. Access for children of all groups and localities has been expanded primarily by building new schools, expanding existing schools by adding classrooms, and spreading the net of Education Guarantee Schemes (EGS) and alternative school centres. The number of out-of-school children aged 6-14 years has been reduced from 25 to 14 million and the existing gender and social gaps have been narrowed so that the enrolment of girls is now equal to that of boys. 78% of girls were enrolled between 2001 and 2006. Over €3 billion has been invested in the District Primary Education Programme and the Sarva Shiksha Abhiyan (SSA) education programme, to which the EC has contributed around €350 million.

### EU support for the Education Fast Track Initiative (FTI)

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<sup>31</sup> EFA Global Monitoring Report 2010, UNESCO, <http://www.unesco.org/en/efareport>  
<sup>32</sup> 'More and Better Education in Developing Countries', Commission Staff Working Document SEC(2010) 121.  
<sup>33</sup> EFA Global Monitoring Report, 2010. UNESCO. [www.efareport.unesco.org](http://www.efareport.unesco.org)  
<sup>34</sup> UN MDG Report 2009. [www.unoorg/millenniumgoals](http://www.unoorg/millenniumgoals)

In 2002, the FTI was launched as a compact between donors and partner countries to 'ensure that all countries with a serious commitment to achieving Universal Primary Education can receive support to realise their aims'. The FTI is an example of a platform for aid effectiveness in education, a framework to align support with national education sector plans, and to help mobilise funding for these plans. The EU (Member States and the Commission), the driving force behind the Initiative both politically and financially since its inception, has a critical role to play in the strategic development of the Initiative to ensure it fulfils its potential for greater impact. This entails not only assisting well-performing countries with a credible sector plan but also addressing the education needs in fragile countries. 40 countries are endorsed to date. The FTI Catalytic Fund is supported by eighteen donors, thirteen of them EU Member States. Total pledges to the Catalytic Fund (2003-2013) as of 5 October 2009 amount to US\$ 1.6 billion, 90% of this from the EU (Member States and the Commission).<sup>1</sup> According to the recent evaluation of the FTI the number of children enrolled in schools in African FTI countries increased by 64% between 2000 and 2007, which is double the increase in non-FTI countries. The FTI has successfully maintained a focus on country ownership, promoted aid effectiveness principles, and built on country processes and structures. It has financed critical gaps in some countries which would otherwise be unaddressed.

### **MDG 3 — Gender Equality**

Gender equality underpins progress on all the MDGs. Gender inequality limits women's rights and opportunities, their personal security, their access to public services and economic resources, and political power. MDG 3 tracks progress in three important areas: girls' enrolment in primary, secondary and tertiary education; women's share in wage employment in the non-agriculture sector; and the proportion of seats held by women in national parliaments.

The gender target recognises that education for girls is one of the most effective ways of reducing poverty. Children of educated mothers are healthier, better nourished and more likely to survive. The gender gap is slowly closing in school enrolment in the developing world. The net enrolment ratio (NER) for girls in primary school (as a proportion of boys' NER) improved from a global average of 88% in 1991 to 97% in 2006. However, completion rates are lower. In sub-Saharan Africa, school completion rates were as low as 55% for girls and 65% for boys in 2006. This is reflected in female literacy. Women make up around 64% of the estimated 774 million illiterate adults in the world. Globally, only 77% of adult women are literate compared to 87% of men.

More than half the children out of school are girls. Removing the social and economic obstacles that stop parents from sending their daughters to school is a priority. For many poor families the economic value of girls' work and care responsibilities at home exceeds the perceived returns to schooling. Girls' education may also be affected by social norms that encourage early marriage and condone gender-based violence. In Nigeria, which has 23% of the total of out-of-school children in sub-Saharan Africa, 48% of girls from the poorest quintile in the poorest state have never attended school.<sup>35</sup> Pakistan only enrolls 80 girls per every 100 boys in primary education, and the figures are even lower in Mali,

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<sup>35</sup> EFA Global Monitoring Report (GMR) 2009. UNESCO.

Niger, and Chad. In some countries, boys are disadvantaged, especially in Latin America and the Caribbean.

Progress is being made, however, with 59 out of 176 countries having achieved gender parity in both primary and secondary education.<sup>36</sup>

Achieving MDG 3 also requires progress in: political participation; access to and control over productive assets and employment opportunities; access to health and other services; and protection from violence. Unequal treatment of women and girls puts them at a disadvantage throughout their lives and affects the wellbeing of society at large. Illiterate and poorly educated mothers are less able to care for their children. Low education levels and responsibilities for household work prevent women from finding productive employment or participating in public decision-making. Worldwide, as of September 2008, women occupied just over 18% of the seats in single and lower houses of national parliaments, a negligible increase over the previous year. Indian girls are 61% more likely than boys to die between the ages of 1 and 5, due to neglect. Gender is also a significant factor in the HIV epidemic. In sub-Saharan Africa, women outnumber men 3 to 1 among 15-24 year olds with HIV.

In **Swaziland**, EC support has been given to the implementation of the Convention on the Elimination of all Forms of Discrimination against Women (CEDAW), which the Government of Swaziland ratified in March 2004. The implementation of CEDAW is also identified as a priority area in the Country Strategy Paper and National Indicative Programme for the period 2001-2007 under the 9th European Development Fund (EDF). The Gender Programme is a response to the **pervasive gender inequality** and violation of rights experienced by women in Swaziland. It is implemented by the Government of Swaziland and United Nations Development Programme (UNDP). The programme has: supported the ratification and implementation of CEDAW; strengthened the capacity of the national gender coordinating unit in the Deputy Prime Minister's office; undertaken an audit of legislation and its alignment with CEDAW and the Constitution; enhanced civil society advocacy on CEDAW and Human Rights; increased the capacity of women parliamentarians; and supported CEDAW-related training, information and advocacy tools.

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<sup>36</sup> EFA Global Monitoring Report (GMR) 2009. UNESCO.

## **EU Support for promoting the participation of girls in universal elementary education in India**

The Sarva Shiksha Abhiyan (SSA) programme, India's flagship initiative to universalise elementary education in the country, puts a crucial focus on **girls' education and gender equity**. EU support for Sarva Shiksha Abhiyan was €200 million in 2002-02 and will be €70 million from 2008-13, including sector budget support from the EC.

While the programme addresses all children in the 6-14 age group, it continues to have a special focus on ensuring gender and social equity, with targeted initiatives for the participation of girls and disadvantaged communities. Two specialised schemes for girls, concentrating on educationally disadvantaged 'blocks', have helped to accelerate girls' enrolment and participation. As a result, the gender parity index rose from 0.90 in 2003-04 to 0.94 in 2008-09 at primary level and from 0.82 and 0.91 at upper primary level over the same period. The percentage of girls out of school has declined from 7.9% (2005) to 4.6% (2009). Particularly noteworthy is the progress made by some of the more challenging states. Rajasthan, for example, reduced the gender gap from 17% in 2001 to 10% in 2008-09. The policy of moving towards a 50% share of female teachers has now ensured that 74% of all schools have at least one female teacher. Over 53% of all schools now have separate toilets for girls.

### **Health MDGs**

The EU is promoting an integrated approach to MDGs 4, 5 and 6 to strengthen the capacity of health systems to provide essential services, to develop managerial skills in the sector, to support reforms, and to train health workers. The EU supports in particular the approach of the International Health Partnership (IHP) in applying the Paris Declaration principles in the health sector, ensuring external resources serve to strengthen the national health system through alignment behind a robust country strategy and plan.

Reducing financial barriers to access for health systems also increases the rate of progress on the MDGs. In September 2009, 6 countries pledged to abolish user fees to support health systems that deliver quality services free at the point of use<sup>37</sup>.

### **MDG 4 — Child Mortality**

The number of deaths among children under 5 years old decreased from 12.5 million in 1990 to less than 9 million in 2008. The under-five mortality rate fell from 90 deaths per 1 000 live births to 65 deaths per 1 000 live births over the same period, but progress is insufficient. Most deaths of children under five years old are attributable to acute respiratory infections (mostly pneumonia), malaria, measles, diarrhoea, HIV/AIDS and neonatal conditions — which can all be prevented by existing interventions. Promoting the use of insecticide-treated bed nets to help prevent malaria, for example, has been

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<sup>37</sup> United Nations General Assembly high-level event on health, 23 September 2009. Nepal, Malawi, Ghana, Liberia, Burundi and Sierra Leone announced that they would expand access to health services, giving ten million more people access to free health care.

shown to reduce under-five mortality rates by up to 20%, which would prevent almost half a million child deaths each year in sub-Saharan Africa.

While improved public health plays a vital role in reducing child mortality, action is also required to improve nutrition, gender equality, education, and household incomes. Malnutrition increases the risk of dying of disease, and over half of all child deaths occur in children who are underweight.

There is a clear relationship between child mortality and poverty. Poor families are often unable to obtain even the most basic healthcare for their children; they usually suffer most from food scarcity and lack of access to a safe water source or adequate sanitation. Children in the wealthiest 20% of households are twice as likely to survive as those in the poorest 20%.

