



## 2015-Watch

### The EU's contribution to the Millennium Development Goals

### Special focus: HIV/AIDS

A report by Alliance2015

## Impressum

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Camilo Tovar has produced the background studies and reference documents for this report. These are available on request. He has also assisted in the drafting of 2015-Watch. I am grateful for the dedication and outstanding skill he gave to this work. Ana Stefanovic and Ben Moore helped in the editing of the report. Finally, a word of thanks to Birgit Dederichs-Bain from Deutsche Welthungerhilfe for a delightful co-operation. She managed this project for Alliance2015 and produced the first outline. The report also benefited from the extensive comments made by Olive Towey from CONCERN, and comments received from IBIS and HIVOS.

**Mirjam van Reisen**

Brussels, 20 April 2004

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## Foreword

### **"Yes, another world is possible." <sup>1</sup>**

This vision was one of the driving forces behind the foundation of Alliance2015 in Bonn in November 1999. At that time, six European development NGOs came together with a view to working more closely in order to equip themselves collectively to deal with the challenges presented by future political changes at the European and global level. They regarded their 'pluralism' and 'diversity' as important assets: assets which could be used to create synergies, which could enable more effective advocacy for the interests of the poor and marginalized in developing countries, assets which could be used in pursuance of another and better world.

This vision has always been counterbalanced by a pragmatic working approach, by a recognition that our strengths and capacities are limited, but that the obligation upon us is to use them all to maximum effect. With a combined project turnover of almost 250 million Euro and over 1.700 running projects in more than 60 countries – Alliance2015 is a European player, with a global reach.

The name Alliance2015 is clearly indicative of its focus: to contribute to the realization of the Millennium Development Goals (MDGs). These goals are unique in many ways. They are concrete and target-oriented. They reflect a global consensus on what needs to be achieved to eradicate poverty worldwide. They are unique in that they comprise a pact between the North and the South.

In launching this report, Alliance2015 is for the first time presenting itself in an MDG-advocacy role onto the European stage. This report is intended to be a contribution towards making this most widely accepted framework for development a reality. And while the MDGs are directed at governments, we are all – NGOs and governments alike – united in this effort. No one actor will achieve them in isolation. Alliance2015 is making this contribution at a crucial time: in the run-up to the first review of the achievement of the MDGs in 2005, but also at a time marked by wars and armed conflicts, which take an alarming toll on human and financial resources, which in turn diminishes funds available for the development work.

With the first review of the Millennium Development Goals to take place in 2005, it is time for all parties to focus on a comprehensive reporting of the results achieved so far. The MDGs are a priority issue at UN-level and have the full and personal commitment of its political leadership. However, a look at results so far shows that the international community – according to the data available – is seriously behind schedule. Yet despite this fact, governments and institutions have failed to adequately redirect their work-agenda towards the MDGs and define the strategies necessary for their achievement. NGOs not only recognize but face similar challenges.

Alliance2015 is now joining those actors prepared to critically assess their own failures and to refocus their multi-annual planning more vigorously towards the MDGs.

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<sup>1</sup> Slogan of World Social Forum (WSF) in Mumbai, India (January 2004)

Without increased efforts the 2005 targets will be missed, and the 2015 Millennium Development Goals will become unachievable. If this happens, it will be because of the lack of political will to realize the goals.

This first **2015-Watch** report looks at the way in which the European Union has contributed so far to the achievement of the Millennium Development Goals. It is a first endeavour to develop a systematic way of measuring the contribution of governments in the North. It has been developed as a tool for monitoring the implementation of each goal by different donors, and focuses on Goal 8 which is about the essence of development cooperation: the partnership between North and South and the quality of this partnership – each of which goes far beyond the 0,7% ODA target.

**2015-Watch** has developed a methodology, which measures the policy process of donors and its orientation towards the MDGs. Its design offers the potential for replication. The present report concentrates on the EU for a number of reasons, not least because of its relevance to an alliance of European NGOs. More importantly, the EU is the world's largest donor, and has a clear commitment to the MDGs as well as a lead role in the review process.

The report has a focus on HIV/AIDS because this pandemic is increasingly becoming an impediment to development, reversing gains made in many countries and drastically reducing the quality of people's lives and the impact of the work of development organisations. Recognising that there is still a long way to go, Alliance2015 is enhancing and redirecting its efforts, at the project and advocacy level to take account of this pandemic.

We welcome the European Union's commitment to the Millennium Development Goals and the political initiatives, which have so far been taken in order to make these a reality. We are also aware that while drafting this report, the EU has been introducing some positive changes in relation to its role in the upcoming review process.

The objective and intention of this report is to strengthen EU development co-operation by providing findings and recommendations, which if adopted could firstly increase the quality of EU development co-operation in its orientation towards the MDGs and secondly which could improve instruments for their monitoring. We hope it will raise much debate, and will direct all of us to ask – and answer honestly – the key question: Are we doing enough to make the Millennium Development Goals a reality?

**Jaap Dijkstra**  
President Alliance2015

## Executive Summary

In September 2000, the Millennium Declaration was adopted by the largest ever gathering of Heads of State. The Declaration contained eight goals, known as the Millennium Development Goals. Since then, these goals have provided a framework for setting priorities in development. They point development co-operation in a direction, which prioritises poverty eradication, education and health, gender, the environment and the fight against HIV/AIDS. Time-bound targets were set to achieve the goals by 2015. In 2005 the first review of achievement towards these goals takes place. As highlighted in the introductory chapter, a number of preparatory activities are already underway at different levels.

The international community has put in place a variety of instruments to monitor performance towards the MDGs. However, Goal 8, which sets out objectives for an international partnership between North and South has attracted much less attention. To date, hardly any performance assessments have been carried out in relation to Goal 8. There may even be an assumption that progress in relation to this goal specifically cannot be usefully or prescriptively measured.

However, as made clear in the foreword, it is this goal, which provides the fundamental perspective that the MDGs can only be achieved if wealthy and poor countries take joint responsibility for the eradication of poverty. Goal 8 recognises the responsibility of development donors in orienting their policies towards the goals. Without such policy adjustment, it is unlikely that the MDGs will be met.

Performance of developing countries in acting towards the MDGs is crucial. However, the responsibility of the North – and an ability to monitor its own progress – is equally crucial in meeting the challenges accepted and legitimised at the highest level by the global community.

Alliance2015 has commissioned 2015-Watch in order to constructively contribute to the implementation of the MDGs from a civil society perspective:

- 2015-Watch is an instrument, which seeks to measure objectively and quantitatively the performance of multilateral and bilateral development agencies in the implementation of Goal 8 by looking at existing policy processes.
- The criteria for measuring policy performance are defined in the context of four distinct elements of the policy process: 1) legal and financial framework; 2) sectoral budgetary allocation; 3) programming and implementation and 4) evaluation and impact.
- It uses a methodology, which allows prescriptive measurement of a set of criteria, each weighted according to importance and relevance, which can then be measured against targeted policy aims.
- This is an instrument designed to be replicable - allowing comparison of donor performance as well as measurement of progress or regression in policy performance of any particular donor. 2015-Watch also facilitates focus on a particular sector of relevance to the MDGs.



In this report Alliance2015 has applied its methodology to the European Union for the reasons mentioned in the foreword. The EU is the world's largest donor. It has committed itself to playing a leading role in the upcoming review process. An assessment of its performance in relation to Goal 8 is particularly apt. The results (as is shown in chapter 3 and 4) deliver a very clear message:

There is a big gap between policy and implementation, between theory and reality, between rhetoric and results.

Based on its findings 2015-Watch concludes that the EU's development policy, while having a growing focus on the goals, is in its policy implementation inadequately geared towards the MDG areas.

This result raises important questions about whether the political commitment of the European Union translates into policy implementation. So, what is the explanation for the gap between rhetoric and results?

Explained in fuller detail throughout this report, the gap is due to an overall lack of orientation towards poverty eradication in all stages of the policy process. The EU performs poorly in all of the specific sectors for the MDGs. For instance, in education and health, the EU committed a mere 0.33% of EC ODA to basic education and 1.53% to basic health. The performance on gender in terms of real commitments is also alarming. In 2002, only 0.22% of EC ODA (see chapter 3.3) was committed specifically and directly to gender. Moreover, in the same year, only 1.3% of EC ODA was allocated to general environmental protection.

These low figures of real spending are matched by the very low priority given to MDG sectors in Country Strategy Papers and National Indicative Programmes. Furthermore, there are few targets in relation to allocation to sectors relevant to the MDGs. The European Commission has explained this absence by referring rather to an emphasis on real impact. However, real impact has not been measured by the European Commission. In 2002, it implemented only one country evaluation, and in 2003 only three. Moreover, in each of these four country reports, it is concluded that the impact of the European Commission on MDG sectors is extremely limited.

2015-Watch considers in detail one specific area – HIV/AIDS. It was found that in this area the European Commission performs better, with the EU's development policy achieving a more positive orientation towards tackling HIV/AIDS. This is mainly due to a positive legal framework and implementation of pledges made to the Global Fund.

Based on the findings of this report (for which publicly available figures were used), a number of recommendations are made, which could contribute to enhancing the policy performance of the EU. These include:

1. **A revision of the EU's development policy** to have as primary aim the eradication of poverty and to reflect the EU commitment to the MDGs (a new Policy White Paper in 2005);
2. **Allocation and targeting of MDG sectors** related to poverty eradication in all developing countries **through the budget and financial perspectives**;
3. **MDG-related criteria** for defining and monitoring implementation of the EU's **Country Strategy Papers** and **National Indicative Programmes**;

4. Proper monitoring and evaluation of the EU's impact on the MDGs, with an **increased frequency of country evaluations**;
5. A development policy geared towards **poverty eradication in the EU Constitutional Treaty**

On the basis of the recommendations, Alliance2015 wishes to engage with the EU – and with other actors in the broader NGO-community – to strengthen the role of development at EU institutional level. It is envisaged that such engagement will be particularly vital with the introduction of the new European Commission.

Such engagement could allow the Commission play an even stronger role in the upcoming review process – leading the international community in qualifying Goal 8 with time-bound targets, as exist in relation to the other seven goals. This would help to establish – in the sense of a true partnership – a more detailed monitoring of the countries of the North in working towards achieving Goal 8.

# 1 Introduction

At the United Nations Millennium Summit in September 2000, world leaders committed their nations to strengthening efforts to eradicate poverty and to promote human dignity, equality, peace, democracy and environmental sustainability. In this largest-ever gathering of Heads of State, the Millennium Declaration was adopted. The Millennium Development Goals (MDGs) emerged from this Declaration as eight specific and measurable goals to be achieved by humankind by 2015.

In the past decades, other UN goals have been set. Some of them have been achieved while others have not been achieved by their target dates. However, in most cases, highly significant progress has been made. The setting of global goals draws attention to specific fundamental problems and needs towards which joint global action shall be directed.

## 1.1 The origin of the MDGs

Since the 1960s, governments have been setting goals within the forum of the United Nations. In a series of UN development conferences in the 1990s, a range of commitments and goals were agreed. In 1996, the Development Assistance Committee (DAC) of the OECD worked out the International Development Goals to delineate how its member countries would join efforts to improve development assistance based on the agreements made within these conferences. Together they form a core set of commitments and indicators to measure development progress. The International Development Goals offered a selection of indicators that could help to monitor the evolution of development indicators and progress towards development goals. However, this initiative was taken by the donor community without an authentic agreement with recipient countries. This was a major source of criticism. The critics pointed out that partner countries in the South were held accountable for their performance on the basis of indicators which were selected by the donor community only. They also argued that the International Development Goals did not take into account the crucial role of the wealthy countries, multilateral organisations and development agencies in the formulation and implementation of policies necessary to achieve the commitments made in the UN Conferences.

## 1.2 What are the MDGs?

Building on the momentum created by the International Development Goals, the Millennium Development Goals were agreed upon within the UN as a unique commitment amongst both rich and poor nations to an ambitious, concrete and essential mission. The MDGs were adopted with the UN Millennium Resolution affirming that:

"We will spare no effort to free our fellow men, women and children from the abject and dehumanizing conditions of extreme poverty, to which more than a billion are currently subjected. We are committed to making the right to development a reality for everyone and to freeing the human race from want. We resolve therefore to create an environment – at the national and global levels alike – which is conducive to development and to the elimination of poverty."  
(A/55/L.2)

The MDGs are also unique in recognising that such goals can only be achieved through a strong partnership among all development actors and particularly

through increased action by the wealthy countries and multilateral agencies. The partnership between 'developed' and 'developing countries' is a goal in itself: Millennium Development Goal 8. Goal 8 sets out the aim to "Develop a global partnership for Development." It is this goal, which has motivated the creation of 2015-Watch.

### 1.3 Monitoring Progress towards the MDGs

There are a growing number of efforts from multilateral and bilateral development agencies to evaluate and monitor the performance of partner countries in the South. The MDGs provide a tangible framework, in which efforts can be monitored against an internationally agreed set of 48 indicators. Remarkable work has been undertaken in this area over the last three years.

However, this process has tended to be rather one-sided with developed countries increasingly demanding that their partner countries in the South account for their input in achieving development goals. The MDGs were agreed on the basis of a partnership: developed countries also hold themselves accountable for their contribution to development. Unfortunately, efforts in this area have been limited. Developed countries, or donors, tend to evaluate progress towards the MDGs primarily at the level of the impact achieved by a partner country in the South. Some efforts are undertaken to link this progress to particular contributions from developed countries. Mostly, the authors of these evaluations recognise that it is extremely difficult to attribute these results to a particular donor.

Goal 8 is of a particular nature in that it sets out a development agenda as a partnership between the North and South. It includes, among others, the commitment to "good governance, development, and poverty reduction nationally and internationally." It also includes the commitment to "more generous official development assistance for countries committed to poverty reduction". A set of indicators adopted through consensus amongst a group of experts from the United Nations secretariat, the IMF, World Bank and OECD include:

- Net ODA, total and to LDCs, as percentage of OECD/DAC donors' income;
- Proportion of total bilateral, sector-allocatable ODA of OECD/DAC donors contribution to basic social services (basic education, primary health care, nutrition, safe water and sanitation).

While these same indicators are included in the 2015-Watch analysis, they are also considered rather limited. For instance no indicators were proposed to deal with the substantive aspects of the MDGs:

- Poverty eradication to be considered as the overriding objective of development co-operation (Goal 1)
- Specific focus to children and the universal right to education
- Elimination of gender disparity, promotion of gender equality and the empowerment of women
- The fight against HIV/AIDS
- A guarantee of environmental sustainability

2015-Watch sees Goal 8 as a crosscutting goal, which recognises the need to establish partnerships between North and South in all of the above areas – covered by Goals 1 to 7. A commitment to the MDGs requires development donors to direct their policies towards their realisation.

In 2005, progress towards the Millennium Development Goals will be reviewed at a UN General Assembly gathering of Heads of State. This progress will be measured through national reporting mechanisms on which the UN country teams, through the UNDP, will offer assistance. The preparation for this review will further be assisted by the 'Millennium-Project'. This consists of ten thematically orientated task forces<sup>2</sup>. Each task force will produce a final report by the end of 2004. Much concern has been expressed following the 2003 UNDP report that, under current circumstances, sub-Saharan African countries will only achieve the MDGs in 2165. The 'UN-MDG-Campaign'<sup>3</sup>, has also expressed concern that the pace of progress needs to increase if the MDGs are to be met.

At the European level the reporting process has also begun: The EU will prepare reports of the EU and the Member States (MS), and will focus on Goals 7 and 8. These reports will build on efforts already made by a number of Member States to monitor their contributions. Denmark for example, has already reported on Goal 8. The Netherlands, which will hold the EU-Presidency in the second half of 2004, has also undertaken work on monitoring Goal 8, and is researching indicators which better reflect the intention and commitment. Luxembourg and the UK who will take over the Presidency in 2005 are also expected to continue with the MDG-agenda.

The EU-Council has agreed that the EU's effort should focus on how development policies and instruments contribute to the implementation of the Millennium Declaration and the achievement of the MDGs. It is precisely this orientation, which 2015-Watch sets out to monitor.

#### Box 1

### Millennium Development Goals

- Goal 1: Eradicate extreme poverty and hunger
- Goal 2: Achieve universal primary education
- Goal 3: Promote gender equality and empower women
- Goal 4: Reduce child mortality
- Goal 5: Improve maternal health
- Goal 6: Combat HIV/AIDS, malaria and other diseases
- Goal 7: Ensure environmental sustainability
- Goal 8: Develop a global partnership for development

It is not the objective of 2015-Watch to produce the ultimate authoritative methodology on MDG measurement. Rather, it proposes more effective methodologies in order to monitor donors' contributions to the MDGs. If donors and development agencies take the MDGs seriously, it is imperative that they themselves evaluate how their own policy orientations and instruments contribute to their

<sup>2</sup> under the directorship of Professor Jeffrey Sachs

<sup>3</sup> under the leadership of Eveline Herfkens

realisation. Moreover, they should develop the necessary tools to monitor their specific contributions. In order to obtain comparable results, tools will need to be standardised among donors.

2015-Watch has further implications in that it identifies the need for comprehensive monitoring of the partnership on which the MDGs are based. Monitoring instruments for Goal 8 should include indicators to measure the extent to which the development co-operation policies of developed countries are oriented towards the MDGs. As a basis for improved monitoring instruments, clear, quantitative and time-bound targets for the contribution of developed countries to the MDGs are essential.

Although this project as a new departure evaluates the EU contribution and focuses on HIV/AIDS, a further intention is that 2015-Watch be applicable to other donors and other specific sectoral priorities. The need for comparability and replicability has guided the selection of each of the parameters and components used in this analysis.

## 1.4 Measuring the Contribution of Developed Countries to the MDGs

The contribution of developed countries at the input level can be clearly established, assessed and evaluated. Donors' input refers here to the policies and instruments, which they have put in place to ensure that development assistance is contributing to the MDGs. These policies and instruments can be clearly identified and, in most cases, distinguished for each donor, even when aid activities constitute only one part of joint initiatives, such as global funds.

It is obvious that the impact and results achieved in partner countries in the South are the ultimate objective of development assistance, hence the effort to evaluate and monitor them is essential. The input of donors at the policy level is one of the essential steps to achieving the ultimately desired outcome. It is also evident that in the absence of a concrete policy oriented towards the MDGs and adequate instruments to implement that policy, the commitment of developed countries must be questioned. Finally, it is important to break down the assessment of the policy process as a means of diagnosing where the key problems lie in development aid, which fails to support the MDGs.

### Box 2

*"... country outcomes need to be assessed as a product of group efforts led by the country. In this sense, attribution is collective, although the relevance and effectiveness of individual agency contributions to the larger outcome can be evaluated. And, while it is difficult to attribute development outcomes to individual agencies, it is possible –indeed imperative– to assess individual agency performance against clearly defined policies and standards, including the agency's performance as a development partner."*

**World Bank and IMF; "Better Measuring, Monitoring, and Managing for Development Results". 18 September 2002.**



Few studies have addressed this need, possibly due to the complexity of evaluation of policies and the increasing focus on results-oriented evaluation. Statistical tools and methodologies applied for evaluation of results or impact cannot be used in the same way to evaluate policies. Measurable and acceptable indicators are difficult to define and are currently largely non-existent. Developed countries have agreed to very few time-bound and quantitative targets requiring their action. Goal 8 is the only MDG that includes neither concrete quantitative targets nor deadlines for its targets to be achieved. However, these difficulties are no reason to avoid an attempt to evaluate the contribution of developed countries to development goals. Indeed, it is of crucial importance to do so.

## 1.5 2015-Watch – A Tool to Measure Goal 8

2015-Watch is an instrument, which enables analysis of the contribution of developed countries to each Millennium Development Goal. It does this by assessing policy-orientation and instruments. In this paper, the methodology has been applied in order to assess the contribution of the European Union while it has been designed in such a way that it may be replicated for other measurements and with other donors. The aim has been to develop a set of criteria that can be used to measure and compare the policy orientations of all actors investing in the achievement of the MDGs and to determine the quality of their contribution to the MDGs through their specific inputs.

2015-Watch has arrived at qualitative findings, based upon the analysis of a policy process. The methodology used for the analysis can also be applied to a quantitative scoring. In order to make this analysis – and the reasoning behind it – more transparent and to show more clearly how the policy phases, components, indicators and parameters interrelate, annexes have been produced with standardized scoring and results. These annexes give an overview of a considered translation of the analyses into quantitative scores. As mentioned already, 2015-Watch is not about the production of the ultimate methodology on MDG measurement. It is about enhancing donors' efforts to undertake measuring and regular monitoring of their own performances with regard to their contribution to the MDGs.

The European Union (EU) is an important actor in development globally. It is the world's largest donor and manages a diverse and complex set of development co-operation instruments. The EU and its Member States provide some 50% of the total Official Development Assistance (ODA) to partner countries in the South. This is delivered in two ways: bilaterally by each Member State and via the European Community managed by the European Commission. The European Commission manages aid programmes from the European Union budget. It also manages a programme specifically designed for African, Caribbean and Pacific Countries (ACP) through a voluntary fund called the European Development Fund (EDF). The donor to be studied in this new initiative is the European Union, specifically the aid funded through the European Community budget and the EDF, managed by the European Commission, hereafter called the EU contribution.

The aim is to assess the policies and instruments set down by the EU to implement development co-operation, with a particular emphasis on its capability to address the MDGs. The year 2002 has been selected as the reference year for assessment. However, given the nature of this analysis and the impossibility to frame all the work in just one year, 2015-Watch has taken on board developments during the years 2001 and 2003.

The MDGs give a special importance to combating the pandemic of HIV/AIDS and identify it as one of the goals to be achieved: Goal 6. Acknowledging this status and the momentum of the fight against HIV/AIDS, 2015-Watch contains a specific focus on assessing the contribution of the EU to tackling the pandemic.

**Box 3**

**GOAL 6:** Combat HIV/AIDS, malaria and other diseases.

**Target 7:** Have halted by 2015 and begun to reverse the spread of HIV/AIDS.

2015-Watch proposes a set of parameters to measure whether a development co-operation programme has a satisfactory policy orientation towards the MDGs. The lack of any time-bound and quantitative commitments agreed to by developed countries for their contribution, as donors, to the achievement of the MDGs, is a constraint on the establishment of internationally acceptable parameters. Therefore, 2015-Watch identifies a set of basic elements that are essential to advancing the realisation of the MDGs. These basic elements should be included in all development co-operation policies and are defined as the parameters of the assessment.

## **1.6 Structure of the Report**

The structure of this report is as follows:

Chapter 2 will present 2015-Watch. This chapter includes the justification for and explanation of the criteria chosen and of the methodology applied in analysing the performance of the EU in providing a policy focussed on the implementation of the MDGs.

Chapter 3 will use 2015-Watch methodology to assess the EU's orientation towards achieving the MDGs. Chapter 4 is dedicated exclusively to the sector on which this 2015-Watch report is focussed: HIV/AIDS. Chapter 5 will present the main findings of the study, its conclusions and recommendations.

Further reference documents produced for this report are listed at the back of the document, together with the bibliography.



## 2 2015-Watch

2015-Watch sets out to measure the contribution of wealthy countries and multilateral agencies to the MDGs by assessing the existence and quality of policy orientation towards the implementation of the goals. It has been designed such that measurement can be replicated over successive years in order to quantify progress or regression. It is also designed such that quantifiable comparisons with other donors can be undertaken.

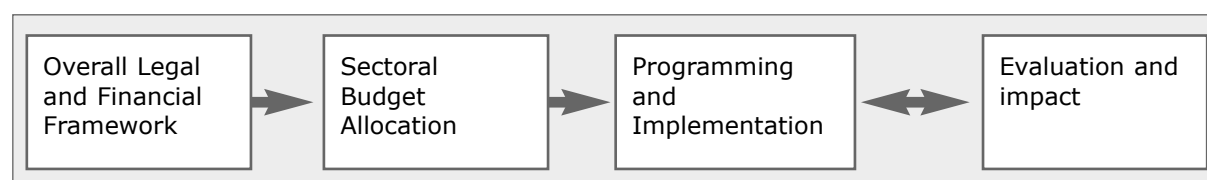
2015-Watch is also a diagnostic instrument. It can assess where the key problems lie regarding donors' failure to contribute to the MDGs through their development co-operation. By breaking down the policy process into a number of stages analysis of the weak parts in any donor's development programme is possible.

### 2.1 Methodology Explained

2015-Watch is based on the assumption that the quality of donors' aid is determined by the quality of the policy process. The policy process comprises (I) setting objectives, (II) allocating resources, (III) defining procedures for programming and implementation and (IV) evaluation and monitoring aimed at improving performance.

These four stages that can in turn be seen in the context of donors' responsibilities in securing:

1. the overall legal and financial framework which sets out the overall objectives and priorities as well as financial resources available for development;
2. the more detailed sectoral allocation and definition of activities through the budget;
3. the criteria used in programming, identification of projects/programmes and their implementation;
4. the criteria for evaluation of impact and actual assessment of impact achieved.



These four phases relate to the following information relevant to any donor:

#### I. Overall Legal and Financial Framework

This includes primary legislation and legal acts falling under the category of non-legally binding legislation, as well as major communications on policies. These set the framework of overall objectives and priorities of the aid programme. The overall financial framework defines the availability of financial resources and the poverty focus in terms of geographic allocation.

#### II. Sectoral Budget Allocation

This focuses on detailed commitments and allocations to sectors relevant to the MDGs: basic education, basic health, gender, environment and HIV/AIDS.

In the case of the EU budget, this is set out in the commitment appropriations as well as in the real payments that have been made after implementation. These define the sectoral priorities that have been set through the budget and the allocation of the budget through actual payments.

### III. Programming and Implementation

This includes the criteria for defining priorities as well as the approval of programmes approved under the development co-operation policy. In the EU development programme, Country Strategy Papers and National Indicative Programmes are key documents for the analysis of the actual development co-operation programme.

### IV. Evaluation and Impact

This includes the criteria used for any one particular evaluation of the development programmes in a country and the assessment of the actual impact achieved. Evaluation reports are the source of information for this part of the policy process.

The identification of these policy phases provides an important tool to detect where deficiencies occur and how the donors' contribution to the MDGs could be maximised. The assessment can also give clues as to how to address the existing problems, where measures must be taken, and how the policy process can be improved in order to enhance the efficiency and effectiveness of development co-operation in achieving the MDGs.

Within the methodology applied by 2015-Watch, the four constituent parts of the policy process carry an equal weighting in the scoring as they are considered equally important in getting the policy right. Within the four phases of the policy process, prescriptive components have been defined which can be measured against the policy objectives set out in the MDGs.

The following is the list of components selected for the 2015-Watch analysis:

<b>Table 1: Summary of 2015 Watch policy phases</b>	
<b>Policy Phase</b>	<b>Component</b>
I. Overall Legal and Financial Framework	(1) Primary Legislation: Treaties or laws (2) Declarations and policy documents (3) Volume of ODA (4) Poverty focus in overall budget
II. Sectoral Budget Allocation	(5) Targeting MDG sectors (6) Allocation to MDG sectors
III. Programming and Implementation	(7) Criteria for Country Strategy Papers (8) MDG sectors in the National Indicative Programmes
IV. Evaluation and Impact	(9) Criteria for evaluation (10) Impact of EU aid in MDG sectors

Within these components, the sectoral MDG areas, which have been considered for the measurement of the EU's performance towards the MDGs are derived directly from the MDG Goals.

- 1) *Poverty eradication* is derived from Goal 1 of the MDGs: "*Eradicate extreme poverty and hunger*".
- 2) *Basic education* is derived from Goal 2, "*Achieve universal primary education*".
- 3) *Gender equality*: is derived from Goal 3: "*Promote gender equality and empowerment of women*".
- 4) *Basic health*: is derived from Goals 4 and 5:  
Goal 4: "*Reduce child mortality*" ; Goal 5: "*Improve maternal health*".
- 5) *HIV/AIDS*: is derived from Goal 6: "*Combat HIV/AIDS, malaria and other diseases*".
- 6) *Environment*: is derived from Goal 7: "*Ensure environmental sustainability*".