### **Improved immunisation coverage has averted child deaths**

Countries that have adopted well-known and effective anti-measles strategies including: Botswana, Malawi, South Africa and Namibia, have reduced measles deaths to near zero since 2000. Globally, deaths from measles fell by over 60% between 2000 (873 000 deaths) and 2005 (345 000 deaths). The most striking gains were in Africa, where measles deaths decreased by nearly 75% over the same period - from an estimated 506 000 to 126 000. Improved immunisation coverage in Bangladesh has averted over two million child deaths in the last two decades, in a cost-effective manner. . In less than 10 years since its founding, the GAVI Alliance (formerly the Global Alliance for Vaccines and Immunisation) - a global partnership that funds expanded immunisation for children in poor countries - has helped prevent an estimated 3.4 million deaths, according to the World Health Organisation (WHO). European Union donors have contributed 1/3 of GAVI's public funding over the last 10 years<sup>38</sup>.

### **MDG 5 — Maternal Health**

Maternal health is the MDG that is most off track, and where the widest discrepancies exist between the richer and the poorer countries. At global level, maternal mortality decreased by less than 1% per year between 1990 and 2005, far below the 5.5 per cent annual improvement needed to reach the MDG target. Unsafe abortion is one of the leading causes of maternal mortality and morbidity, resulting each year is 68.000 maternal deaths and millions of women suffering from complications. 4 out of 5 maternal death are the direct results of obstetric complications, most of which could be averted through delivery with skilled birth attendance (SBA) and access to emergency obstetric care.

Health systems need to be strengthened to provide the required maternal health services. Maternal mortality can be reduced in low-income settings by increasing access to skilled attendants, emergency obstetric care and family planning services, as shown in Bangladesh and Sri Lanka. Since 1990, every region has made progress in antenatal care

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<sup>38</sup> Gates Foundation: Progress Towards Immunisation: Winning the Fight Against Deadly Diseases, Living Proof Project, September 2009.  
<http://www.gatesfoundation.org/livingproofproject/Documents/progress-towards-maternal-newborn-child-health.pdf>

— a core component of maternal health services. Even in sub-Saharan Africa, more than two thirds of women receive antenatal care at least once during pregnancy.

### **The Maputo Plan of Action on Sexual and Reproductive Health**

The vast majority of maternal deaths can be prevented. Improving access to comprehensive family planning could reduce the number of maternal deaths by about a third, and safe terminations could avoid an estimated 68,000 deaths. The Maputo Plan of Action on Sexual and Reproductive Health and Rights, supported by the EU, promotes universal access to comprehensive sexual and reproductive health services in Africa and was unanimously agreed by African Union Health Ministers in September 2006. The Plan of Action includes support for better family planning, improved contraceptive commodity security, and action to reduce unsafe abortion. There are ongoing challenges to implementation, but major milestones were attained within the first two years of the Plan of Action. Twenty-seven countries have developed Maternal and Newborn Health Road Maps, and several countries report progress in scaling up linkages between Sexual and Reproductive Health and HIV/AIDS, implementing and expanding family planning, passing laws to protect women against violence, and criminalising harmful practices against women.

#### **EU support for improving health outcomes through a comprehensive approach to strengthening health systems — the case of Zambia**

The health sector in Zambia has benefited from an enabling environment with acceptable levels of democracy, stability, and political will, with Zambia **meeting the Abuja targets for health expenditure (15% national budget allocation to health)**. Funding to the health sector is internationally aligned, and predictable support (mainly basket funding and budget support, with the exception of The US **President's Emergency Plan for AIDS Relief (PEPFAR)** and the Global Fund) has increased overall public on-budget funding above €20 per capita. A sector-wide approach has been set up with the participation of civil society organisations, there have been reforms in human resources in the health sector, and health user fees have been abolished in rural areas for basic services. Zambia has also seen an increase in the uptake and completion of basic education, with progress in gender equity, sustained economic growth (pre-crisis) and improved household economy over the last decade. Recent demographic health surveys show progress on the MDGs and reduced infant and maternal mortality. Universal access targets for anti-retroviral therapy for HIV/AIDS are also being met in Zambia. There are problems, however, such as a disrupted TB control programme, public financial management weaknesses and some equity challenges. The EU has contributed predictable general and sector budget support, funded complementary actions on health system priorities, health human resource policies and health information systems, supported civil society actions and participation, and fostered a dedicated and experienced health sector dialogue. Zambia can now report that 80,000 children do not die every year thanks to advances in health conditions and access to health services. This result is due to a comprehensive national health strategy and to substantial political and domestic finance commitments to health.

#### **MDG 6 — Combating HIV / AIDS, malaria and other diseases**



There is a growing political commitment and momentum to fighting HIV and AIDS through a mixture of prevention and treatment strategies. There have been many successes in the AIDS response, including increases in HIV treatment coverage and prevention of mother-to-child transmission services, and there are indications that HIV incidence is declining in some regions. Globally, the coverage of services to prevent mother-to-child HIV transmission rose from 10% in 2004 to 45% in 2008<sup>39</sup>, and the drop in new HIV infections among children in 2008 suggests that these efforts are saving lives.

The number of HIV-related deaths has declined by over 10% over the past five years, as more people have gained access to life-saving treatment. UNAIDS and WHO estimate that since the availability of effective treatment in 1996, some 2.9 million lives have been saved. In Botswana, where treatment coverage is 80%, AIDS-related deaths have fallen by over 50% over the past five years, and the number of newly orphaned children is also coming down as parents are living longer.

Young women are particularly affected. In South Africa, young women (aged 15 to 24) are four times as likely to be HIV-infected than young men. However, prevention efforts are not keeping pace with the changing face of the epidemic. Data show that few HIV prevention programmes exist for people over 25, married couples or people in stable relationships, widowers and divorcees. Funding for HIV prevention has become the smallest percentage of HIV budgets in many countries. In Ghana for example, the prevention budget was cut in 2007 by 43% from the 2005 level<sup>40</sup>. Stigma and discrimination also stop people from taking up preventive services and testing, disclosing their status, and seeking treatment and care. Globally, five people are becoming infected with HIV for every two people accessing treatment<sup>41</sup>.

### **The Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM)**

The Global Fund has increased access to anti-retroviral therapy. At the end of 2008, four million people were estimated to be receiving treatment in low- and middle-income countries — half of these treatments were financed by the Global Fund. However it is necessary to further align with national strategies and priorities, in order not to create distortions.

#### **EU support for the Global Fund and the Global Fund's impact on the three diseases:**

The European Commission is a founding member of the Global Fund. It has been providing strong political and financial support since 2002. From 2002 to 2009, the EU contributed a total of EUR 872.5 million, making it the sixth largest donor to the fund (after the USA, France, Italy, Japan, and UK). Over the same period, European Union donors pledged more than US\$ 11.5 billion (+/- 55%).

<sup>39</sup> World Health Organisation, United Nations Children's Fund, UNAIDS, 2009. <http://www.unaids.org/en/default.asp>

<sup>40</sup> 2009 AIDS Epidemic Update, UNAIDS and WHO, 2009. <http://www.unaids.org/en/default.asp>

<sup>41</sup> UNAIDS Outlook 2010: Fresh perspective on the AIDS epidemic and response, Nov 2009.

In the end of 2009, the Global Fund supported programmes in 140 countries in the world, with 2.5 million people receiving anti-retroviral (ARV) treatment, 4.5 million orphans receiving medical services, education and community care, 6 million new cases of infectious tuberculosis detected and treated, and more than 100 million bed nets and malaria drug treatments delivered.

In addition to funding collaborative research projects, the Health Research programme of the EU also funds the European and Developing Countries Clinical Trials Partnership (EDCTP), which is a partnership between 14 EU countries, Switzerland and Norway, and 47 sub-Saharan African countries, which aims to reduce poverty by developing new clinical interventions to fight HIV/AIDS, malaria and tuberculosis in sub-Saharan Africa. It has an overall budget of around €400 million over seven years (2003-2010): €200 million from the Member States and €200 million from the Commission's FP budget.

### **MDG 7 — Environmental Sustainability**

MDG7 on **ensuring environmental sustainability** covers a number of different issues. The EU has been active on several fronts in order to promote better environmental sustainability, thereby contributing to the preservation of progress made under the other MDGs.

The first target under MDG7 relates to the integration of environmental concerns in the development strategies. The European Commission has put in place several tools to foster the integration of the environment in its development cooperation activities. This is reflected in the environment integration strategy<sup>42</sup>.

The Commission is actively supporting the Poverty-Environment Initiative, jointly implemented by UNEP and UNDP, which aims to integrate the environmental sustainability dimension into country systems at all levels.

**Access to safe drinking water and basic sanitation are essential for the achievement of the other MDGs.** Diarrhoea causes nearly 1.5 million deaths each year, mostly among young children, and is the third largest cause of death from infectious disease. About 90 per cent of those deaths could be prevented through safer water, sanitation and hygienic practices, according to the World Health Organisation<sup>43</sup>.

At any one time, half the people in the developing world suffer from diseases associated with inadequate water supply and sanitation services, along with water-related diseases. Improving access to water can be difficult, because responsibility for water resource management is usually spread across many different parts of the government in developing countries.

In 2002, the Commission launched the **EU Water Initiative** (EUWI) to provide a policy framework for policy dialogue with partner countries, using a multi-stakeholder approach to increase and streamline EU Member State and EC support for the sector. EUWI was

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<sup>42</sup> European Council conclusions, 25th June 2009.