**Table 2: Components and parameters of 2015 Watch**

Policy Phase	Components	Parameters
I. Overall Legal and Financial Framework	(1) Primary Law	a) Poverty eradication b) International standards c) Coherence
	(2) Declarations and policy documents	a) MDGs as objectives b) Poverty eradication c) Basic education d) Basic health e) Gender equality f) Environment g) HIV/AIDS
	(3) Volume of ODA	a) UN target: 0.7% of GNP for ODA
	(4) Poverty Focus in overall budget	a) Poverty focus in financial perspectives
II. Sectoral Budget Allocation	(5) Targeting MDG sectors	a) 20% of ODA to basic social services b) Targeting gender equality c) Targeting the environment d) Targeting HIV/AIDS
	(6) Allocation to the MDG sectors	a) 20% of ODA to basic social services b) Allocation to gender equality c) Allocation to the environment d) Allocation to HIV/AIDS

**Table 2: Components and parameters of 2015 Watch**

<b>Policy Phase</b>	<b>Components</b>	<b>Parameters</b>
III. Programming and Implementation	(7) Criteria for Country Strategy Papers	a) Poverty eradication b) Basic education c) Basic health d) Gender equality e) Environment f) HIV/AIDS
	(8) MDG sectors in the National Indicative Programmes	a) Poverty eradication b) Basic education c) Basic health d) Gender equality e) Environment f) HIV/AIDS
IV. Evaluation and Impact	(9) Criteria for evaluation	a) Poverty eradication b) Basic education c) Basic health d) Gender equality e) Environment f) HIV/AIDS
	(10) Impact of EU aid in the MDG sectors	a) Poverty eradication b) Basic education c) Basic health d) Gender equality e) Environment f) HIV/AIDS

The following chapter assesses the EU's contribution to the first five sectoral areas outlined above while Chapter 4 evaluates the EU contribution to the focus area of HIV/AIDS.

### 3 The EU's Contribution to the MDGs

*"Achieving the Millennium Development Goals is a key objective for the European Union and the wider international community. The commitments made by EU member states at the Monterrey Conference reflect the Union's leadership role in international efforts to achieve the MDGs. (...) [The GAERC] believes that the EU's commitment to the achievement of the MDGs should be reflected across the range of EU policies and in its decisions on financial allocations." (2559th Council meeting, Brussels 26 January 2004, 5519/04 press 26)*

This chapter outlines in detail the assessment of how the EU commitment to the MDGs has been translated into the implementation process during 2002. In other words, this chapter will assess to what extent the policy has been oriented towards achieving the MDGs in 2002. The chapter will follow the four policy phases identified already: 1) overall legal and financial framework; 2) sectoral budget allocations; 3) programming and implementation and 4) evaluation and impact.

Following the structure outlined in the previous chapter, EU policy will be assessed for its orientation towards the specific MDGs on poverty reduction, education, health, gender, and the environment.

HIV/AIDS has been given particular consideration, and this separate assessment has been addressed in the next chapter and therefore has not been included at this point.

#### 3.1 The EU's Political Commitment to the MDGs

The European Union has expressed clear commitment to the Millennium Development Goals and to the Declarations and programmes of action upon which they are based. Following the 2002 World Summit on Sustainable Development, the Council adopted a resolution that re-emphasised the importance of the MDGs;

*"The Council notes the Johannesburg reaffirmation of the Millennium Development Goals and that eradicating poverty is among the greatest challenges facing the world today and an indispensable requirement for sustainable development to be achieved through a multidimensional approach which mainstreams gender and environmental issues, and ensures access to water, sanitation, energy, health care, education, land and adequate shelter (...) and reiterates the commitment of the EU to ensure coherence between its internal and external policies, including its development assistance programmes, in order to achieve this goal." General Affairs and External Relations Council, 2449th Council Session, Brussels, 30 September 2002, Council Conclusion, 12067/02 (Press 276)*

In a statement to the Development Committee of the European Parliament, Commissioner Nielson re-emphasised;

*"Our plans for 2003 have to build on the work of recent years, starting with the Millennium Development Goals and the agenda we set for ourselves in Doha, Monterrey and Johannesburg (...) For the Commission, this has to be a year devoted to implementation." (Statement by Mr. Poul Nielson, Member of the Euro-*

pean Commission, Responsible for Development and Humanitarian Aid, Development Committee, European Parliament, 21 January 2003)

In recent years, the European Commission has pointed to the priorities, which it has set in health and education, and areas such as water and energy.

#### Box 4

*"The hard work of turning political commitments into results on the ground is not new, but needs to be intensified. It is not so much a case of moving from words to deeds, but rather moving to better words and bigger deeds."*

(Statement by Mr. Poul Nielson, Member of the European Commission, Responsible for Development and Humanitarian Aid, Development Committee, European Parliament, 21 January 2003)

In February 2004, the European Council affirmed in its conclusions on the effectiveness of EU external actions that the achievement of the Millennium Development Goals (MDGs) is a key objective for the European Union and the wider international community.

The April Council invited the Commission to take forward work on the preparation and coordination of a consolidated EU contribution to the international stock-taking of the MDGs. It was emphasised that the EU contribution should focus on (I) the extent to which the EC and Member States (MS) have focused their development policies and instruments on the implementation of the Millennium Declaration and the achievement of the MDGs; (II) the documentation of progress being made by the EC and MS in helping contribute to the attainment of the MDGs, and (III) identification of further actions to be taken at national EC/EU level to promote achievement of MDGs. The Commission also stressed that this work should focus on Goal 8.

2015-Watch assesses to what extent the EU has been successful in targeting its policy towards the MDGs. The year 2002 has been selected as the reference year for the assessment. More recent information was desirable but not available from the Commission. To qualify as much as possible this most recent data, and to mitigate the risk in limiting the analysis to one year only, 2015-Watch has taken on board as much as possible developments during the years 2001 to 2003. With the indicators derived from those parts of the policy process outlined in Chapter 2, 2015-Watch analyses the EU's performance in these areas.

## 3.2 Overall Legal and Financial Framework

### (1) EC Treaty

The legal framework will be satisfactory if and when the European Draft Constitutional Treaty is adopted. The European Constitutional Treaty sets out development policy with the overarching objective of the eradication of poverty. The Draft Constitutional Treaty has maintained a clear reference to the need for coherence between EU policies that impact on developing countries and the objec-

tive of poverty eradication. The Draft Constitutional Treaty also includes an article that the EU will take into account the commitments and objectives agreed to in the context of multilateral organisations. The latter is relevant to the MDGs.

However, at present, the EC Treaty lacks a perspective on poverty eradication as the overarching goal of development co-operation. This will be the case until the EU Constitutional Treaty is adopted.

## (2) EU Statement on Development Policy

The "Declaration by the Council and the Commission on the European Community's development policy" of November 2000, the main policy framework of the EU for development co-operation, does not make any reference to the MDGs. This might be explained by the fact that the Council adopted the Declaration in November 2000, while the Millennium Declaration was only adopted in September 2000. However, there has been no resolution since to update this Declaration in order to include the MDGs as the main objectives of the Community's development policy. There are subsequent Council conclusions referring to the MDGs, but the main policy framework has not been updated, either through a Council Declaration or an update of the Commission's development policy.

The Council Declaration does state that;

*"The main objective of Community development policy must be to reduce and, eventually, eradicate poverty".*

This is a clear and positive expression that the *eradication of poverty* is regarded as an overarching objective in the EU's non-legally binding legislation.

The Declaration defines poverty as containing dimensions such as **education and health** (together within other dimensions). The document states that *"Community development policy must support poverty reduction strategies which embrace these various dimensions and are aimed at (...) the development of social policies (...)".* Six areas on which to focus activities have been defined in the Declaration. One of these areas is support for *macro-economic policies and promotion of equitable access to social services*. The policy in this area shall *"ensure equitable access to basic social services such as education and health"*.

Hence, references made to supporting basic education and basic health are included as part of one of the priority areas on which the Community shall focus its development co-operation activities. They are seen as elements of the priority areas for action, but are not themselves defined as priority areas.

**Gender** and the **environment** are defined as horizontal aspects of the Community's development policy. The Declaration highlights the *"need to mainstream cross-cutting concerns comprising (...) equality between men and women and the environmental dimension. Protection of the environment must be included in the definition and implementation of all Community policies... [and] should be systematically incorporated into the Community's development instruments"*. The Declaration takes account of gender equality and the environment as objectives of Community development policy. However, as assessed below, this may not be reflected sufficiently in the implementation.

It is envisaged that the new Commission will adopt a new policy paper and that this will be set in the framework of the MDGs.



### (3) Volume of Aid

At the Barcelona European Summit in March 2002, Heads of State of the EU undertook eight commitments as their contribution to the Monterrey UN Conference on Financing and Development. The first of the EU's Barcelona commitments states that: *"(...) those Member States that have not yet reached the 0.7% target commit themselves – as a first significant step – individually to increasing their ODA volume in the next four years (...) whilst the other Member States renew their efforts to remain at or above the target of 0.7% ODA (...)"*. Some Member States have set individual time-bound plans to increase ODA. The EU has a policy to achieve and maintain contributions in order to reach the UN target of 0.7%. A study carried out by the European Commission shows that the EU is moving towards achieving this target. (Commission Staff Working Paper SEC(2003)569). Furthermore, the quantitative and time-bound targets set by a number of individual Member States for their contribution to ODA is a step forward in their commitment to increasing the volume of development co-operation. Importantly, this also demonstrates that agreed targets can foster a positive impact.

### (4) Geographic Poverty Focus in Overall Budget

The Financial Perspectives – which is the Interinstitutional Agreement of May 1999 between the European Parliament, the Council and the Commission, sets the ceiling of commitments and expenditure for the Community in all the budget categories for the period 2000 to 2006. While this agreement fixes ceilings for the budget to the geographic development programmes, the ceilings in external action/development co-operation are not based on any criteria related to poverty eradication.

In the last decade, Community aid has become increasingly skewed away from Lower Income Countries towards Middle Income Countries. In 1999, the UK Department for International Development calculated that per capita receipt of EC aid by Low Income Countries was \$ 0.55, whereas Middle Income Countries were receiving \$ 1.20 and Central and Eastern Europe and the former Soviet Union were receiving \$ 5.74 (DFID, revised 2001).

Asia, home to two-thirds of the world's poor has been receiving only around 10% of EC aid (BOND, 2002). The Country Strategy Paper for India, approved in 2003, shows a € 225 million target for commitments for 5 years. This amounts to € 45 million per year. This constitutes ca. 0.7% of all EC aid. If EC aid was allocated in relation to the number of people living in poverty, India should be receiving 70 times more EC aid, which would add up to ca. € 3 billion per year for this country alone (Eurostep, 2003). The priority given to resource flows to Middle Income Countries/MICs rather than Lower Income Countries/LICs was not addressed, politically or otherwise, in 2002. In summary, the issue is not redirecting funds from poverty stricken countries in Africa to Asia, but the priority given to MICs rather than LICs.

## 3.3 EU Budget: Sectoral Allocation

### (5) Targeting the MDG Sectors

Since 2000, the EU Budget has included a target allocation of 35% of regional programmes to social sectors including health and education. The target to allocate 20% of annual commitments to **basic education** and **basic health** was not included in the EU budget for regional programmes in 2002. Regarding the



target to allocate 35% of regional budget lines to social sectors, the Commission stated in a letter to the chair of the European Parliament Development Committee:

*"Our computerised management information systems were not geared to allow statistical reporting by sector of assistance according to the DAC for the period 2001. I am pleased to confirm that these systems have now been modified to rectify this situation, and that recording of DAC sectoral data has taken effect from 1 January 2002."* (Letter from Poul Nielson, Member of the European Commission to Mr. Joaquim Miranda, Chairman of the Committee on Development And Co-operation, European Parliament, D902)20225, 21-10-2002.)

The introduction of the new information system in 2002 allowed for allocation on social sectors to be monitored. Nevertheless, in 2002, a commitment target on basic education and health was not included in the budget. This only followed in the 2004 budget.

The integration of **gender issues** is given legal backing in a Council Regulation of December 1998 entitled *"on integrating of gender issues in development co-operation"*. This regulation states that *"the Community shall provide financial assistance and technical expertise to support the mainstreaming of the gender perspective into all its development co-operation policies and interventions"*. The Regulation provides the legal basis for a specific budget line on gender, called *"Integrating gender issues in development co-operation"*.

In the regional budget lines there are some references to gender equality and provisions for actions in favour of integrating women in development. However, only the budget line for co-operation with MEDA countries contains a clear statement: *"all the actions should include gender mainstreaming"*. None of the other budget lines include a provision of this type. While the existence of a specific budget line is a positive factor, no clear commitments have been adopted to implement this mainstreaming. A 2003 evaluation of gender mainstreaming also noted considerable shortcomings in this regard. (Evaluation of the Integration of Gender in EC development co-operation with third countries, March 2003).

In November 2000, the European Parliament and the Council adopted a Regulation *"on measures to promote the full integration of the **environmental dimension** in the development process of developing countries"*. This regulation provides the legal basis for a specific budget line on environment in the developing countries, tropical forests and integrating environmental issues in development co-operation.

The ALA Regulation (1992) includes a target to allocate 10% of the ALA budget lines to the environment. In the regional budget lines on co-operation with ALA and MEDA countries, there is a provision stating that *"An amount representing at least 10% of this appropriation is to be used for environmental policies"*. The budget line for co-operation with Southern Africa and the EDF for the ACP countries do not include this kind of provision. The existence of the target of 10% in some of the budget lines and the ALA Regulation demonstrates that it is possible to define quantitative targets within these policy instruments. Unfortunately, in 2002 and at present, consistency in relation to these targets on the environment is still lacking, while they should be included in all the regional budget lines.