<sup>43</sup> World Health Organisation (2008) UN Water Global Annual Assessment of Sanitation and Drinking-Water: 2008 pilot report — testing a new reporting approach. WHO: Geneva.

launched at the 2002 Johannesburg World Summit for Sustainable Development as a joint commitment to give priority to the important role of water and sanitation in poverty reduction and achievement of the MDGs.

The initiative has improved the quality of cooperation and coordination between Commission and EU Member States and has developed strong partnerships with key partners, such as the African Ministerial Council on Water (AMCOW) and stakeholders in the water and sanitation sector. It has led to several national policy dialogues to develop strategies for integrated water resources management as well as for sector financing. EUWI has also helped put in place the ACP-EU Water Facility, amounting to €500 million, which is financing 175 projects aiming to provide access to water and sanitation and to improve governance, with expected results including 14 million people benefiting from access to safe water, some 3 million benefiting from improved sanitation, and about 11 million people involved in hygiene awareness activities. The second phase of the ACP-EU Water Facility, with €200 million, was launched in February 2010.

### **EU support for the Whitfield Town Sanitation & Water Upgrading Project, Jamaica**

One of the largest community development initiatives undertaken by the European Union and the Jamaica Social Investment Fund is the Whitfield Town Sanitation & Water Project. Its two sub-projects involve upgrading of the sanitation system serving the entire community, with over 1 500 citizens expected to benefit. The project is being financed by a €500 000 allocation under the EU's Poverty Reduction Programme.

Whitfield Town is one of the poorest and least developed communities in the Kingston Metropolitan Region of Jamaica. 56% of the population are under 24 years of age and only 9% are over 55 years. Deterioration in Whitfield Town crept in with the political violence of the seventies, the migration of many house owners and the ongoing economic decline since the late seventies. Over 80% of households are without access to adequate sanitation facilities and 60% of households do not have piped water.

This initiative is the most significant upgrading intervention ever seen in the 90-year history of Whitfield Town — a massive effort aimed at reversing the trend of physical deterioration over the last 30 years, with the accompanying social problems. It involves the community at the decision-making level and at every level of the project, from the project manager down.

**Reducing biodiversity loss** is another important target under the MDG 7. Biodiversity is crucial for proper nutrition contributing to the eradication of poverty and hunger. Marine biodiversity enhances sustainability of fish stocks and improves livelihoods in coastal areas. The EU has been actively involved in promoting better attention to biodiversity in its development cooperation.

### **MDG 8 – Global Partnership for Development**

**Debt relief** provides long term, additional resources for countries to spend on health, education and infrastructure as set out in national Poverty Reduction Strategies. Poverty-reducing expenditures in countries that receive HIPC assistance have risen from \$5,952

billion in 1999 to \$26,697 billion in 2008. In countries receiving debt relief, debt service has been cut by two-thirds, and annual spending on anti-poverty programmes increased from US\$6 billion to US\$21 billion since 1999.

For example, in Uganda, HIPC debt relief of nearly \$2 billion since 2000 has helped make possible the removal of user fees for healthcare. As a result, the number of new out-patient consultations has increased from 9.3 million in 1999/2000 to 24.5 million, indicating a doubling in the use of health services over 5 years. Immunization coverage increased from 41% in 1999/2000 to 89% in 2004/05. Uganda will use its MDRI savings (\$57.9 million in 2006) for energy infrastructure to try to ease acute electricity shortages, as well as towards poverty reduction priorities set out in the 2006/07 budget such as improving the quality of primary education, malaria control, medicines and health supplies for primary health and immunization, reproductive healthcare and water infrastructure (specifically targeting the poor and under-served villages).

Trade policy can offer a strong hand to the poorest countries through supporting them to integrate into the global economy and raising their living standards in a way that delivers both greater political stability and social progress. In that regard, the EU offers from October 2009 100% Duty-Free and Quota-Free (DFQF) market access to all Least Developed Countries (LDCs) and all products (excluding arms and ammunitions) in the framework of its **Generalised System of Preferences (GSP)** and in particular the **Everything But Arms (EBA)** initiative. This is in line with the commitment made in the 2005 WTO Hong Kong Ministerial Declaration and has been unmatched so far by any other nation. Total imports under the EBA scheme have gradually increased to reach € 5.8 billion in 2008. The rough value of the preferences provided can be estimated at € 657 million in terms of duties foregone. Top beneficiary countries of the EBA scheme are Bangladesh and Cambodia.

Information and Communication Technologies (ICTs) offer tremendous opportunities for developing countries, not only in the field of telephony but also in terms of increased productivity, sustained economic growth and improved service delivery in all socio-economic areas. Good progress has been made over the last years in bridging the so-called "digital divide". 67% of the world's population, representing around 4,6 billion people are today mobile subscribers, up from only 1 billion in 2002 and the fastest penetration rates have occurred in developing countries. In Africa alone the number of mobile subscribers has increased from less than 10 million in 2000 to around 400 million today. The EU has made great strides in promoting an inclusive Information Society through a comprehensive approach tackling research/innovation, regulatory and capacity-building as well as infrastructure development. Regarding Africa in particular, the **Africa-EU Partnership on Infrastructures** in the context of the joint Africa-EU Strategy supports the deployment of physical infrastructures in the areas of transport, energy, water and ICT to promote interconnectivity at continental level. This is complemented by the **Africa-EU Partnership on Science, Information Society and Space** which includes key capacity-building initiatives in support of the African Regional Action Plan for the Knowledge Economy (ARAPKE). The ubiquity of mobile technology opens ways to very innovative applications highlighting the unique ICT potential to leapfrog development and fast-track socio-economic transformation in the developing world. This is notably illustrated at national level by new services such as the M-Pesa mobile banking system implemented in Kenya in 2007 to address the unmet demand for reliable services for the poor, reaching today a volume of person-to-person

transactions over \$ 300 million per month and around 8 million registered users in Kenya alone.

### **CHAPTER THREE: KEY CHALLENGES TO ENSURING MDG PROGRESS BY 2015**

With five years remaining before 2015, there is an urgent need for a step change in global efforts, together with our developing partners, to accelerate progress towards the MDGs. As UN Secretary-General, Ban Ki-moon, said at the UN High Level Event on the MDGs in 2008: *'Today we have strengthened the global partnership for development. Your resolve to act is evident. Yes, you have stepped up to confront growing challenges. Now, I urge you to move with more speed and focus'* (25 September 2008).

The past ten years provide useful lessons in terms of good practices and factors that impact on MDG progress. They show that achieving decisive results is possible when adequate policies, resources and political will are mobilised. These lessons must inform our future priorities, strategies and actions.

At the same time, it must be emphasised that the development cooperation landscape has seen profound changes between 2000 and today. Global challenges such as climate change and environmental degradation, the scarcity of, and growing competition over, natural resources, demographic growth, financial stability or international security have become increasingly significant in global development policy and are likely to have increasing weight in determining the progress of sustainable development in the future.

Most of these factors already have strong implications today for the development policy agenda. However, as they will have an impact well beyond the 2015 time horizon, they should feed into the forward-looking reflection needed on a new multilateral development agenda beyond the agreed deadline for the MDGs<sup>44</sup>.

The key challenges to accelerating progress by 2015 are identified as follows:

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<sup>44</sup> The MDGs have placed poverty reduction at the heart of the development agenda. The MDGs are viewed as a set of indicators for guiding poverty reduction and for holding international agencies and governments accountable to citizens. However, there is a need to ensure the predictability and continuity of development policy and to launch a reflection on the possible international development agenda beyond 2015.

Even if the MDGs are achieved globally by 2015, the challenges to poverty reduction will remain formidable. Indeed, global poverty will only have been reduced by half, and the remaining half will pose new challenges to the international development agenda. For low-growth poor countries and those countries in situations of fragility, 2015 may herald little in the way of development progress.

The reflection should thus cover the so-called 'missing dimensions' of the MDG framework, its impact and added value as well as ways of (better) integrating the new global challenges/global public goods such as climate change, access to energy and peace/security within the development agenda.

Work needs to start soon on developing a consensus on the purpose, method, areas and responsibilities for carrying out this reflection process, so that sufficient time is left for an evidence-based discussion by policy communities on what might be appropriate targets and/or indicators in their areas of competence. The process will need to engage a very wide group of actors, including governments, civil society and the private sector.

### **3.1 Challenge No 1: Tackling the continued effects of the economic and financial crisis**

For many poor countries, the global financial and economic crisis, combined with the previous food and fuel shocks, may entail long-term setbacks in MDG progress.

In the short run, sound domestic policies and programmes backed by adequate support are needed to restore macroeconomic stability and fiscal sustainability and to stimulate economic growth and job creation, while protecting the most affected/vulnerable groups (notably through social transfers). In the longer run, it will be crucial to reduce the vulnerability and improve the resilience of developing countries to external economic shocks, notably through economic diversification and wide-coverage social protection systems and insurance mechanisms, and to support them in moving to low-emission pathways. At global level, reforms of the global economic governance architecture and regulatory and supervisory measures maybe needed to make the global economy less volatile and more predictable. Efforts shall also be pursued to help developing countries to better integrate their markets into the global economy, including through the conclusion of an ambitious, comprehensive and development-friendly multilateral trade agreement in the context of the WTO Doha Round.