## (6) Allocating to the MDGs

Based on data provided by the European Commission for the European Parliament, the real commitment allocations in the various sectors were assessed.

In 2002, the Community committed only 12.3% of all ODA to **basic social services**. More than half of this figure, (7.3%), is related to food security programmes. In relation to basic education and basic health, the figures for 2002 are alarming: 0.33% of EU ODA was committed to basic education and only 1.53% was committed to basic health (European Commission, Annual Report 2003 on EC development policy and the implementation of external assistance in 2002).

The performance on **gender** in terms of real commitments is also alarming. In 2002, only 0.22% of all EU ODA was committed specifically and directly to gender (being defined as 'women in development' in the sectoral budget breakdown of the European Commission).

As previously outlined, the ALA regulation and some regional budget lines include a provision for allocating a target of 10% to the protection of the **environment**. Nevertheless, in 2002, only 1.3% of all EU ODA was allocated to *general environmental protection*.

The European Community disbursed around a quarter of EU ODA to infrastructure and production sectors in real commitments in 2002. Additionally, the Community disbursed approximately 10% to general budget support. The Commission has claimed that this type of allocation contributes to (basic) health and education but there is no proof that it actually does, particularly since there is no conditionality attached to budget support for these sectors.

### 3.4 Programming and Implementation

#### (7) Country Strategies

Poverty eradication is not explicitly included as one of the main criteria for the formulation of Country Strategy Papers (CSPs) in either (1) the European Commission Staff Working Paper "Community co-operation: framework for Country Strategy Papers" of June 2000 or (2) the European Commission "Guidelines for implementation of the Common Framework for Country Strategy Papers" of May 2001. Although poverty eradication appears as one of the fundamental principles, since the document states that "*development policy shall be centred on [this] objective...*", it is not defined as one of the main criteria in the drawing up of the CSPs. Some references to poverty appear under one of the six common elements that a CSP should include but these are not defined as objectives or priorities. These references to poverty with such wording as "*depending on the objectives of the assistance, issues such as the incidence of poverty and poverty alleviation (...) may be included*" are vague and do not identify poverty eradication as an overriding criterion for drawing up the CSPs. In general, the Guidelines do not define specific sectors as criteria for designing CSPs. They refer to "*identifying a strictly limited number of intervention sectors (...)*" flowing from the analysis of policy objectives. Elements to be included in a CSP are: available funds, past EC experience, relevance, sustainability and complementarity.

There are no exact references to **basic education** and/or **health** as criteria to be addressed in the CSPs. While the Commission argued in 2002 that basic health and basic education might not be relevant (priority) intervention areas in every country, one would assume that these sectors would at least be analysed in the CSPs as a means of identifying whether or not there is a need in a particular country. These areas are not explicitly identified in the Guidelines or in the Working Paper setting out what to include in CSPs. The scant references which are made to education and health in the Working Paper leave these priority

areas as optional areas to be addressed: *"As appropriate, the CSP may also cover issues such as education, health services for adults and children, as well as services for family health care and family planning (...)" and "depending on the objectives of the assistance, issues such as (...) access to education and health services (...) may be included"*.

As for gender, the Guidelines define *crosscutting topics*. Under this heading the document states that *"a number of crosscutting concerns have to be mainstreamed: (...) equality between men and women, children's right and the environmental dimension"*. The Guidelines define **gender equality** and the **environment** as crosscutting topics, which should motivate and inform all aspects of programming. Gender equality and the environment are included as criteria for drawing up the CSPs.

## (8) Implementation

In order to score this area, an assessment was made of the National Indicative Programmes in four countries. National Indicative Programmes set out the range of programmes and projects identified in a particular country as part of the EU's development actions. It is produced as a follow-up of a Country Strategy Paper. In order to link the analysis of the implementation to the assessment of evaluation, the countries selected were those for which also a country evaluation was available. 2015-Watch intends to cover all regions for which the EC has a development co-operation programme. To ensure consistency the analysis had to be limited to those countries for which country strategy evaluations were available. In 2002, the only Country Strategy Evaluation available was in relation to South Africa. In 2003, three Country Strategy Evaluations were undertaken for Malawi, Bangladesh and Morocco respectively. These four evaluations relate to the programmes for ACP countries, the Southern Africa region and the ALA and MED regions. Unfortunately, no Country Strategy Evaluation was available for any country in Latin America.

The NIPs for Malawi and South Africa include **poverty eradication** as the main objective of the Community's development co-operation. Although the NIP for Bangladesh does not define poverty reduction as its overall objective, within the two main priority areas, poverty reduction is properly addressed. In the NIP for Morocco, no mention is made of poverty eradication.

**Basic education** and **basic health** are included as objectives of the NIPs for South Africa and Bangladesh. In the NIP for Malawi, no specific mention is made of these sectors. For Morocco, the NIP foresees actions in professional training but not in basic education, and basic health is not mentioned.

**Gender Equality** is not included as a specific objective in any of the NIPs for the four countries examined. For South Africa, a vague reference is made to gender as a crosscutting issue to be mainstreamed. The NIP for Bangladesh foresees actions to improve food security of extremely poor women. In general, some references are made to protect the rights of women. One project under the NIP for Morocco is focused on improving the conditions of women in a particular productive activity. However, this does not embrace the entire concept of gender equality and the NIP covers no activity aimed at advancing gender mainstreaming.

The **environment** is a focal sector of the NIP for Malawi. The NIP for Morocco defines the environment as one of the priority areas for intervention. A brief mention of the environment as a crosscutting issue is made in the NIP for South

Africa. Actions are foreseen in the NIP for Bangladesh on water management and reforestation, but this is not a comprehensive approach targeted at protecting the environment.

### 3.5 Evaluation and Impact

#### (9) Criteria

The document entitled "Evaluation in the European Commission" issued by the Evaluation Unit in 2001 defines the evaluation principles, criteria, basic issues and questions to be taken into account in EC evaluations. **Poverty alleviation, gender** and the **environment** are defined by the document as "*key cross-cutting issues for consideration in evaluation of EC aid programmes*". Poverty alleviation is included as a "Final Note" in the annex to the document. **Basic education, basic health** and **HIV/AIDS** are not mentioned anywhere in the guidelines.

In 2002, the Commission drafted the "*Guidelines for the use of Indicators in country performance assessment*" which identify a minimum core set of 10 indicators drawn from the MDGs to monitor the performance of recipient countries. These indicators should be incorporated into all the CSPs. This initiative, taking proper account of the MDGs, is a positive feature for the Commission. However, the proposed indicators only relate to Goals 1-7 and target recipient countries. Goal 8, or the performance of the donors in addressing the MDGs, is not addressed.

The lack of focus on the MDG sectors in the guide for EC evaluations is noticeable in the Terms of Reference for the evaluations. The four evaluations analysed by 2015-Watch do not systematically address the MDGs. The exceptions are poverty, health and gender, which are addressed in all four reports. An overview can be seen below.

**Poverty eradication** is clearly included as an evaluation criterion in the report for Malawi. The other reports address poverty through the evaluation of specific sectors and poverty-related questions, though they do not include an explicit evaluation of overall poverty reduction. In general, poverty is included as criterion for all the evaluations.

**Basic education** is evaluated in the reports for South Africa, Bangladesh and Morocco. The report for Malawi does not incorporate education as an evaluation criterion. **Basic health** is integrated as evaluation criteria in all the reports, notably in South Africa's evaluation report.

**Gender equality** is addressed clearly in the evaluation reports for Malawi, Bangladesh and Morocco. Some evaluation questions in the report on South Africa include the gender dimension. The **environment** is visibly integrated as evaluation criteria in the reports for Malawi and Morocco and to a lesser extent in the report for Bangladesh. The environmental dimension is not evaluated at all in South Africa.

#### (10) Impact

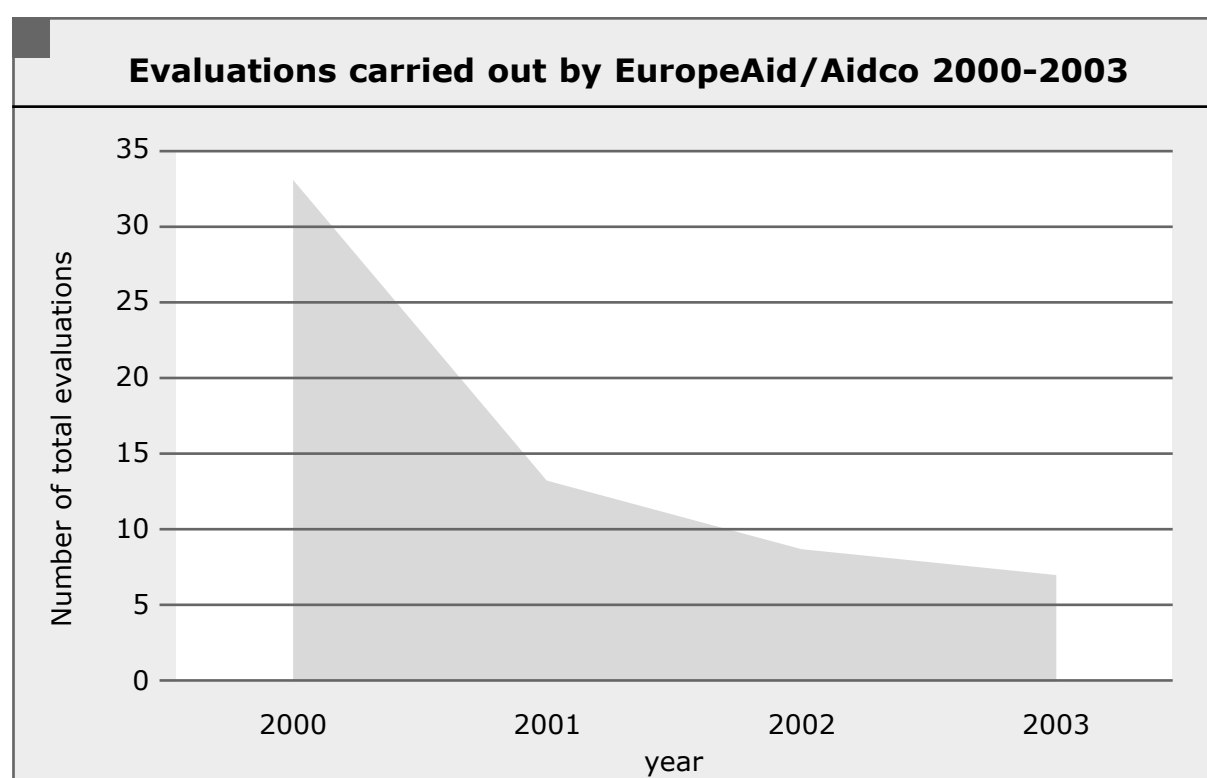
The European Commission has made a point of claiming that it is interested in measuring real impact, rather than improving its quality through setting targets or indicators. In view of this, it is alarming that the European Commission has undertaken so few Country Strategy Evaluations. No country programme of any country in Latin America was undertaken in those two years.

The following table shows the country evaluations carried out from 2000 onwards.

<b>Table 3: Country evaluations carried out by the European Commission (EuropeAid/Aidco)</b>		
Year	Country	Region
2003	Malawi Bangladesh Morocco Ukraine	ACP ALA MED TACIS
2002	South Africa	ACP
2001	Uganda Namibia Burkina Faso Republic of Macedonia Albania	ACP ACP ACP CARDS CARDS
2000	Mozambique Papua New Guinea Dominican Republic Nicaragua Turkmenistan Moldova Azerbaijan Russian Federation	ACP ACP ACP ALA TACIS TACIS TACIS TACIS

(Source: EuropeAid website)

The European Commission has been emphasising since 2000 that the effectiveness of its programme must be assessed in terms of its actual impact in developing countries. This has been the argument in rejecting any allocation targets within the European Community budget. However, since 2000, there has been a dramatic decline in the number of evaluations carried out, related to country and regional programmes, sectors or specific projects (see graph 1 below).





From the available reports, 2015-Watch concludes that the actual impact of EU interventions on the MDGs is limited. The reports find that the European Community's intervention in the selected countries has not had a relevant impact on **poverty alleviation**. In South Africa, the report refers to a *"potential indirect impact"* in the future. The available data does not offer a clear picture and in most cases there are discrepancies between sources. Reflecting on the question of how impact at country level can be attributed to one particular donor, the Malawi report states that in relation to the EU interventions; *"Overall, it appears unlikely that poverty in general has been reduced on a sustainable basis"*.

The evaluation for Malawi does not include an assessment of the impact on the **education** sector. But education is a focus sector in South Africa and Bangladesh with relevant impact in both countries. The evaluation report for South Africa refers to a *"major success of the Education programmes"* and to an impact directly attributable to EC assistance in some of its projects. In Morocco, the report states that the Commission has only a symbolic presence in the basic education sector.

In South Africa, the EU is the largest donor in the **health sector** and its policy is currently targeted towards primary health care. The report states that effective delivery was a strong point, mainly in projects run by the NGO networks. In Morocco, the evaluation states that there could possibly be an impact in improving access to health services and the Commission has a strong presence in the sector. In Bangladesh, the EC intervention's focus was seen as relevant but the sectorwide approach was found to have failed in meeting its objectives. For Malawi, the evaluation found that, although the main interventions could have an impact in the future, the Commission's contribution has not been significant.

**Box 5**

*"The portfolio of projects in the health sector has been insufficient for making a significant contribution to achieving the Commission's strategic objective in health. There appears to be a mismatch between the level of ambition in the strategic objective and the effort put into achieving it."*

(Evaluation of the European Commission's Country Strategy for Malawi, September 2003, p. 49).

For Bangladesh, the report states that *"progress has been on **gender** notably in the key sectors of health and education"*. In South Africa, the Commission has contributed to a better integration of gender in the policy-making process. EU interventions are identified as having increased the participation of women in local committees. For Morocco, the report says that there has been progress in the condition of women but also notes some deficiencies. The evaluation for Malawi finds that *"gender issues have been addressed only indirectly in the Commission's interventions"*.

Regarding the **environment**, the Commission's intervention in Morocco has mainly been in the water sector. The Commission has integrated the environmental dimension in some projects, but the evaluation reports find that impact is unclear. In Malawi, the evaluation finds a positive impact in the management of natural resources but a less positive impact regarding the way the environment is implemented as a horizontal issue. Large infrastructure projects have protected the environment in Bangladesh. For South Africa, no evaluation of the environmental impact has been undertaken.

### 3.6 Conclusions

How does the commitment of the European Union to the MDGs translate into results? This report looks at the extent to which the EU is contributing to the realisation of the MDGs. In a systematic way, different aspects of the EU's development policy were examined. It was found that there is much scope for improving the EU's orientation towards the MDGs. The EU has a potential to achieve greater impact in the MDG related areas.

In all four policy areas that were considered (legal and financial framework; budget allocation; programming and implementation; evaluation and impact) a greater focus on the MDGs can be given. However, the fields requiring most attention are those of programming and actual implementation as well as achieving real impact on the ground. While criteria related to the MDGs might be in place, it appears that in terms of real measurable impact the EU's contribution to the MDGs could be much improved. The question is therefore really, how does the EU translate words into deeds.

Below we set out the conclusive findings in the four policy areas considered.

#### Overall Legal and Financial Framework

If the Constitutional Treaty were to be adopted as approved by the Convention of Europe, the overall legal framework would be satisfactory. Additionally, if the EU financial perspectives reflected the commitment to the MDGs, financial allocations would be more focused on poverty eradication. New financial perspectives, in which this can be realised, are to be negotiated in 2004.

#### EU Budget: Sectoral Allocation

The European Commission reported in 2003 – on the insistence of the European Parliament over several years – the first reliable figures on MDG sectors. There is much scope for improvement in the sectoral allocation in the EU's annual budget, both in terms of setting targets and in implementing these targets. Both will need to place a much greater emphasis on social sectors, particularly basic education and health, through targeted strategies, rather than general budget support, the impact of which is not traceable in these sectors. Clearer strategies are also required for the crosscutting issues, including gender and the environment.

Additionally, the implementation of set targets must be improved. Despite targets on social development in the major geographical budget lines, real spending is a cause for great concern. In terms of basic health, only 0.33% and 1.53% of EU ODA was committed to basic education and basic health respectively.

#### Box 6

*"No very precise assessment can be made of the EC's contributions to impact and sustainability in the virtually **complete absence of benchmarking and target setting against indicators, or of independent sectoral evaluations.**"*

(Evaluation of the European Commission's Country Strategy for Bangladesh, November 2003, p. 62)

## **Programming and Implementation**

The programming exercise needs to be based much more clearly on the MDGs. The lack of any clear focus in these is the greatest deficiency of the EU's current policy orientation. Its orientation could be much improved with a clear and well-defined focus on MDG key aspects within all stages of policy design and implementation. Improving the programming exercise would be the key area where improvements would immediately increase the EU's contribution.

## **Evaluation and Impact**

Policy inevitably benefits from monitoring and evaluation. Both areas are currently neglected. The number of country evaluations is alarmingly low and does not sufficiently incorporate an assessment of the effectiveness of the EU's contribution to the MDGs. The Country Strategy Evaluations do not consistently assess MDG sectors, and where they do, the impact was generally considered to be poor.



## 4 The EU's Performance on HIV/AIDS

Goal 6 of the MDGs aims to *"Have halted by 2015 and begun to reverse the spread of HIV/AIDS"*. Additionally, other specific targets were set within the Declaration of Commitments at the UN General Assembly Special Session on HIV/AIDS.

Approximately 90% of the 40 million people infected with HIV are from developing countries. Figures for 2003 are alarming. Last year, 5 million people became infected with HIV and 3 million died. A study by the World Bank on the impact of the pandemic estimates that by 2050, the per capita income in South Africa will be half the 1990 level. Poverty fuels the contraction of HIV/AIDS and is at the same time created by the pandemic. HIV/AIDS is a fundamental issue. It is a clear impediment to development and destroys the gains made.

The Secretary-General of the United Nations, Mr. Kofi Annan, called AIDS a *"weapon of mass destruction"* and stressed that we *"live in a world where we have the means, we have the resources to be able to help all the patients, what is lacking is the political will"*.

On World Aids Day in December 2002, President of the European Commission, Mr. Romano Prodi, expressed in his statement the belief that;

*"Our efforts have brought us to a turning point. Never before have we seen so many governments, populations and individuals speak out and act in the fight against HIV/AIDS."*

Romano Prodi concluded his speech by saying that;

*"History will judge us harshly if we do not do all within our powers to forcefully meet the challenges that face us"*.

With a sound legal framework in place for combating HIV/AIDS, the score on the EU's performance in this area is relatively positive. Additionally, a strong programme of action and targeted resources through the Global Fund have ensured a steady flow of resources towards the fight against HIV/AIDS, even if the EU effort might be considered insufficient, given the size of the global pandemic.

The high political priority attached to fighting HIV/AIDS is translated in the guidelines for programming. This is very important. However, the translation from the emphasis on communicable diseases in the guidelines to actual implementation in National Indicative Programmes is not happening at an appropriate pace. Furthermore, the evaluation reports give an indication that action to fight HIV/AIDS is as yet insufficient. With the exception of the programme in one of the countries, HIV/AIDS is hardly addressed, the impact is unsatisfactory and there are not enough adequate tools to measure the effect of the EU's actions on reducing the spread of the disease.

The score of the EU's performance in addressing HIV/AIDS leaves room for improvement. In particular, translating political will into actual action in the EU's National Indicative Programmes seems to be a key issue that could improve the EU's performance on tackling HIV/AIDS.

## 4.1 Overall Legal and Financial Framework

### (1) Primary Law: Regulations on HIV/AIDS

In July 2003, the European Parliament and the Council adopted a Regulation *on aid to fight poverty diseases (HIV/AIDS, tuberculosis and malaria) in developing countries*, which constitutes the financial framework from 2003 to 2006 for the implementation of Community action to fight the diseases. This regulation includes an increase in financial resources and sets down the priorities for the implementation of the *EC Programme for Action*.

### (2) Soft Law: Declarations and Policy Documents

In 2001, the European Commission presented the EC Programme for Action: *accelerated action on HIV/AIDS, malaria and tuberculosis in the context of poverty reduction*, which sets up the policy framework to guide actions towards tackling these diseases. The General Affairs Council welcomed this programme and called on the Commission to finalise specific work-plans and to report on progress towards the implementation of the programme.

### (3) Volume of ODA

The assessment here is derived from the assessment in the previous chapter. Here it was considered that in Monterrey, the EU proposed a clear and time-bound strategy for achieving 0.7% of ODA per GNP, which it had previously adopted at its Barcelona Summit.

### (4) Poverty Focus in Overall Budget

This assessment is also derived from the assessment in the previous chapter. It was considered that EU aid is too skewed towards Middle Income Countries and that it does not include criteria for a poverty focus in its multi-annual financial perspectives.

## 4.2 Sectoral Budget Allocations

### (5) Targets for Resources for HIV/AIDS

The co-operation agreement with the ACP countries financed through the European Development Fund stipulates that co-operation shall direct itself, within other objectives, at "*promoting the fight against HIV/AIDS*". Programmes financed through the Community budget such as the co-operation with Mediterranean non-member countries have only a brief reference to AIDS. In the Community's budget regional lines for co-operation with Asian, Latin American and Southern African countries, no specific provisions are made to support the fight against HIV/AIDS.

The Community pledged a € 460 million contribution to the Global Fund to fight HIV/AIDS for the period 2001-2006. The pledge to the Global Fund is an explicit commitment that includes a quantitative target. Additional positive features of the EU approach are the existence of a specific budget line for combating HIV/AIDS in developing countries and the 2001 EC Programme for Action on communicable diseases.

## (6) Allocation to HIV/AIDS

By 2002, the Commission had disbursed € 120 million to the Global Fund to fight HIV/AIDS, meeting its pledge for that year. A recent publication from the European Commission states that for the period 1994-2002, an annual average of € 73 million has been allocated to combating HIV/AIDS, malaria and tuberculosis.

## 4.3 Programming and Implementation

### (7) Criteria for Country Strategy Papers

In the Commission's Guidelines for Country Strategy Papers (CSPs), one of the fundamental principles states that, *"in addition to the areas of concentration and cross-cutting concerns, the Statement recalls the importance of accelerated action targeting the communicable disease situation..."*. HIV/AIDS is considered to fall under the category of communicable diseases. Communicable diseases are incorporated as part of the *fundamental principles* that shall motivate and inform all aspects of programming. Although the reference is not exclusively to HIV/AIDS, its inclusion as a *fundamental principle* suggests that HIV/AIDS should always be taken into account in CSPs.

### (8) HIV/AIDS in the National Indicative Programmes

The inclusion of communicable diseases as a criterion for the CSPs does not automatically lead to the inclusion of HIV/AIDS in the programmes, even where this would be obvious. The NIP for Malawi, a country that has been severely affected by HIV/AIDS, hardly focuses on the issue. The NIP for Bangladesh has a reference to *possibly include activities* in the area of HIV/AIDS. The NIP for Morocco does not mention HIV/AIDS. The fight against HIV/AIDS is only defined as a major area for intervention in the NIP for South Africa.

## 4.4 Evaluation and Impact

### (9) Criteria for Evaluation

In the Commission's *"Guidelines for the use of Indicators in country performance assessment"*, which identify a minimum core set of ten indicators drawn from the MDGs to monitor recipient countries' performance, one of the indicators is intended to measure and monitor HIV prevalence. Further to this document, in 2003, the Commission produced the *"Guidelines for Monitoring Progress in Health, AIDS and Population"*. These two documents are intended to be a framework for the EU delegations in partner countries to monitor country performance in this area. The guidelines for "Evaluation in the European Commission" drafted by the Evaluation Unit in 2001 define the principles, criteria, basic issues and questions that should be taken into account in the evaluation of Community programmes. There is no reference to HIV/AIDS in this document.

In terms of the evaluation reports of the four countries considered, HIV/AIDS was included as a criterion for the evaluation of the EC programmes in Malawi, South Africa and Bangladesh. The report for Morocco does not take account of HIV/AIDS.

## (10) Impact of EU Aid in MDG Sectors

In South Africa, the HIV prevalence indicator rose from less than 1% to almost 25% between 1990 and 2001 (UNAIDS). The evaluation report for South Africa states that the Commission has pursued an effective anti-HIV/AIDS campaign but that the impact on the pandemic is not measurable due to the lack of overall HIV/AIDS statistics in the country. In Malawi, the Commission has taken little action so far, apart from an information project, which has contributed to raising awareness of the issue.

*"No sector-wide programme of HIV/AIDS awareness has been initiated although some sensitisation has been carried out on individual construction projects, but these are uncoordinated efforts with local coverage only. Interviews with sector management revealed that the issue was seen as of only peripheral importance (or interest) that should be covered by a health sector initiative." (Evaluation Malawi, 2003 Report 2, p 29)*

Moreover, the relationship between the promotion of transport infrastructure and the spread of HIV/AIDS is not explored.

*"Where actions must continue on a sectoral basis, the Transport Infrastructure Sector (TIS) is seen to have a huge potential for HIV/AIDS. However, little has so far been done to programme these prevention measure through the vector of transport sector interventions." (Evaluation Malawi, 2003 p. 45)*

Bangladesh's evaluation report states that the EC funded *Contraceptive Supply Project (...)* may have contributed to the relatively low rate of HIV/AIDS infections. For Morocco, no evaluation of HIV/AIDS has been done.

## 4.5 Conclusion

The EU has in place a satisfactory overall legal and financial framework for policies towards HIV/AIDS and offers a reasonably satisfactory framework on the basis of which the performance in this sector can be improved. Improvements can be made by giving greater attention to implementation and achievement of impact, which is still poor. Furthermore, improvements can be made in further explorations of crosscutting links, for instance between HIV/AIDS and transport policies, and HIV/AIDS and gender policies.

## 5 Conclusions

2015-Watch aims to assess the contribution of wealthy countries towards achievement of the Millennium Development Goals (MDGs). There is broad consensus within the international community on the importance of the MDGs. Much work has been undertaken in recent years to measure how partner countries in the South are improving their performance in relation to the MDGs. Here, the wealthy countries have made their aid increasingly conditional on the positive performance of their partners.

There has been increasing recognition of the importance of Goal 8. Recently, the EU Council has committed the European Union to the MDG+5 Review. In preparation for this review, the Commission and the Member States will produce a joint report to determine the EU's contribution to the MDGs including Goal 8.

Goal 8 and the recognition of the importance of the contribution of developed countries towards the achievement of the MDGs was the motivation for the creation of 2015-Watch.

### 5.1 The EU's Performance on the MDGs

Looking at the European Union as the subject of this study, 2015-Watch shows a distressing gap between political commitments and their practical implementation. Furthermore, it shows a need to set quantitative and time-bound targets, such as benchmarks, in order to improve the effectiveness of development co-operation.

2015-Watch splits the policy process into four policy phases: 1) overall legal and financial framework; 2) sectoral budget allocations; 3) programming and implementation 4) evaluation and impact. Within these parts of the policy process, 2015-Watch looks at sectors, which are specifically relevant to the MDGs: poverty eradication, health, education, gender, environment and HIV/AIDS.

The EU programme will have a good orientation towards the MDGs if the EU Constitutional Treaty were to be adopted in line with the proposal of the European Convention. The EU's overall financial framework would to be enhanced if criteria were adopted in the Financial Perspectives to ensure a greater poverty focus in the EU's development co-operation programme. Negotiations on the Financial Perspectives begin in 2004. Allocations to regions and countries should be based on poverty indicators and on the MDGs.