Rapid and coordinated initiatives have already been taken by the international community to tackle the effects of the crisis and help the most vulnerable countries. But much more could be done in terms of implementation and scaling up. More efforts are needed in particular to tackle the ‘implementation gap’ between existing donor policy frameworks and concrete actions on the ground, and to improve the coherence of non-aid policies. Moreover, sufficient financial resources should be leveraged in a predictable way in order to narrow the ‘financing gaps’<sup>45</sup> in efforts to reach the MDGs. This is a shared responsibility and implies corresponding accountability mechanisms.

### **3.2 Challenge No 2: Fostering MDG ownership in developing partners**

Strong government leadership and a sense of ownership among developing partners in designing domestic policies, implementing costed programmes and mobilising the needed resources is key to fostering sustainable MDG progress. Successful examples of MDG progress all point to the importance of strong local political engagement and ownership.

To foster ownership, efforts are needed to translate the MDGs into country-specific objectives and indicators showing the reality on the ground, and to integrate them into nationally owned development strategies and programmes. Cambodia has for example adapted the targets and developed ‘Cambodia MDGs’, whereas others have addressed the MDGs in combination with other strategic frameworks such as ‘Vision 2020’ in

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<sup>45</sup> For instance, the International Food Policy Research Institute (IFPRI) has estimated the additional amount necessary to meet the MDG of halving poverty and hunger by 2015 to be US\$ 14 billion annually. On health, the World Bank estimates that about US\$ 48 billion is required to accelerate progress towards the neglected MDGs (child and maternal mortality) over 2009-2015 in sub-Saharan Africa. On education, the UNESCO EFA Global Monitoring Report 2010 estimates the financing gap to be around US\$ 16 billion annually. A recent World Bank study also estimated that US\$ 93 billion is needed annually over the next decade to meet infrastructure needs in sub-Saharan Africa.

Rwanda<sup>46</sup>. However, the MDGs are often not fully incorporated within national planning and budgeting, either because resources could not be mobilised or because of concerns about the reliability of the estimates and their potential macroeconomic impact on public expenditure ceilings and aid dependence<sup>47</sup>.

Public monitoring of MDG progress by civil society and citizens in general is an essential element of ownership. However, several constraints such as weak statistical capacity at national level, lack of regular, reliable and disaggregated data available to guide national policies and track country progress, and the weak organisational capacity of civil society actors often stand in the way of such a ‘watchdog’ function in poor countries. More efforts are needed in this regard. In particular, the establishment of National Strategies for the Development of Statistics (NSDS) are important to afford the availability of timely, reliable and accurate data.

### **3.3 Challenge No 3: Unleashing the potential of the private sector for human development**

The scale of the challenge for attaining the MDGs requires mobilising the participation of all actors and all sources in complementary ways. While governments have primary responsibility for delivering MDG progress, private actors (both profit and non-profit) can complement public interventions in designing, delivering and financing specific actions (examples of mechanisms include contracting out services from governments, Output Based Approaches such as voucher schemes and social franchising). They represent a huge potential in terms of innovative approaches, technological resources and organisational and management expertise. But they also bring new risks and challenges in terms of quality control and accountability.

Recent analyses show that private service providers are increasingly present in the developing world in MDG-related sectors, such as health and education but also ICTs which has a key potential to fast-track development in different socio-economic domains. An important proportion of the MDG-related maternal, reproductive and child health services in South Asia and sub-Saharan Africa are privately provided. In some developing countries where data are available, such as Jamaica, Peru, and Zambia for example, the private sector contributes more than 40% of total expenditure on education<sup>48</sup>.

More should be done to develop or scale up pro-poor business models, services and products (building on existing successes such as in the mobile telephony sector for instance), to improve legal and regulatory frameworks to foster private investments, to reinforce coordinated management of infrastructures development and to support government capacities in developing partner countries to design and manage creative

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<sup>46</sup> Vandemoortele, J. (2008), ‘The MDG Conundrum: Meeting the Targets Without Missing the Point’. [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1416364](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1416364)

<sup>47</sup> United Nations Development Group (UNDG) (2005), *Making the MDGs Matter: The Country Response*. New York: UNDP. [http://www.undg.org/docs/10795/Addendum-to-MDGR-Guidelines-Approved-UNDG\\_English.pdf](http://www.undg.org/docs/10795/Addendum-to-MDGR-Guidelines-Approved-UNDG_English.pdf)

<sup>48</sup> See in particular: World Bank Global Monitoring report 2009, pp. 85-112; Report of the UN Secretary General, ‘Keeping the Promise — A forward-looking review to promote an agreed action agenda to achieve the MDGs by 2015’, February 2010, pp. 53-55. [www.worldbank.org/gmr2009](http://www.worldbank.org/gmr2009)

public-private partnerships, with the aim of enhancing the contribution of private actors to the MDGs.

### **3.4 Challenge No 4: Focusing on the most off-track goals and countries**

The world is particularly off-track on certain MDG targets and indicators, in particular on nutrition, child and maternal mortality, and access to sanitation. Similarly, available data show that some countries, especially those in ‘situations of fragility’ as well as many countries in sub-Saharan Africa, are lagging far behind on a wide set of targets and indicators.

A revitalised effort to foster MDG progress could be accompanied by more financing and action to accelerate improvements in the most off-track countries and goals. Here, however, it is important to be mindful of the interdependency and mutually reinforcing nature of the MDGs as well as the need to frame them within integrated development strategies.

There are good examples of targeted initiatives, sometimes based on complementary public and private investment, which have proven successful and could be shared, replicated and/or scaled up. In food and nutrition, for example, micronutrient supplementation, including vitamin A, iron, zinc and folic acid, have helped to reduce micronutrient deficiencies and hence child morbidity and mortality and contributed to child growth and cognitive development. Other interventions, such as measles immunisation, increase in the number of trained midwives, low-cost access to water and sanitation and provision of bed nets have also yielded significant results for MDGs 4, 5 and 6<sup>49</sup>. Such action needs to be aligned with country owned sector policy dialogue and sector monitoring mechanisms.

### **3.5 Challenge No 5: Addressing fragility**

Security and fragility concerns must be tackled if sustainable progress on the MDGs is to be achieved by the set deadline. Violent conflict is an important factor contributing to poverty. The last Global Monitoring Report from the World Bank clearly states in that regard that ‘looking ahead, the challenge to achieve the MDGs will increasingly be concentrated in low-income countries, especially fragile states’<sup>50</sup>.

Addressing situations of conflict and fragility requires sustained engagement and innovative combinations of political/diplomatic, financial, technical and sometimes military resources or ‘whole-of-government’ approaches. Such situations call for long-term commitments as well as predictable and flexible approaches. Coordination and complementarities among the various actors operating on the ground and improved coherence among the various - and sometimes conflicting - objectives, priorities and policies are also of the utmost importance. This includes the need to articulate in a

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<sup>49</sup> ‘Stocktaking on the Millennium Development Goals’, background paper prepared jointly by UNDP, UNFPA, UNICEF and WFP, January 2010, pp. 8-14; Report of the UN Secretary General, ‘Keeping the Promise — A forward-looking review to promote an agreed action agenda to achieve the MDGs by 2015’, February 2010, p. 37.

<sup>50</sup> <http://www.fultonpreschurch.org/January%202010%20Lampighter%20Online.pdf>  
World Bank Global Monitoring Report 2009, p. 16. [www.worldbank.org/gmr2009](http://www.worldbank.org/gmr2009)



coherent, complementary and coordinated way humanitarian, security and long-term development related strategies and operations. Each fragile situation is specific and calls for tailor-made strategies rooted in an in-depth knowledge of the local context<sup>51</sup>. However, there is now a largely shared consensus that the primary objective of external engagement in fragile countries should be to contribute to long-term, endogenous state building processes. Global and multi-stakeholder approaches are required to understand evolving societal dynamics and support ‘change drivers’ in their efforts to rebuild a social compact and trust between the state and citizens. National and regional approaches should be combined here in complementary ways.

As part of state building efforts, support for political settlements, security and justice reforms and institution building should go hand in hand with efforts to foster economic growth and job creation (notably for young people), improve food security and meet the basic social needs of populations while preserving the nation's natural capital and supporting it to cope with climate change. More work is needed in that regard to adapt existing global initiatives, such as the Education Fast Track Initiative (FTI), in order to better respond to specific needs and challenges in fragile situations.

Aid to fragile states represents 30% of total ODA flows. However, recent analyses show that aid to fragile countries is increasingly concentrated (in 2008, 51% of ODA went to only 6 fragile countries, out of the 48 identified by the DAC) and more volatile than in other developing countries. Moreover, half of the fragile countries face the prospect of declining aid, while the current crisis is threatening core public spending and creating new risks of vulnerability and instability. This calls for long-term predictable support with flexible modalities, combined with increased efforts to mobilise more domestic revenues and to combat illicit flows<sup>52</sup>.

The implementation of internationally agreed ‘aid effectiveness’ principles faces particular difficulties in fragile contexts where ownership and capacity are usually very weak. This requires creative aid governance approaches, sometimes moving beyond a ‘government-centred’ vision of ownership to embrace other actors such local authorities and civil society. The 2006 OECD Principles on Good International Engagement in Fragile States and Situations lead the way in that regard<sup>53</sup>, and a body of good practices is emerging from field experiences in some countries. At the request of partner countries, the implementation of these principles was monitored for the first time in 2009 in six countries through multi-stakeholder national consultations. This exercise gave an overall mixed picture, with good results notably for the promotion of non-discrimination and a particularly bad picture for avoiding pockets of exclusion<sup>54</sup>.