Allocation in the EU budget should also allow more effective targeting of the MDGs. Clear targeting of commitments towards the MDGs could help boost spending in MDG areas, which currently constitutes a tiny fraction of the EC budget. In relation to basic education and basic health, the figures for 2002 are alarming. Only 0.33% of EC ODA was committed to basic education and only 1.53% was committed to basic health. The performance on gender in terms of real commitments is also alarming. In 2002, only 0.22% of EC ODA was committed specifically and directly to gender. In the same year, only 1.3% of EC ODA was allocated to *general environmental protection* (European Commission, Annual Report 2003 on EC development policy and the implementation of external assistance in 2002).

The low spending in MDG sectors is reflected by a lack of emphasis on these areas in the EC's Country Strategy Papers and National Indicative Programmes.

This is consistent with the EU policy paper that prioritises areas, such as transport, which have little direct relationship with the MDGs. It is then also not surprising that evaluations find that impact in these areas is generally low. A new white paper on development policy by the new European Commission should ensure that all ODA is focused on poverty eradication with the aim of achieving the MDGs by 2015. Criteria for Country Strategy Papers, National Indicative Programmes and their Mid Term Reviews should reflect the commitment to the MDGs for all developing countries.

## **5.2 The EU's Performance on HIV/AIDS**

Goal 6 (combatting HIV/AIDS) has been one of the priority areas of the EU in recent years, with the high profile given to it by Commission President, Romano Prodi in the context of the G-8 and other international fora.

2015-Watch found that the EU has a more serious orientation towards the fight against HIV/AIDS. This reflects the adequate policy framework which exists in relation to the fight against HIV/AIDS. Even though the financial contribution to fighting HIV/AIDS could and perhaps should be more, the EU is living up to its own political commitments to fighting the pandemic.

The weaker part of the EU's performance on HIV/AIDS is the implementation. The NIPs reviewed do not adequately address the issue. The EC's emphasis on the transport sector as a priority area for development co-operation should be revisited. This sector is particularly sensitive in terms of the promulgation of HIV/AIDS. There is increasing evidence that the construction of roads and transport infrastructure is accelerating the spread of the disease. Such programmes should therefore automatically include HIV/AIDS considerations and there should be a dual approach policy of mainstreaming HIV/AIDS aspects throughout, in addition to specific programmes targeting AIDS.

## **5.3 Recommendations**

The European Union is committed to the Millennium Development Goals (MDGs) and has taken important initiatives to strengthen their implementation and to put in place assessment review. Its political commitment to the MDGs is clearly manifest in its statements and its approach to partner countries. Much of its attention on the MDGs has been directed to the MDGs one to seven – which relate most directly to the implementation of MDGs at national level. Much less attention has been given to Goal 8, which puts the MDGs into the context of a partnership between the North and the South (as elaborated in the introduction to this report), and which draws attention to the contribution of the countries in the North to the achievement of these goals.

Despite the EU's political commitment to the MDGs, this alone is not sufficient. Rather it has to be translated through actual implementation into concrete results. The following 10 recommendations, based on the findings of this report, identify areas for improvement of the EU policy to give it greater orientation towards the MDGs:



## 1. EU's Development Policy

The Council and the Commission need to revise their Declaration on the EC's development policy to include the MDGs as overall objectives and define basic social services as priority areas of development policy. While the MDGs clearly establish the importance of gender and the environment as key areas for any development policy, the EC's policy does not currently recognise these. The development policy should be clearly based on the overarching aim of eradicating poverty, as recognised in the Draft Constitutional Treaty.

## 2. Constitutional Treaty for the European Union

The current EC Treaty fails to define poverty eradication as the overarching objective of development policy. The European Convention proposal for a Constitutional Treaty includes a clear provision for poverty eradication as an overarching goal for development co-operation, as well as for coherence of EU policies with development objectives. It also requires compliance of development policy with international standards. If adopted by the Council – and ratified by the Member States – the Constitutional Treaty would constitute a satisfactory overall legal framework for the EU's development policy.

## 3. Financial Perspectives

The overall financial framework needs to be improved to ensure poverty focus in the EU's development programme. The financial perspectives should establish a heading for development co-operation that includes all official development assistance to all developing countries. The EU should ensure that the financial perspectives reflect the EU commitment to the MDGs.

Negotiations on the next Financial Perspectives for 2007 to 2013 will begin this year. Geographic allocation must be geared towards targeting the poorest regions and Low Income Countries. For instance Asia, home to 60% of the world's poor, has been receiving only around 10% of EC aid. If the aid to African, Caribbean and Pacific countries (ACP) were to be included in the financial perspectives, adequate financial commitments to these countries must be ensured. Currently, most of the Least Developed Countries are within the ACP group of countries.

## 4. The EU Budget: Targeting Basic Social Services

The EU budget should include a heading including all Official Development Assistance to all developing countries; reflecting the Draft Constitutional Treaty.

The EU should also achieve the UN target of allocating 20% of ODA to basic social services by setting concrete financial commitments and increasing the current levels of allocation. Quantitative targets – such as benchmarks – for allocation of funds to the focal sectors of the MDGs should be set in the Regulations for EC regional programmes and their corresponding budget lines. This could trigger the necessary increase in the share of resources allocated to these sectors. Improvement has been made in the adoption procedure of the EC Budget for 2004 by including the following provision: *"a minimum of 20% of total annual commitments [under each regional budget line] shall be allocated in the sectors of basic health and basic education (...)"*. This now needs to result in an increase of actual commitments under the EU Budget.

## **5. Country Strategy Papers and National Indicative Programmes**

The Commission's guidelines for the design of Country Strategy Papers (CSPs) should define the MDG focal sectors as clear criteria for their formulation. The guidelines already include the need to consult with civil society in EU partner countries, but this is often ignored when CSPs are processed. However, consultation with civil society organisations in the EU's partner countries is an essential element for achieving greater ownership geared towards a poverty-focused agenda. Following these consultations, CSPs must take account of all the MDG sectors when identifying the priority areas for the EC's intervention. These improvements should translate into the National Indicative Programmes (NIPs) being geared towards the MDGs.

### **5.1 Mid Term Review**

Mid Term Reviews of CSPs must look at the results of EU co-operation in the MDGs. The Mid Term Reviews need to be carried out on the basis of objectives that do not make a distinction between countries or regions. There is no reason why objectives between continents should differ as the MDGs have a global commitment. Additionally, the Mid Term Reviews should include consultation with key actors working on the MDGs to identify how performance towards these can be improved. Mid Term Reviews should be made public and used as the basis for reviewing progress on the MDGs in 2005, a process in which the EU is expected to provide political leadership.

## **6. Evaluation**

The Commission should undertake many more country evaluations each year to measure progress in the implementation of the MDGs. The guidelines for evaluation in the European Commission should be improved in order to reflect a clear focus on the MDGs, particularly by defining the MDG focal sectors as fields, which must be assessed in every evaluation. Furthermore, evaluations of country strategies should have the assessment of all the MDG focal sectors vis-à-vis the EC's intervention as standard criteria.

## **7. Financial resources for combating HIV/AIDS**

The EU's pledge to the Global Fund should be significantly increased and timely payments should be made in accordance with the recommendations of the UN Secretary-General, Kofi Annan. The contribution to the Global Fund should be complementary to EC resources to HIV/AIDS through the national programmes, as well as through other actors effective in combating HIV/AIDS, in particular organisations of civil society.

## **8. Focusing Country Strategy Papers on HIV/AIDS**

The Commission should improve considerably the implementation of the existing policies. Country Strategy Papers should include a careful assessment of the HIV/AIDS situation in the country, and National Indicative Programmes must focus on adequate instruments to tackle the pandemic. A failure to do so will undermine the credibility and the legitimacy of the development interventions in countries seriously affected by HIV/AIDS. The Commission's guidelines for evaluation should further define HIV/AIDS as a sector that must be taken into account in the evaluations of EC country strategies.



HIV/AIDS policy should focus more specifically on the areas that are most urgent to support and have a target by 2005, in particular:

- Reduce the proportion of infants born with HIV by 20% in 2005 and 50% in 2010.
- Develop national strategies – supported by regional and international strategies – to strengthen health care systems including factors affecting the provision of HIV-related drugs e.g. affordability and pricing (2003).
- Reduce the rate of HIV infection among young people aged 15-24 in the most affected countries by 25% in 2005.

Particular attention should also be paid to the gender dimension of HIV/AIDS.

## **9. Gender**

Much more work has to be done in order to define how gender equality (Goal 3) relates to all the other MDGs, and to identify adequate instruments to effectively mainstream the gender dimension of development. Concerning HIV/AIDS, there is evidence that the pandemic is evolving in such a way that women are most vulnerable to the disease. Analyses must take into account gender dimensions, including power relations between men and women, making women more vulnerable. The EU has to strengthen its policies on gender particularly in view of the upcoming UN review on Beijing + 10 in 2005.

## **10. 2005 MDG Review: Clarifying time-bound targets for Goal 8**

The EU commitment to give leadership in the 2005 review of progress on the MDGs will provide a perfect opportunity to agree a more precise definition of the principle of partnership that forms the basis of the MDGs. This would entail a clearer definition of Goal 8 with time-bound targets, which provides the framework for measuring the quality of the partnership between the North and the South.

As outlined in the beginning of this report Alliance2015 considers these recommendations as a contribution to enhancing the quality of the EU's commitment to making the MDGs a reality and to strengthening the role of development within the European Commission.

## List of Abbreviations

<b>ACP</b>	African, Caribbean and Pacific States party to the Cotonou Agreement
<b>ALA</b>	Asia and Latin America
<b>CSPs</b>	Country Strategy Papers
<b>DAC</b>	(OECD) Development Assistance Committee
<b>DfID</b>	Department for International Development (UK)
<b>EC</b>	European Community
<b>EDF</b>	European Development Fund
<b>EU</b>	European Union
<b>HIV/AIDS</b>	Human Immunodeficiency Virus / Acquired Immune Deficiency Syndrome
<b>IMF</b>	International Monetary Fund
<b>MED</b>	Mediterranean non EC-member countries
<b>MEDA</b>	Euro-Mediterranean partnership with the South and Eastern Mediterranean & Middle East Countries
<b>MDGs</b>	Millennium Development Goals
<b>NIPs</b>	National Indicative Programmes
<b>ODA</b>	Official Development Assistance
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>SWAp</b>	Sector-Wide Approach
<b>UK</b>	United Kingdom
<b>UN</b>	United Nations

## Glossary and explanation of terminology

ACP	Countries of Africa, Caribbean and Pacific with whom the EU has a special co-operation agreement: the EU-ACP Cotonou Partnership Agreement.
ALA	Countries from Asia and Latin America; the EU programmes with these countries are governed by the so-called ALA Regulation
CSP	Country Strategy Papers (CSPs) are non-binding analyses undertaken by the EU and a third country in the context of a co-operation agreement and particularly related to support in the form of development assistance. It covers most areas of the EU policy towards the third country and provides an analysis on the basis of which EU interventions are determined. CSPs are normally formulated for a period between 4 and 6 years. In the regional context, such analyses are called Regional Strategy Papers. The Country and Regional Strategy Papers are available on the EU web site.
DAC (OECD)	Development Assistance Committee of the OECD, which deals with monitoring development assistance
EC/EU	In the 1992 Maastricht Treaty, a distinction was made between the EC and EU treaties. Development co-operation policy falls under the EC Treaty. In this report, the terms EU and EC are used in accordance with this legal definition.
EDF	European Development Fund, provides the voluntary contributions of EU Member States to the ACP countries
MDGs	Millennium Development Goals adopted by the UN General Assembly in the United Nations Millennium Declaration 55/2
MED	Programmes with countries of the Southern Mediterranean Basin
NIP	National Indicative Programmes (NIPs) set out the precise areas of EU intervention in a third country in the form of development assistance. NIPs are the main reference point for implementation and define the financial envelope or indicative budget of EU assistance. These papers are also prepared for regions (Regional Indicative Programme) and are available on the EU website.

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## 7 Annexes

### ANNEX I - The Millennium Development Goals

Millennium Development Goals (MDGs)	
Goals and Targets (from the Millennium Declaration)	Indicators for monitoring progress
<b>Goal 1: Eradicate extreme poverty and hunger</b>	
<b>Target 1:</b> Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day	1. Proportion of population below \$1 (PPP) per day <sup>a</sup> 2. Poverty gap ratio [incidence x depth of poverty] 3. Share of poorest quintile in national consumption
<b>Target 2:</b> Halve, between 1990 and 2015, the proportion of people who suffer from hunger	4. Prevalence of underweight children under-five years of age 5. Proportion of population below minimum level of dietary energy consumption
<b>Goal 2: Achieve universal primary education</b>	
<b>Target 3:</b> Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling	6. Net enrolment ratio in primary education 7. Proportion of pupils starting grade 1 who reach grade 5 8. Literacy rate of 15-24 year-olds
<b>Goal 3: Promote gender equality and empower women</b>	
<b>Target 4:</b> Eliminate gender disparity in primary and secondary education preferably by 2005 and to all levels of education no later than 2015	9. Ratios of girls to boys in primary, secondary and tertiary education 10. Ratio of literate females to males of 15-24 year-olds 11. Share of women in wage employment in the non-agricultural sector 12. Proportion of seats held by women in national parliament
<b>Goal 4: Reduce child mortality</b>	
<b>Target 5:</b> Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate	13. Under-five mortality rate 14. Infant mortality rate 15. Proportion of 1 year-old children immunised against measles
<b>Goal 5: Improve maternal health</b>	
<b>Target 6:</b> Reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio	16. Maternal mortality ratio 17. Proportion of births attended by skilled health personnel
<b>Goal 6: Combat HIV/AIDS, malaria and other diseases</b>	
<b>Target 7:</b> Have halted by 2015 and begun to reverse the spread of HIV/AIDS	18. HIV prevalence among 15-24 year old pregnant women 19. Condom use rate of the contraceptive prevalence rate <sup>b</sup> 20. Number of children orphaned by HIV/AIDS <sup>c</sup>
<b>Target 8:</b> Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases	21. Prevalence and death rates associated with malaria 22. Proportion of population in malaria risk areas using effective malaria prevention and treatment measures <sup>d</sup> 23. Prevalence and death rates associated with tuberculosis 24. Proportion of tuberculosis cases detected and cured under directly observed treatment short course (DOTS)
<b>Goal 7: Ensure environmental sustainability</b>	
<b>Target 9:</b> Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources	25. Proportion of land area covered by forest 26. Ratio of area protected to maintain biological diversity to surface area 27. Energy use (kg oil equivalent) per \$1 GDP (PPP) 28. Carbon dioxide emissions (per capita) and consumption of ozone-depleting CFCs (ODP tons) 29. Proportion of population using solid fuels
<b>Target 10:</b> Halve, by 2015, the proportion of people without sustainable access to safe drinking water	30. Proportion of population with sustainable access to an improved water source, urban and rural
<b>Target 11:</b> By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers	31. Proportion of urban population with access to improved sanitation 32. Proportion of households with access to secure tenure (owned or rented)