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<sup>51</sup> European Report on Development 2009, pp. 155-192, *Overcoming fragility in Africa — Forging a new European approach*, <http://erd.eui.eu/erd-2009>

<sup>52</sup> INCAF Background document 4, ‘Ensuring fragile States are not left behind’, 24 February 2010. <http://www.oecd.org/dataoecd/38/33/44822042.pdf>

<sup>53</sup> OECD Principles on Good International Engagement in Fragile States and Situations, 2006, [http://www.oecd.org/document/48/0,3343,en\\_2649\\_33693550\\_35233262\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/48/0,3343,en_2649_33693550_35233262_1_1_1_1,00.html).

<sup>54</sup> These countries are Afghanistan, the Central African Republic (CAR), the Democratic Republic of Congo (DRC), Haiti, Sierra Leone and Timor-Leste. For the detailed results of the monitoring exercise, see: [http://www.oecd.org/site/0,3407,en\\_21571361\\_42277499\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/site/0,3407,en_21571361_42277499_1_1_1_1,00.html).

### **3.6 Challenge No 6: Increasing emphasis on equity and social justice**

Sustained economic growth is a necessary condition for poverty reduction and MDG progress<sup>55</sup>. For example, the countries in East Asia that have seen the greatest progress in income poverty reduction have been those with the strongest growth rates. However, growth alone is insufficient as it will not remove the barriers to MDG progress linked to inequality and social exclusion. Accordingly, economic growth must be accompanied by sound social and redistributive policies in order to be pro-poor.

In fact, inequalities based on income, gender, disability, ethnicity, age or geographic location underpin the distribution of extreme poverty and lack of access to basic services among and between populations. Yet the MDGs are mostly monitored on the basis of nationally aggregated data, which say nothing about the distribution among population groups. So national averages can improve at the same time as in-country disparities worsen. Countries may be on track for the MDGs despite rising inequalities. Reducing absolute income inequality (MDG1), for example, could simultaneously see rising income inequalities, as reflected in the rising Gini coefficients of China and India.

Success in reducing poverty and in achieving equality between women and men will depend on ensuring that all MDGs are addressed in a way that promote gender equality and empowers women. However, whilst there is general agreement that tackling discrimination, promoting gender equality is both an important objective in itself and is key to achieving all the other MDG goals, there is still a tendency on the part of both partner countries and donors not to prioritise actions and funds for gender equality.

The MDGs aim to eradicate poverty in its various dimensions, but also champion basic human rights as embodied in the Universal Declaration of Human Rights and the UN Millennium Declaration. They enshrine the principles of equity, human rights and social justice. It is crucial therefore to pay increased attention to disparities, inequalities and discriminations in order to ensure MDG progress among groups of populations within countries, and to address the specific needs of the most vulnerable. Support to improve the collection of more disaggregated data and to design equity-based targets and reporting systems could also be considered in that regard.

### **3.7 Challenge No 7: Climate change and environmental stress**

Climate change represents an unprecedented challenge for MDG progress, notably on food security, health and poverty-related targets. Increased exposure to storms, floods, droughts and changing ecological patterns is already slowing MDG progress in countries with less predictable climates. The worst impacts are being experienced by vulnerable populations who are least to blame for the problem. It is likely that climate change will slow, and even reverse the advances achieved under the MDGs well beyond 2015<sup>56</sup>.

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<sup>55</sup> See in particular: Dollar and Kraay, 2001, 'Growth is Good for the Poor', Policy and Research Working Paper, The World Bank. Kraay, A. (2006), 'When is Growth Pro-Poor? Evidence from a Panel of Countries', *Journal of Economics* 80, 198-227.

<sup>56</sup> 2007/2008 Human Development Report, *Fighting Climate Change: Human Solidarity in a Divided World*, UNDP 2007. <http://hdr.undp.org/en/>

Building on the Copenhagen Accord, in particular by implementing in an intelligent way the fast start (2010-2012) finance package included in the Accord, calls for strategic action now on both adaptation and mitigation with priority for the most vulnerable. Both long-term strategies and urgent and bolder programmatic actions are needed to this end. MDG achievements will need to be climate-proofed to create the conditions for sustained progress. Successful mitigation requires in particular the diversification of energy sources and large-scale transfers of clean technologies and know-how to foster a switch towards low-emission development strategies. Climate change adaptation calls for the mobilisation of new and additional resources for investment in climate risk management, adaptation and mitigation, and, more globally, to enhance the resilience of communities to unavoidable climate change and natural climate-related hazards. Cost-efficient solutions to adaptation and mitigation will include ecosystem-based approaches in order to maintain resilience of ecosystems and their ability to provide essential ecosystem services. Particular attention will also need to be paid on sustainable management of natural resources, soil and water being amongst the key challenges facing poor populations in a changing climate context.

Climate is a global public good, and enhanced regional cooperation as well as well-functioning multilateral frameworks are needed to address this challenge. Commitments on adaptation and mitigation could be brought within the MDG framework with specific indicators under Goal 8 on the ‘Global Partnership for Development’.

### **3.8 Challenge No 8: Demographic growth**

According to the UN, between now and 2025, the world population will increase by 20% to reach 8 billion inhabitants, and 97% of this growth will occur in developing countries (mostly in Asia and Africa). In 2025, 61% of the world population will be living in Asia. The largest increase will occur in India, representing about one-fifth of all growth. China is projected to add more than 100 million to its current population. Countries in sub-Saharan Africa are projected to add about 350 million people during the same period, while populations in Latin America and the Caribbean will increase by about 100 million<sup>57</sup>.

The situations and challenges are extremely diverse from country to country. Overall, future demographic changes will be accompanied by major shifts in terms of age structure, increasing ageing, intensified urbanisation and migration/mobility within and across regions as well as increased pressure on limited existing resources.

### **3.9 Challenge No 9: Improved access to energy**

Access to energy is crucial for economic growth and for sustained poverty reduction, as well as for the attainment of every individual MDG. The provision of modern energy services to the poor falls far short of the needs. Worldwide, 2.6 billion people rely on traditional biomass fuels for cooking and 1.5 billion people lack access to electricity. Demographic growth, the volatility of fossil fuel prices and climate change will lead to less security of energy supply in many developing countries. For the poor in these

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<sup>57</sup> US National Intelligence Council, ‘Global Trends 2025: a transformed world’, November 2008; European Commission, ‘The world in 2025: rising Asia and socio-ecological transition’, February 2009. <http://www.acus.org/publication/global-trends-2025-transformed-world>

countries, the impact on their livelihoods will be dramatic as energy affects most spheres of life and it would jeopardise the achievement of the MDGs.

The World Summit on Sustainable Development in Johannesburg recognised the explicit link between access to energy services and the achievement of the MDGs. Energy services are essential for socio-economic development and for income and employment generation. Basic services for the provision of clean water and sanitation needs energy, as cooking and cooling do. With regard to gender, the lack of access to modern energy services is a huge burden to women and children, as they have to spend several hours every day for the collection of water and fuel wood. Furthermore, the WHO estimates that 1.6 million deaths annually, mainly of women and children, are caused by respiratory diseases due to indoor air pollution. At last, the traditional use of fuel wood is one of the causes for deforestation seen in past decades in many developing countries.

Regarding health, reliable electricity in hospitals or health stations, for cooling of medication, sterilisation or treatment at night time, is crucial for curing the ill. The affordability of transportation cost can help to reduce mortality of children or pregnant women. Electricity for lighting - sometimes just bare heating of class rooms - is important to run schools effectively, but also to enable pupils to read in the evening at home. The recruitment of doctors, nurses and teachers where no electricity is available, is difficult.

## ANNEX A

### State of play of progress on achieving the MDGs by 2015

This table has been produced using the most recent available figures/data and information from the UN (essentially the UN Millennium Development Goals Report 2009 and the MDG Gap Task Force Report 2009) and the World Bank (Global Monitoring report 2009).

<p><b>GOAL 1</b></p> <p>Eradicate extreme poverty and hunger</p>	<p><b>Target 1.A:</b></p> <p>Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day</p>	<p>The world is on track to halve global poverty by the deadline. In 1990 1.8 billion people lived in extreme poverty, equal to 41.7% of the world population. In 2005 the figure fell to 1.4 billion, equal to 25.7% of the world population. These estimates take into consideration the new threshold of \$1.25 per day (compared to the previous \$1) recently established by the World Bank. Worldwide, the number of people living in extreme poverty in 2009 is expected to be 55 million to 90 million higher than anticipated before the global economic crisis, though the impact will vary across regions and countries.</p> <p>The East Asia and Pacific region has made the most impressive progress in reducing the number of poor people — from 29.8% in 1990 to 9.1% in 2005. China led this decrease, moving from 33% to 9.9%. South Asia and Latin America &amp; the Caribbean are projected to be on target.</p> <p>Sub-Saharan Africa is the worst-performing region: the poverty rate rose from 46.7% in 1990 to 49.7% in 2000, dipping to 41.1% in 2005, and the absolute number of poor people increased by a third. However, countries within the group fare differently: poverty fell by an annual rate of 4.6% in Ghana between 1999 and 2006 but increased in Benin from 28.5% in 2002 to some 37.4% in 2006-2007. Based on current projections, this region will reduce poverty by only 20 per cent between 1990 and 2015.</p> <p>On the basis of the available data, the prospects of achieving the MDG1 poverty target look particularly bleak for so-called fragile states.</p>
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	<p><b>Target 1.B:</b></p> <p>Achieve full and productive employment and decent work for all, including women and young people</p>	<p>Between 55% and 75% of the working age population is employed in most regions. Between 1998 and 2008, the employment-to-population ratio for adult women increased globally from 48 per cent to 49 per cent. Despite the increase, far more women continue to be out of the labour market than men. Northern Africa and Western Asia have exceptionally low female employment-to-population ratios, both 45 percentage points below those of men.</p> <p>However, jobs in most developing countries still provide little relief from poverty. In sub-Saharan Africa for instance, over half the workers are ‘working poor’, meaning that, although they have a job, they live in a household where each member earns less than \$1.25 a day.</p> <p>The global percentage of ‘working poor’ (calculated over the total number of workers) fell from 30.6% in 1997 to 20.4% in 2007. But high prices for energy and commodities, exacerbated by the global economic crisis, are likely to reverse this trend: from 24 per cent in 2007 to 25 per cent in 2008 (according to the most realistic ILO scenario). The number of people in developing regions working in vulnerable employment may be 77 million more in 2008 than in 2007. Over 80 per cent of the female labour force in Oceania, sub-Saharan Africa and Southern Asia are expected to have been in vulnerable employment in 2008.</p> <p>Finally, only minor progress has been noted over the last decade on labour productivity in the developing world.</p> <p>Overall, full, secure and productive employment seems to remain a distant target.</p>
	<p><b>Target 1.C:</b></p> <p>Halve, between 1990 and 2015, the proportion of people who suffer from hunger</p>	<p>The declining trend in the rate of undernourishment in developing countries since 1990-1992 was reversed in 2008, largely due to escalating food prices. Provisional estimates indicate that the rate of undernourishment rose by one percentage point in 2008, whereas it had decreased from 20% in the early 1990s to 16% in 2005.</p> <p>More than one third of child deaths worldwide are attributable to undernourishment. In the developing world, the proportion of children under five years of age who were underweight declined by only five per cent from 1990 to 2007 (from 31 per cent to 26 per cent), a rate insufficient to reach the nutrition target for children. According to World Bank assessments, more than half of</p>

		the countries with available data are not on track to achieve the target by 2015.
<p><b>Goal 2</b></p> <p>Achieve universal primary education</p>	<p><b>Target 2.A:</b></p> <p>Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling</p>	<p>Overall, the total net enrolment ratio in primary education in developing countries rose from 83 % in 2000 to 88 % in 2007. In almost all regions it now exceeds 90 %, with many countries close to achieving universal primary enrolment.</p> <p>Progress toward the primary education goal has varied across regions. Good progress has been made in East Asia and the Pacific and in Latin America and the Caribbean, where many countries have already met or are on track to meet the primary education target.</p> <p>Major breakthroughs have been achieved in sub-Saharan Africa, where enrolment increased by 15 percentage points from 2000 to 2007, and in Southern Asia, which gained 11 percentage points over the same period. The relatively sharp rise in enrolment in sub-Saharan Africa and Southern Asia, despite rapid population growth, is encouraging. However, neither of these two regions is currently on track to reach the target on time. And fragile states are also lagging behind — only 3 of 22 countries with available data have achieved the target.</p> <p>In many countries, improvements in school enrolment have been associated with increases in national spending on education, which could be badly hit by the global economic crisis. Demographic trends may also push back achievement of the goal in the future.</p> <p>Sub-Saharan Africa has the largest number of children out of school, and two thirds of them will probably never enrol. The same situation exists in Western Asia, where 64 per cent of the 3 million children out of school are girls. In 2007, girls accounted for 54 % of the global out-of-school population.</p> <p>Overall, at the current rate of progress, the world is edging closer to universal primary education, but too slowly to meet the 2015 target. Unequal opportunities linked to gender, ethnicity, income, language or disabilities represent a major obstacle.</p>
<p><b>Goal 3</b></p> <p>Promote</p>		<p>The world seems still a long way off from achieving gender equality. Progress in equal access to remunerative employment has been modest, except in low-performing regions. This is compounded by lower welfare for women</p>

<p>gender equality and empower women</p>		<p>than for men. In many developing regions, women still lack property rights and access to credit.</p> <p>Overall, women occupy almost 40% of all paid jobs outside agriculture, compared to 35% in 1990. But almost two thirds of women in the developing world work in vulnerable jobs, are self-employed or are unpaid family workers. In Southern Asia and sub-Saharan Africa, more than 80% of all jobs for women are jobs of this kind.</p> <p>Women are slowly gaining ground in political decision-making, but progress is erratic and marked by huge regional differences. In January 2008, the global proportion of parliamentary seats held by women reached a high of nearly 18%. Women today occupy at least 30% of parliamentary seats in 20 countries, but none in Asia.</p>
	<p><b>Target 3.A:</b> Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015</p>	<p>The world continues to progress towards gender parity in education, although the 2005 intermediary target was missed at global level. In the developing regions as a whole, 95 girls were enrolled in primary school for every 100 boys in 2007, compared to 91 in 1999. In 2007, 53 of the 171 countries with available data had achieved gender parity in both primary and secondary education. Most regions are on track to achieve this target by 2015.</p> <p>The gender gap in school enrolment is more evident in secondary education. Available data show that 60% of countries have achieved gender parity in primary education, 30% in secondary education and 6% in tertiary education.</p> <p>South Asia and sub-Saharan Africa lag behind at all levels for this target, particularly at tertiary level. In sub-Saharan countries, the ratio of girls' to boys' enrolment in secondary education fell from 82 in 1999 to 79 in 2007. 20 of 37 sub-Saharan countries for which data exist are not on track. Ten of the 22 fragile states (for which data exist) are seriously off track, and only 6 have achieved the target.</p>
<p><b>Goal 4</b> Reduce child mortality</p>	<p><b>Target 4.A:</b> Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate</p>	<p>The under-five mortality rate in developing countries slowly improved from 103 to 74 deaths per 1000 live births between 1990 and 2007.</p> <p>Still, many countries have made little or no progress at all, like in sub-Saharan Africa, where in 2007 close 1 to 7 children under five died, and in Southern Asia.</p>



		<p>With a child mortality rate of 157, sub-Saharan Africa accounts for about half of the deaths of children under five in the developing world. The HIV/AIDS epidemic and civil conflicts have hampered the region's progress in reducing child mortality.</p> <p>The developing regions closest to achieving the target are Northern Africa (down from 82 to 35), South-Eastern Asia (from 122 to 77) and Latin America &amp; the Caribbean (from 54 to 24). But even in these regions over half the countries are not on track. None of the 46 sub-Saharan African countries with available data is on track to reach the target. None of the fragile states has attained the target and only 1 out of 34 is on track.</p>
<p><b>Goal 5</b></p> <p>Improve maternal health</p>	<p><b>Target 5.A:</b></p> <p>Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio</p>	<p>Maternal mortality is among the health indicators that show the greatest gap between rich and poor. Of all the MDGs the goal on maternal mortality has seen the least progress. Maternal mortality decreased by less than 1% a year between 1990 and 2005, from 480 to 450 deaths per 100 000 live births. This is way below the 5.5% annual improvement needed to reach the target.</p> <p>Pregnancy remains the main cause of death among girls aged 15-19 in developing countries. In 2005 alone, more than 500 000 women died during pregnancy, childbirth or the six weeks after delivery. 99% of these deaths occurred in developing regions, with sub-Saharan Africa and Southern Asia accounting for 86% of them. In these regions maternal mortality rates have barely changed since 1990. In particular, in sub-Saharan Africa, a woman's risk of dying from treatable or preventable complications during pregnancy and childbirth over the course of her lifetime is 1 in 22, compared to 1 in 7300 in developed regions.</p> <p>In Malawi and Zimbabwe, maternal deaths have even increased in the past years as a consequence of HIV, conflict and deteriorating health systems.</p>
	<p><b>Target 5.B:</b></p> <p>Achieve, by 2015, universal access to reproductive health</p>	<p>The proportion of deliveries attended by skilled healthcare personnel increased from 53% in 1990 to 61% in 2007. In the same period the proportion of women (15-49 years old) attended by skilled health personnel at least once during pregnancy rose from 54% to 74%. Twenty-one of 23 countries in Europe and Central Asia and 19 of 26 countries in Latin America and the Caribbean have achieved the target to lower the non-attendance rate to 10 per cent by 2015, but most South Asian and sub-Saharan African countries are not on track.</p>