Goal 8: Develop a global partnership for development	
<p><b>Target 12:</b> Develop further an open, rule-based, predictable, non-discriminatory trading and financial system</p> <p>Includes a commitment to good governance, development, and poverty reduction – both nationally and internationally</p>	<p><i>Some of the indicators listed below are monitored separately for the least developed countries (LDCs), Africa, landlocked countries and small island developing States.</i></p> <p><u>Official development assistance</u></p> <p>33. Net ODA, total and to LDCs, as percentage of OECD/DAC donors' gross national income</p> <p>34. Proportion of total bilateral, sector-allocable ODA of OECD/DAC donors to basic social services (basic education, primary health care, nutrition, safe water and sanitation)</p> <p>35. Proportion of bilateral ODA of OECD/DAC donors that is untied</p> <p>36. ODA received in landlocked countries as proportion of their GNIs</p> <p>37. ODA received in small island developing States as proportion of their GNIs</p>
<p><b>Target 13:</b> Address the special needs of the least developed countries</p> <p>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><b>Target 14:</b> Address the special needs of landlocked countries and small island developing States</p> <p>(through the Programme of Action for the Sustainable Development of Small Island Developing States and the outcome of the twenty-second special session of the General Assembly)</p>	<p><u>Market access</u></p> <p>38. Proportion of total developed country imports (by value and excluding arms) from developing countries and LDCs, admitted free of duties</p> <p>39. Average tariffs imposed by developed countries on agricultural products and textiles and clothing from developing countries</p> <p>40. Agricultural support estimate for OECD countries as percentage of their GDP</p> <p>41. Proportion of ODA provided to help build trade capacity<sup>g</sup></p>
<p><b>Target 15:</b> 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><u>Debt sustainability</u></p> <p>42. Total number of countries that have reached their HIPC decision points and number that have reached their HIPC completion points (cumulative)</p> <p>43. Debt relief committed under HIPC initiative, US\$</p> <p>44. Debt service as a percentage of exports of goods and services</p>
<p><b>Target 16:</b> In co-operation with developing countries, develop and implement strategies for decent and productive work for youth</p>	<p>45. Unemployment rate of 15-24 year-olds, each sex and total<sup>f</sup></p>
<p><b>Target 17:</b> In co-operation with pharmaceutical companies, provide access to affordable, essential drugs in developing countries</p>	<p>46. Proportion of population with access to affordable essential drugs on a sustainable basis</p>
<p><b>Target 18:</b> In co-operation with the private sector, make available the benefits of new technologies, especially information and communications</p>	<p>47. Telephone lines and cellular subscribers per 100 population</p> <p>48. Personal computers in use per 100 population and Internet users per 100 population</p>

*The Millennium Development Goals and targets come from the Millennium Declaration signed by 189 countries, including 147 Heads of State, in September 2000 ([www.un.org/documents/ga/res/55/a55r002.pdf](http://www.un.org/documents/ga/res/55/a55r002.pdf) - A/RES/55/2). The goals and targets are inter-related and should be seen as a whole. They represent a partnership between the developed countries and the developing countries determined, as the Declaration states, "to create an environment – at the national and global levels alike – which is conducive to development and the elimination of poverty."*

<sup>a</sup> For monitoring country poverty trends, indicators based on national poverty lines should be used, where available.

<sup>b</sup> Amongst contraceptive methods, only condoms are effective in preventing HIV transmission. The contraceptive prevalence rate is also useful in tracking progress in other health, gender and poverty goals. Because the condom use rate is only measured amongst women in union, it will be supplemented by an indicator on condom use in high risk situations. These indicators will be augmented with an indicator of knowledge and misconceptions regarding HIV/AIDS by 15-24 year-olds (UNICEF – WHO).

<sup>c</sup> To be measured by the ratio of proportion of orphans to non-orphans aged 10-14 who are attending school.

<sup>d</sup> Prevention to be measured by the % of under 5s sleeping under insecticide treated bednets; treatment to be measured by % of under 5s who are appropriately treated.

<sup>e</sup> OECD and WTO are collecting data that will be available for 2001 onwards.

<sup>f</sup> An improved measure of the target is under development by ILO for future years.

## ANNEX II - Quantitative Analysis

### Annex II.1. Overview

This annex shows by way of quantifying the analyses how 2015-Watch arrived at its qualitative findings. It is one methodology, which without claiming to be the ultimate authoritative one, can be used to document the underperformance of the EU when it comes to gearing its entire policy process towards the MDGs:

The main scale that was used for quantifying the performance of the EU in the MDGs was a Simple Binary Method. This method can be described as follows:

A selected number of clear and punctual parameters were identified. For each parameter a criterion for assessment was established, such as 'existent' or 'non-existent', or 'inclusion' or 'non-inclusion'. The scoring was then "1" or "0".

Example: Parameter: poverty eradication.

Criteria: inclusion as the overall policy objective.

Scoring: 0 points = not included as the overall objective.  
1 point = included as the overall objective.

For two components: 1) overall financial framework and 2) impact of EU aid in the MDG sectors, a 2-point scale was used. The use of a larger scale allowed for a more comprehensive assessment of the dimension of these particular components.

Example: Parameter: poverty eradication.

Criteria: impact of EC strategy in the country.

Scoring: 0 points = insignificant impact.  
1 point = modest impact.  
2 points = significant impact.

The following pages explain how the scores were obtained. With the use of tables the annex illustrates the parameters identified, criteria established, method for scoring and aggregation of results in an overall score. All scores are substantiated in reference documents, available by request to the researchers.



## **Annex II.2. Scales and Scores of the EU's Contribution to Achieving the MDGs Overall**

### **Scoring the EU's Contribution to the MDGs**

This annex provides details on the definition of scores on all parameters, as well as the standardisation from the initial score to the final aggregate score. The following tables and scores compose the quantitative assessment of the 2015-Watch. The qualitative assessment, explanatory of the scores, has been presented in Chapters 3, 4 and 5 of the main document.

For each policy phase one table is presented. The first four columns of the table illustrate the parameters of each component, the criteria for assessment of each parameter and the scoring method applied. The subsequent three columns of the table illustrate the scores of the EU for each parameter and the procedure of standardisation to obtain a score for each component. The last two columns of the table present the scores obtained by the EU in each component and the final aggregate score for each policy phase. Finally, a last table sums up the overall score for the EU's policy orientation towards the MDGs under the 2015-Watch.

#### **II.2.1. Overall Legal and Financial Framework**

In the first component (Primary Law), the standardisation reflects the need for a Primary Law to include all three parameters in order to be a satisfactory development policy. The absence of any one of these parameters is seen as a deficiency. Therefore, to receive a positive component score (1 point) the Primary Law must include all three parameters (summing 3 points).

The second component (Soft Law) is divided in two parts. The first parameter (MDGs as objectives) is assessed independently. The second part defines as parameters the MDG focal sectors. A development policy framework truly oriented towards the MDGs must include all of the MDG focal sectors. The standardisation reflects this: in order to score positively the policy framework must include all of the six parameters (summing up 6 points).

The third and fourth components of this policy phase (ODA Volume and Poverty focus) are components in which a larger scale for scoring is used (a 2 point scale). The reason for using a larger scale is due to the nature of the parameters, for which the simple binary method would fall short of a fair and nuanced assessment.

The final score for the Overall Legal and Financial Framework is the simple sum of the scores obtained in measuring each of the components. (See Table 1).

**Table 1: OVERALL LEGAL AND FINANCIAL FRAMEWORK**

Component	Parameters	Criteria	Scoring Method	Parameter Scores	Sum of Scores	Standardisation	Component Scores	Final Score for Phase
(1) Primary Law	a) Poverty eradication	Inclusion as the overall policy objective	0 = not included 1 = included	0	2	To binary: < 3 points = 0 3 points = 1	0	
	b) International standards	Policy complies with international standards	0 = does not comply 1 = complies	1				
	c) Coherence	Policy takes account of coherence with other policies	0 = no mention 1 = mention	1				
(2) Soft Law	a) MDGs as objectives	Inclusion as policy objectives	0 = not included 1 = included	0	4	None	0	0
	b) Poverty eradication	Inclusion as the main policy objective	0 = not included 1 = included	1				
	c) Basic education	Inclusion as a policy objective	0 = not included 1 = included	0				
	d) Basic health	Inclusion as a policy objective	0 = not included 1 = included	0				
	e) Gender equality	Inclusion as a policy objective	0 = not included 1 = included	1				
	f) Environment	Inclusion as a policy objective	0 = not included 1 = included	1				
	g) HIV/AIDS	Inclusion as a policy objective	0 = not included 1 = included	1				
(3) ODA Volume	a) UN target of 0.7% of GNP for ODA)	Policy to achieve and maintain the 0.7% target	0 = not moving towards target 1 = moving towards target 2 = realising and maintaining target	1	1	To binary: 0 - 2 points = 0 3 - 4 points = 1	0	
	b) Poverty focus in financial perspectives	Existence and use of poverty allocation criteria	0 = no criteria 1 = criteria exists but not implemented 2 = criteria exists is implemented	0				
(4) ODA focus on poverty								

### II.2.2. Sectoral Budget Allocation

The scoring of parameters, criteria used for assessing and the final aggregate score for the sectoral budget allocation phase are illustrated in Table 2. Two components are relevant to this policy phase: targeting the MDG sectors and allocation to the MDG sectors. For each component four parameters were determined, which cover the MDG sectors.

The first parameter (UN target of 20% of ODA to basic social services) covering basic health and basic education is scored independently and is not standardized.

The sum of scores for the other three parameters (Gender, Environment and HIV/AIDS) is standardised in a binary scale. This standardisation reflects the need for targets to exist and allocation of these targets to take place in a consistent manner for the three sectors. Gender equality and the environment are seen as crosscutting issues, which should be mainstreamed in all development co-operation actions. HIV/AIDS has been recognised as a key aspect of development policy. Consequently, in order to score positive, targets must exist and allocation of targets must take place in all of the three parameters: the sum of scores must be of 3 points.

The final aggregate score for the sectoral budget allocation is the simple sum of the scores obtained by the EU in each of the components (See Table 2).



**Table 2: SECTORAL BUDGET ALLOCATION**

Component	Parameters	Criteria	Scoring Method	Parameter Scores	Sum of Scores	Standardisation	Component Scores	Final Score for Phase
(5) Targeting the MDG sectors	a) Target 20% of ODA to basic social services	Existence of commitment to allocate target	0 = no existence 1 = existence	0	0	None, stays binary	0	0
	b) Targeting gender equality	Existence of targets	0 = no targets 1 = targets exist	0	1	To binary: < 3 points = 0 3 points = 1	0	
	c) Targeting the environment	Existence of targets	0 = no targets 1 = targets exist	0				
	d) Targeting HIV/AIDS	Existence of targets	0 = no targets 1 = targets exist	1				
(6) Allocation to the MDG sectors	a) Target 20% of ODA to basic social services	Percentage of ODA allocated to basic social services	0 = less than 20% 1 = 20% or more	0	0	None, stays binary	0	0
	b) Gender equality	Allocation of commitment targets	0 = no allocation 1 = allocated	0	1	To binary: < 3 points = 0 3 points = 1	0	
	c) Environment	Allocation of commitment targets	0 = no allocation 1 = allocated	0				
	d) HIV/AIDS	Allocation of commitment targets	0 = no allocation 1 = allocated	1				

### II.2.3. Programming and Implementation

Components, parameters, criteria and method for scoring and the final aggregate score for the EU in the programming and implementation phase under the 2015-Watch are illustrated in Table 3.

This policy phase is made up of two components: criteria for design of Country Strategy Papers (CSPs) and MDG sectors in the National Indicative Programmes (NIPs). Six parameters were determined for each component.

The first component refers to the criteria for formulation of CSPs, which are drawn up in the "Guidelines for implementation of the Common Framework for CSPs" of the European Commission. This Guidelines must include all the MDG focal sectors (the six parameters) as criteria for the formulation of CSPs, reflecting the need to take into account all MDG sectors in a CSP in order to identify which are the priority areas for EC intervention. Therefore, to score perfectly all of the parameters must be included as criteria in the Guidelines.

The second component refers to the actual implementation of EU's development actions, which is normally included in the CSPs as a National Indicative Programme (NIP). NIPs are the main instrument of the EC to set out the range of programmes and projects to be implemented in a particular country. 2015-Watch set out to cover all regions for which the EC has a development co-operation programme. To ensure consistency (between implementation and evaluation phases) the analysis had to be limited to those countries for which country strategy evaluations were available and undertaken in 2002 or later. These countries are: South Africa, Malawi, Bangladesh and Morocco, corresponding to the ACP, ALA and MED regions. Therefore, for each parameter under this component the maximum possible score is 4 points.

Poverty eradication is the overall objective of development policy thus all NIPs assessed must include the first parameter (poverty eradication) as the main objective. The standardisation implies a sum of 4 points (4 countries) to score positive. The sum of scores for the other five parameters (basic education and health, gender, environment and HIV/AIDS) is standardised into a binary scale. This standardisation is designed to allow for concentration on priority areas. The EU has argued that its development programme should concentrate on those sectors where its intervention could have greatest impact. (See Table 3).

**Table 3: PROGRAMMING AND IMPLEMENTATION**

Component	Parameters	Criteria	Scoring Method	Parameter Scores	Sum of Scores	Standardisation	Component Scores	Final Score for Phase
(7) Criteria for Country Strategy Papers (CSPs)	a) Poverty eradication	Inclusion as the main criteria for design of CSPs	0 = not included 1 = included	0	3	To 2 point scale:  0 - 2 points = 0 3 - 5 points = 1 6 points = 2	1	1
	b) Basic education	Inclusion as criteria for design of CSPs	0 = not included 1 = included	0				
	c) Basic health	Inclusion as criteria for design of CSPs	0 = not included 1 = included	0				
	d) Gender equality	Inclusion as criteria for design of CSPs	0 = not included 1 = included	1				
	e) Environment	Inclusion as criteria for design of CSPs	0 = not included 1 = included	1				
	f) HIV/AIDS	Inclusion as criteria for design of CSPs	0 = not included 1 = included	1				
8) MDG sectors in the National Indicative Programmes (NIPs) for 4 selected countries.	a) Poverty eradication	Inclusion as the main objective of the NIPs	0 = not included 1 = included	3	3	To binary: < 4 points = 0 4 points = 1	0	1
	b) Basic education	Inclusion as an objective of the NIPs	0 = not included = included	2	7	To binary:  0 - 10 points = 0 11 - 20 points = 1	0	
	c) Basic health	Inclusion as an objective of the NIPs	0 = not included 1 = included	2				
	d) Gender equality	Inclusion as an objective of the NIPs	0 = not included 1 = included	0				
	e) Environment	Inclusion as an objective of the NIPs	0 = not included 1 = included	2				
	f) HIV/AIDS	Inclusion as an objective of the NIPs	0 = not included 1 = included	1				

## II.2.4. Evaluation and Impact

The scores for the evaluation and impact phase under the 2015-Watch are illustrated in Table 4. Two components make up this phase: criteria for evaluation and impact of EC aid in the MDG sectors. The source is the EC country strategy evaluations for the four selected countries.

The first component (criteria) assesses the inclusion of the six parameters (MDG sectors) in the evaluations of the four countries. Given the status of poverty eradication, all four evaluation reports must include an assessment of this parameter in order to score positively (sum of 4 points). The other five parameters are standardised into a binary scale. This standardisation is designed to take account of the EU principle of concentration on priority areas. Therefore, not all four evaluations must assess all six parameters in order to score positively.

The second component analyses the positive impact of the EC intervention in the four selected countries. The assessment of impact is taken directly from the evaluation reports. The use of a 2-point scale for this component is necessary due to the need for a scale, which would better embrace the dimensions of the component. Three categories are defined: insignificant impact, modest impact and significant impact. Hence, the maximum possible score for each parameter in this component is 8 points (2 points in each of the four country evaluation reports). The standardisations for this component correspond to the following reasoning: Impact on poverty eradication must be significant in all four countries in order to score positively, thus a sum of 8 points is required. The standardisation for the other five parameters allows for concentration of activities in priority areas. Therefore, to score positively the EU does not need to have a significant impact in all sectors (parameters) for all four countries. (See Table 4, next page)

### Overall Score

The overall score for the EU's policy orientation towards the MDGs under the 2015-Watch is the simple sum of the scores obtained in each of the policy phases. This aggregate overall score is then translated into a percentage. The following table illustrates this:

Policy Phase	Components	Component Score	Phase Score	Overall Score
I. Overall legal and financial framework	(1) Primary Law (2) Soft Law (3) Volume of ODA (4) Poverty focus	0 0 0 0	0	3 points of 16 possible  <b>=18.75%</b>
II. Sectoral budget allocation	(5) Targeting the MDG sectors (6) Allocation to the MDG sectors	0 0	0	
III. Programming and implementation	(7) Criteria for CSPs (8) MDG sectors in the NIPs	1 0	1	
IV. Evaluation and impact	(9) Criteria for evaluation (10) Impact of EU aid in the MDG sectors	2 0	2	

As the above table shows, under 2015-Watch the EU scores approximately 20%. This is the background for arriving at the qualitative findings in the report. This qualitative assessment is presented in Chapter 3 of the main document.

**Table 4: EVALUATION AND IMPACT**

Component	Parameters	Criteria	Scoring Method	Parameter Scores	Sum of Scores	Standardisation	Component Scores	Final Score for Phase
(9) Criteria for evaluation in the 4 selected countries	a) Poverty eradication	Evaluated in the evaluation reports	0 = not included 1 = included	4	4	To binary: < 4 points = 0 4 points = 1	1	2
	b) Basic education	Evaluated in the evaluation reports	0 = not included 1 = included	3	17	To binary: 0 - 10 points = 0 11 - 20 points = 1	1	
	c) Basic health	Evaluated in the evaluation reports	0 = not included 1 = included	4				
	d) Gender equality	Evaluated in the evaluation reports	0 = not included 1 = included	4				
	e) Environment	Evaluated in the evaluation reports	0 = not included 1 = included	3				
	f) HIV/AIDS	Evaluated in the evaluation reports	0 = not included 1 = included	3				
(10) Impact of EC aid in the MDG sectors for the 4 selected countries	a) Poverty eradication	Inclusion as the main objective of the NIPs	0 = insignificant 1 = modest 2 = significant	2	2	To binary: < 8 points = 0 8 points = 1	0	2
	b) Basic education	Inclusion as an objective of the NIPs	0 = insignificant 1 = modest 2 = significant	4	18	To binary: 0 - 20 points = 0 21 - 40 points = 1	0	
	c) Basic health	Inclusion as an objective of the NIPs	0 = insignificant 1 = modest 2 = significant	4				
	d) Gender equality	Inclusion as an objective of the NIPs	0 = insignificant 1 = modest 2 = significant	5				
	e) Environment	Inclusion as an objective of the NIPs	0 = insignificant 1 = modest 2 = significant	3				
	f) HIV/AIDS	Inclusion as an objective of the NIPs	0 = insignificant 1 = modest 2 = significant	2				

## **ANNEX II.3 - SCALES AND SCORES of the EU's Contribution to Achieving MDG 6 HIV/AIDS**

### **Scoring the EU's Contribution to MDG 6 HIV/AIDS**

This section provides details on the definition of the scores on all parameters, as well as the standardisation from the initial score to the final aggregate score for the EU's policy orientation towards HIV/AIDS.

For each policy phase one table is presented. The first four columns of the table illustrate the parameters of each component, the criteria for assessment of each parameter and the scoring method applied. The subsequent three columns of the table illustrate the scores of the EU against each parameter and the procedure of standardisation to obtain a score for each component. The last two columns of the table present the scores obtained by the EU in each component and the final aggregate score for each policy phase. Finally, a last table sums up the overall score for the EU's policy orientation towards HIV/AIDS under 2015-Watch.

#### **II.3.1. Overall Legal and Financial Framework**

Four components are relevant to this policy phase: legislation, soft law, volume of ODA and poverty focus in the overall budget.

For the first component (legislation), the standardisation reflects the importance of the existence of specific legislation to combat HIV /AIDS in partner countries in the south.

The second component (Soft Law), analyses the existence of a relevant policy framework (instruments) in the EU to support the fight against HIV/AIDS.

The third and fourth components of this policy phase (ODA Volume and Poverty focus) are components in which a larger scale for scoring is used (a 2 point scale). The reason for using a larger scale is due to the nature of the parameters, for which the simple binary method would fall short of a fair and nuanced assessment.

The final score for the Overall Legal and Financial Framework is the simple sum of the scores obtained in relation to each of the components. (See Table 5).

**Table 5: OVERALL LEGAL AND FINANCIAL FRAMEWORK FOR HIV/AIDS**

Component	Parameters	Criteria	Scoring Method	Parameter Score	Standardisation	Component Scores	Final Score for Phase
(1) Legislation	a) Legal framework	Existence of legislation to combat HIV/AIDS in developing countries	0 = non existence 1 = existence	1	To a 2 point scale: 0 points = 0 1 point = 2	2	
(2) Soft Law	a) Policy framework	Existence of relevant instruments to combat HIV/AIDS	0 = non existence 1 = existence	1	None, stays binary	1	<b>3</b>
(3) ODA Volume	a) UN target of 0.7% of GNP for ODA	Policy to achieve and maintain the 0.7% target	0 = not moving towards the target 1 = moving towards the target 2 = realising and maintaining the target	1	To binary: 0 - 2 points = 0 3 - 4 points = 1	0	
(4) ODA focus on poverty	b) Poverty focus in financial perspectives	Existence and use of poverty allocation criteria	0 = no criteria 1 = criteria exists but not implemented 2 = criteria exists and implemented	0			



### II.3.2. Sectoral Budget Allocation

The scoring of parameters and the aggregate final score for the sectoral budget allocation phase is illustrated in Table 6. Two components make up this phase: targeting HIV/AIDS and allocation to HIV/AIDS.

For each of these components two parameters were determined. The first parameter analyses the commitments and payments made by the EU to the Global Fund to fight HIV/AIDS. The second parameter analyses the existence of targets to support the fight against HIV/AIDS and allocation of these targets under the regional budget lines for development co-operation. No standardisation is needed as all scores are in a binary scale. (See Table 6).

### II.3.3. Programming and Implementation

For the programming and implementation phase two components are determined: criteria for design of Country Strategy Papers (CSPs) and HIV/AIDS in the National Indicative Programmes (NIPs).

The sources analysed, the motive for selecting four countries and the explanation on the assessment made follows the same reasoning presented in the previous section of this annex (scores for the EU contribution to the MDGs).

The standardisation of the first component (criteria for CSPs) from a binary to a 2-point scale is done in order to maintain the balance (weight) between the four policy phases. Each policy phase must have a maximum possible score of 4 points. Therefore, it is necessary to standardise this component in order to reach 2 points and ensure consistency of 2015-Watch.

The second component (HIV/AIDS in the NIPs) is standardised in a way that takes account of the concentration of EC action in priority areas.

Quantitative scores for EU's policy orientation towards HIV/AIDS in the programming and implementation phase are illustrated in Table 7.

**Table 6: SECTORAL BUDGET ALLOCATION TO HIV/AIDS**

Component	Parameters	Criteria	Scoring Method	Parameter Score	Standardisation	Component Scores	Final Score for Phase
(5) Targeting HIV/AIDS	a) Pledge to Global Fund	Existence of commitment to the Global Fund	0 = non existence 1 = existence	1	None, stays binary	1	2
	b) Targeting gender equality	Existence of targets in regional budget lines	0 = no targets 1 = targets exist	0	None, stays binary	0	
(6) Allocation to HIV/AIDS	a) Allocation to Global Fund	Payments made to the Global Fund	0 = non or partial payments made 1 = total payment of pledge made	1	None, stays binary	1	
	b) Targeting gender equality	Allocation of targets in regional budget lines	0 = no allocation 1 = allocated	0	None, stays binary	0	

**Table 7: PROGRAMMING AND IMPLEMENTATION FOR HIV/AIDS**

Component	Parameters	Criteria	Scoring Method	Parameter Score	Standardisation	Component Scores	Final Score for Phase
(7) Criteria for Country Strategy Papers (CSPs)	a) HIV/AIDS	Inclusion as criteria for design of CSPs	0 = not included 1 = included	1	To a 2 point scale: 0 points = 0 1 point = 2	2	2
	a) HIV/AIDS	Inclusion as an objective of the NIPs	0 = not included 1 = included	1	To a 2 point scale: 0 - 1 points = 0 2 points = 1 3 - 4 points = 2	0	

### II.3.4. Evaluation and Impact

For the evaluation and impact phase two components were established: criteria for evaluation and impact of EC aid in the HIV/AIDS sector. The source is the EC country strategy evaluation for each of the four selected countries.

The parameter (HIV/AIDS) is assessed in each of the four selected countries. Therefore, in the first component for each parameter the maximum possible score is 4 points. The standardisation requires the existence of an evaluation of the HIV/AIDS situation in each country in order to obtain the maximum positive score (2 points) in this component. (See Table 8).

In the second component (impact) the use of a 2-point scale reflects the need for a scale to better embrace the dimension of this component. Hence, the maximum possible score for each parameter is 8 points. The standardisation is flexible in not requiring a significant impact of EC intervention in HIV/AIDS for all four countries. This is done in order to account for the concentration of EC development actions in priority areas. (See Table 8).

**Table 8: EVALUATION AND IMPACT ON HIV/AIDS**

Component	Parameters	Criteria	Scoring Method	Parameter Score	Standardisation	Component Scores	Final Score for Phase
(9) Criteria for evaluation in the 4 selected countries.	a) HIV/AIDS	Inclusion in the evaluation report	0 = not included 1 = included	3	To a 2 point scale: 0 - 1 points = 0 2 - 3 points = 1 4 points = 2	1	<b>1</b>
(10) Impact of EU aid in HIV/AIDS for the 4 selected countries.	a) HIV/AIDS	Impact of the EC intervention in the sector	0 = insignificant 1 = modest 2 = significant	2	To a 2 point scale: 0 - 2 points = 0 3 - 5 points = 1 6 - 8 points = 2	0	

## Overall Score for HIV/AIDS

The overall score for the EU's policy orientation towards HIV/AIDS under 2015-Watch is the simple sum of the scores obtained in each of the policy phases. This aggregate overall score is then translated into a percentage. The following table illustrates this:

Policy Phase	Components	Component Score	Phase Score	Overall Score
I. Overall legal and financial framework	(1) Legislation (2) Soft Law (3) Volume of ODA (4) Poverty focus	2 1 0 0	3	8 points of 16 possible  <b>=50%</b>
II. Sectoral budget allocation	(5) Targeting HIV/AIDS (6) Allocation to HIV/AIDS	1 1	2	
III. Programming and implementation	(7) Criteria for CSPs (8) HIV/AIDS in the NIPs	2 0	2	
IV. Evaluation and impact	(9) Criteria for evaluation (10) Impact of EU aid in HIV/AIDS	1 0	1	

As the above table shows, the EU scores 50% in its policy orientation towards HIV/AIDS. This quantitative analysis shows the reasoning behind the qualitative assessment presented in Chapter 4 of the main document.