		<p>In almost all developing regions, adolescent fertility fell between 1990 and 2000 (from 67 to 55 births per 1000 women aged 15-19 years), then largely stagnated or decreased marginally between 2000 and 2005 (from 55 to 53 on average).</p> <p>Total fertility has declined substantially over the past two decades in many countries in Latin America and the Caribbean, where the rate has dropped from 102 to 74, as well as in South-Eastern Asia. Adolescent fertility remains especially high in sub-Saharan Africa (119 per 1000 women), where fertility remains high among all women of childbearing age.</p> <p>The gap between women’s stated desires to delay or avoid having children and their actual use of contraception also declined in most countries between 1995 and 2007. The contraceptive prevalence rate increased for all income groups between 1990 and 2007, but was still quite low at only 33 per cent for low-income countries in 2007.</p> <p>In all regions, this unmet need is highest in the poorest households. It is most pronounced in Latin America and the Caribbean, where 27% of the poorest households have an unmet need for family planning compared to 12% of the wealthiest households. In sub-Saharan Africa, unmet need is high — over 20% — even among the wealthiest households.</p>
<p><b>Goal 6</b></p> <p>Combat HIV/AIDS, malaria and other diseases</p>	<p><b>Target 6.A:</b></p> <p>Have halted by 2015 and begun to reverse the spread of HIV/AIDS</p>	<p>Worldwide, the number of people newly infected with HIV peaked in 1996 and has since declined, down to 2.7 million in 2007. These positive trends are mostly due to a fall in the annual number of new infections in some countries in Asia, Latin America and sub-Saharan Africa. Meanwhile, infection rates continue to rise in other parts of the world, especially Eastern Europe and Central Asia.</p> <p>Despite an overall decrease in the number of new infections, the number of people living with HIV worldwide continues to grow, largely because people infected with the virus are surviving longer (the number of people living with HIV/AIDS rose from 29.5 million in 2001 to 33 million in 2007, most in sub-Saharan Africa). Altogether, sub-Saharan Africa is home to 67% of those living with HIV/AIDS.</p> <p>Condom use and knowledge about HIV can help decrease the number of people who become infected with HIV.</p>

		<p>Between 1999 and 2005 condom use for females' partners increased in all sub-Saharan African countries with available data, the only exception being Zimbabwe, where usage is estimated to have fallen from 11 % to 10%.</p>
	<p><b>Target 6.B:</b></p> <p>Achieve, by 2010, universal access to treatment for HIV/AIDS for all those who need it</p>	<p>The reduction in deaths from HIV/AIDS (2 million in 2007, down from 2.2 million in 2005) is partly due to increased access to anti-retroviral drugs in poorer countries (by December 2007, 3 million people in the developing regions had access to anti-retroviral drugs, which represents a 47 per cent increase since December 2006).</p> <p>However, for every person who started anti-retroviral treatment in 2007, three new people were infected with HIV. And 69 per cent of people who needed treatment did not have access to the required drugs.</p> <p>Due to unmet treatment needs, AIDS remains among the leading causes of death globally and the primary cause of death in Africa.</p>
	<p><b>Target 6.C:</b></p> <p>Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases</p>	<p>According to UNDP data, <u>malaria</u> takes a terrible toll in sub-Saharan Africa, which accounts for 90 % of all malaria deaths. There, malaria accounts for 25% to 35% of all outpatient visits, 20% to 45% of hospital admissions and 15% to 35% of hospital deaths. Joint efforts by the NMCP, UNDP and other partners have significantly reduced malaria incidence rates by 30% in 11 Northern states, cutting morbidity by 55% and mortality by 52%.</p> <p>The number of insecticide-treated mosquito nets produced worldwide jumped from 30 million in 2004 to 95 million in 2007. All sub-Saharan African countries for which there are trend data showed increases in insecticide-treated net use among children under five. 16 of these 20 countries have at least tripled coverage since around 2000. However, despite tremendous progress, the use of insecticide-treated mosquito nets still falls short of global targets.</p> <p>There has been less progress in treating malaria than in preventing it. In a subset of 22 sub-Saharan African countries, the proportion of children with fever who received anti-malarial medicine dropped from 41% in 2000 to 34% in 2007. Across the region, 34% of children with fever received anti-malarial treatment.</p> <p>In addition, in some countries, anti-malarial treatment is mostly chloroquine, which is no longer effective.</p>

		<p>Similarly, the use of Artemisinin-based combination therapy (ACT) to treat malaria is very low; in some 14 countries with 2005-7 data, the median proportion of children under five years with fever receiving ACT was only 2%.</p> <p>Evidence suggests that large-scale expansion of prevention programmes and improved access to more effective anti-malarial drugs can substantially reduce malaria cases and deaths. In South Africa, documented cases and deaths fell by 80% between 2000 and 2006 after introducing ACT and improving mosquito control (including spraying with DDT). In Eritrea, more than a million mosquito nets were distributed between 2000-2006, and as a result recorded malaria cases and deaths plummeted by more than 70%.</p> <p>Progress on <u>tuberculosis</u> targets is mixed. In developing regions, the number of new tuberculosis cases per 100 000 population (incidence rate) peaked in 2004, then fell by 0.7% between 2005 and 2006. If these trends are sustained globally, the incidence of tuberculosis should be contained and reversed well before 2015. Moreover, the prevalence rate for tuberculosis (the number of existing cases per 100 000 people) and the death rate are falling even faster.</p> <p>Success in eradicating tuberculosis depends upon early detection of new cases and effective treatment. In 2007, there were 13.7 million cases of tuberculosis globally. This is only a slight decrease from 2006, when 13 million cases were reported, resulting in 1.3 million deaths. Between 2005 and 2006, progress in detection slowed: the detection rate increased only marginally to 61%, short of the 65% benchmark for 2006 in the 'Stop TB Partnership' Global Plan and the ultimate target of 70%. The global detection rate under DOTS was 63 per cent in 2007 and the success rate for treatment was 85 per cent in 2006.</p> <p>Africa, China and India collectively account for more than two thirds of undetected tuberculosis cases. Progress in improving the detection rate in China and India stalled in 2006. The detection rate in Africa — 46% in 2006 — is the furthest from the target.</p>
<p><b>Goal 7</b></p> <p>Ensure environmental sustainability</p>	<p><b>Target 7.A:</b></p> <p>Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources</p>	<p>Globally, emissions increased by 31% from 1990 to 2006, rising annually from 2000 to 2005 faster than in the previous decade. Carbon dioxide emissions reached 29 billion tonnes in 2006 and continued to rise, resulting in increased atmospheric concentrations of CO<sub>2</sub>.</p>

		<p>From 1990 to 2005, changes in emissions ranged from a 38% decline in countries of the Commonwealth of Independent States to an 82% increase in South-Eastern Asia. Per capita emissions remain the highest in the developed regions, at about 12 tonnes of CO<sub>2</sub> per person per year, compared with about 3 tonnes in developing regions and 0.8 tonnes in sub-Saharan Africa.</p> <p>Adjusted net savings measures the savings rate in an economy after adjustments are made for educational expenditure, capital depreciation, natural resource depletion, and carbon dioxide and particulate emissions damage. A negative savings rate indicates that an economy is on an unsustainable path of economic growth.</p> <p>According to the World Bank, Europe &amp; Central Asia, the Middle East &amp; North Africa, and sub-Saharan Africa have all exhibited a downward trend in adjusted net savings since 1995 and had negative adjusted net savings rates in 2005. Latin America and the Caribbean had a positive 2005-adjusted net savings rate but also had declining adjusted net savings levels. In recent years, only the Asian regions seem to have both an upward trend in adjusted net savings and a positive savings rate.</p>
	<p><b>Target 7.B:</b></p> <p>Reduce biodiversity loss, achieving, by 2010, a significant reduction in the rate of loss</p>	<p>In response to the loss of global biodiversity, the international community has encouraged land and marine protection. As a result, about 21 million km<sup>2</sup> of land and sea (out to 12 nautical miles) were protected by 2008. However, since protection concerns territorial waters which represent only a small fraction of the entire ocean area, the overall protection of the world's oceans is less than 1 %.</p> <p>Deforestation continues to pose serious challenges, even though the net loss of forest area is slowing down. Thanks to increased forest planting, landscape restoration and the natural expansion of forests, deforestation of about 13 million hectares per year led only to an estimated net decline of 7.3 million hectares of forest area per year over the period 2000-2005, compared to 8.9 million hectares annually in the previous decade. The percentage of forest designated to protect soil and water resources also increased from 8% in 1990 to 9% in 2005. The fastest rates of forest loss from 1990 to 2005 were in sub-Saharan Africa (7.1%), Latin America and the Caribbean (7%), and East Asia and the Pacific (1.6%). The other regions saw increases in their forest areas.</p> <p>The number of species threatened with extinction is rising rapidly, fishery stocks, importantly contributing to food security chains in many developing countries, are often</p>

		exploited at unsustainable levels. Therefore, an improved fisheries management is needed to reduce the depletion of fish stocks.
	<p><b>Target 7.C:</b></p> <p>Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation</p>	<p>Although there is not yet a global <u>water</u> shortage, about 2.8 billion people, representing more than 40% of the world's population, live in river basins with some form of water scarcity. More than 1.2 billion live in conditions of physical water scarcity, which occurs when more than 75% of river flows are withdrawn. Another 1.6 billion people live in areas of economic water scarcity, where human, institutional and financial capital limit access to water, even though water is available locally in nature to meet human demands.</p> <p>Since 1990, 1.6 billion people have gained access to safe water, and at this rate the world is expected to meet the drinking water target (i.e. 89% of the population of developing regions use improved sources of drinking water by 2015). However, according to the UN, currently around one billion people still lack access to safe drinking water.</p> <p>There are huge disparities among and within regions. For example, progress has been most pronounced in Eastern Asia, where over 400 million people have gained access to improved drinking water sources and coverage has grown by 20% since 1990. In North Africa 92% of people use improved sources of drinking water, while in sub-Saharan Africa the proportion is only 58%. Likewise, in 2006, more than 8 out of 10 people without access to improved drinking water sources lived in rural areas. All regions but sub-Saharan Africa and the Middle East and North Africa are on track to achieve the water access target, based on current trends.</p> <p>Prospects are bleaker for the <u>sanitation access</u> target. Almost a quarter of the developing world's population (2.6 billion) lack access to basic sanitation. The percentage of the population in sub-Saharan Africa with access to sanitation rose only from 26% in 1990 to 31% in 2006. Only the Middle East and North Africa are on track, while sub-Saharan Africa and South Asia are lagging far behind.</p>
	<p><b>Target 7.D:</b></p> <p>By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers</p>	<p>In 1990, almost half the urban population in developing regions were living in slums. By 2005, that proportion had fallen to 36 per cent.</p> <p>The lives of slum dwellers have improved in almost all regions, except in West Asia. Despite some advances, sub-Saharan Africa remains the region with the highest prevalence of slums (with 72% of the total urban</p>

		<p>population living in slums).</p> <p>By 2020, the number of slum dwellers is expected to swell to 1.4 billion. Improving their living conditions will require major investment.</p>
<p><b>Goal 8</b></p> <p>Develop a global partnership for development</p>	<p><b>Target 8.A:</b></p> <p>Develop further an open, rule-based, predictable, non-discriminatory trading and financial system. Includes a commitment to good governance, development and poverty reduction — both nationally and internationally</p>	<p>Regarding <u>trade</u>, the failure so far to reach a comprehensive, ambitious and development-friendly agreement in the Doha Round of multilateral trade negotiations represents an important delivery gap in strengthening the global partnership for the MDGs.</p> <p>Duty-free access for developing countries to the markets of developed countries continued to increase in 2007, mainly through the continued elimination of tariffs on a most-favoured-nation (MFN) basis. Primarily as a result of preferences, the LDCs increased their proportion of duty-free trade over the past decade, but there was no further progress in 2007. Some developed countries have started to implement the target agreed in 2005 to grant duty-free and quota-free access to LDCs for at least 97 per cent of their exports (excluding arms and oil), but many others have yet to do so. Currently, only 80% of LDC exports benefit from duty-free and quota-free access to developed countries' markets. Since October 2009, the EU is fully delivering on the commitment made in the WTO Hong Kong Ministerial Declaration by offering 100% duty-free and quota-free access to all LDCs' products, an offer unmatched so far by any other nation.</p> <p>Even though overall agricultural support in terms of developed countries' GDP declined further in 2007 (mainly as a result of the food crisis), it remains an important distortion affecting trade and farm production in developing countries.</p>
	<p><b>Target 8.B:</b></p> <p>Address the special needs of the least developed countries. Includes: tariff- and quota-free access for least developed countries' exports; enhanced programme of debt relief for HIPC and cancellation of official bilateral debt; and more generous ODA for countries committed to poverty reduction</p>	<p>Total <u>Aid for Trade</u> commitments increased in 2007, but more than half the amount was provided to only 11 countries. As regards the specific EU 2005 pledge to commit €2 billion annually to Trade Related Assistance (TRA) by 2010, the EU has hit target – well in advance of the deadline. The total support for TRA from the EU and its Member States reached €2.15 billion in 2008, of which €1.141 billion from EU Member States and €1.007 billion from the European Commission.</p> <p>Following a decline in 2006 and 2007, <u>ODA</u> from members of the Development Assistance Committee of the Organisation for Economic Cooperation and Development (OECD/DAC) rose to \$119.8 billion in 2008, an increase of 10% in real terms over 2007. Although the share of ODA in the gross national income (GNI) of the developed countries rose from 0.28% in 2007 to 0.30% in 2008, it remained below the 0.33% reached in 2005 (when it was boosted by debt relief to Iraq and Nigeria).</p>
	<p><b>Target 8.C:</b></p> <p>Address the special needs of landlocked developing countries and small island developing states (through the Programme of Action for the Sustainable Development of Small Island Developing States and based on the outcome of the twenty-second special session of the UN General Assembly)</p>	

Although ODA reached its highest level ever in 2008,

		<p>there remain large delivery gaps in meeting existing commitments. The 2010 Gleneagles target agreed in 2005 is approximately \$154 billion in present values, and additional flows of \$17 billion a year would be required to achieve this target. Aid to Africa reached about \$26 billion in 2008 but is still about \$20 billion short of being on track.</p> <p>In 2007, ODA to the least developed countries (LDCs) was equivalent to 0.09% of OECD countries' GNI. However, less than half of the OECD/DAC countries are meeting the 0.15-0.20% target for aid to the LDCs, which was reaffirmed as part of the Programme of Action for the Least Developed Countries adopted in Brussels in 2001.</p> <p>The ODA-to-GNI ratio for landlocked developing countries fluctuated between 5 and 9 from 1990 to 2007 but did not change much over the period. The ratio decreased for small island states from 1990 to 2007.</p> <p>On <u>debt</u>, 35 of the 40 eligible countries had qualified by the end of March 2009 for debt relief under the Heavily Indebted Poor Countries (HIPC) Initiative. Of these, 24 had qualified for irrevocable debt relief under the HIPC Initiative and the Multilateral Debt Relief Initiative (MDRI).</p> <p>Prior to the onset of the global financial and economic crisis, high commodity prices and strong trade growth had improved the export revenues of many developing countries. As a result, the burden of servicing external debt fell on average from almost 13% of export earnings in 2000 to below 4% in 2007. However, the ratios of external debt to GDP and external debt service to exports for developing countries have risen significantly since the last quarter of 2008. Developing countries also face significant problems in access to new external financing because of the global credit crunch.</p>
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	<p><b>Target 8.D:</b></p> <p>Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term.</p>	
	<p><b>Target 8.E:</b></p> <p>In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries.</p>	<p>Many essential medicines are inaccessible to the poor in developing countries for two main reasons. First, there are large gaps in the availability of medicines in both the public and private sectors; second, the prices of the medicines that are available are high in relation to their international reference prices.</p> <p>Median prices of essential medicines in developing countries are on average 2.5 times higher than international reference prices in the public sector, and 6.1 times higher in the private sector.</p> <p>The affordability of medicines is expected to deteriorate as a result of the global economic crisis. Incomes for many are falling and currency depreciations are further pushing up the cost of imported medicines.</p>
	<p><b>Target 8.F:</b></p> <p>In cooperation with the private sector, make available the benefits of new technologies, especially information and communication technologies</p>	<p>In the years prior to the global economic crisis, further progress had been made in access to information and communications technologies (ICT), especially in mobile telephony. However, large differences in access and affordability remain across countries and income groups.</p> <p><u>Mobile</u> telephone subscriptions had soared to over 4 billion, equivalent to just over 60% of the world's population, by the end of 2008; in contrast, there were only 1.3 billion fixed telephone lines.</p> <p>Use of the <u>internet</u> increased steadily, with almost one fourth of the world's population online. However, less than 13% of the population in developing countries were using the internet (and only 1.5% in the least developed countries), compared with over 60% in developed countries.</p>

## ANNEX B

### **List of Acronyms**

ACP	- African, Caribbean and Pacific countries
ARAPKE	- African Regional Action Plan for the Knowledge Economy
ARV	- Anti-retroviral therapy
AMCOW	- African Ministerial Council on Water
CAADP	- Comprehensive African Agriculture Development Programme
CEDAW	- Convention on the Elimination of all Forms of Discrimination Against Women
CPIA	- Country Policy and Institutional Assessment
DAC	- Development Assistance Committee, OECD
DFQF	- Duty-Free and Quota-Free
DSW	- Maternal deaths worldwide
EBA	- Everything but Arms
EDCTP	- European and Developing Countries Clinical Trials Partnership
EDF	- European Development Fund
EGS	- Education Guarantee Schemes
EFA GMR	- Education for All Global Monitoring Report, UNESCO
ERD	- European Report on Development
EU	- European Union
EUEI	- European Union Energy Initiative for Poverty Eradication and Sustainable Development
EUWI	- European Union Water Initiative
FDI	- Foreign Direct Investment
FP7	- 7 <sup>th</sup> Framework Programme for Research and Development
FTI	- Fast Track Initiative for Education

GAVI	- Global Alliance for Vaccines and Immunisation
GDP	- Gross Domestic Product
GFATM	- Global Fund to Fight AIDS, Tuberculosis and Malaria
GNI	- Gross National Income
GSP	- Generalised System of Preferences
HIPC	- Highly Indebted Poor Countries
HIV/AIDS	- Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
ICT	- Information and Communication Technologies
IEA	- International Energy Agency
IHP	- International Health Partnership
ILO	- International Labour Organization
IPPF	- International Planned Parenthood Federation
IPR	- Intellectual Property Rights
LDC	- Least Developed Country
LICs	- Low Income Countries
MSF	- Médecins sans Frontières
MDGs	- Millennium Development Goals
MDRI	- Multilateral Debt Relief Initiative
MSI	- Emergency Obstetric Care
NSDS	- National Strategies for the Development of Statistics
NER	- Net Enrolment Ratio
NGO	- Non Governmental Organization
ODA	- Official Development Assistance
OECD	- Organisation for Economic Co-operation and Development
PEPFAR	- US President's Emergency Plan for AIDS Relief
SBA	- Skilled Birth Attendance

SSA	- Sarva Shiksha Abhiyan
SSA	- Sub-Saharan Africa
UN	- United Nations
UNICEF	- United Nations Children's Fund
UNDP	- United Nations Development Programme
UNEP	- United Nations Environmental Programme
WHO	- World Health Organisation
WTO	- World Trade Organization