

# **Towards the UN MDG Review Summit 2010**

## **CONCORD's recommendations to the EU**

**March 2010**

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## Introduction

**'Rather than retreat, now is the time to accelerate progress towards the MDGs and to strengthen the global partnership for development.'**

**(Ban Ki-moon UN MDG Progress Report 2009)**

The setting of the Millennium Development Goals (MDGs), a decade ago at the 2000 Millennium conference represented the most significant collective effort ever made by the international community to eradicate extreme poverty. However progress on many of the eight MDGs has slipped far behind schedule and the prospect of fully achieving any of the Goals in the target year of 2015 looks remote. Progress has varied widely between goal areas and between countries with some enormous variation in achievements (examples can be found in the chapters dedicated to specific MDGs).

In September 2010, the member states of the United Nations will come together in New York to discuss what progress has been made towards the MDGs and agree which actions will need to be taken to ensure that the Goals are met.

There have been many substantial changes in the global context since the MDGs were set including a global economic and financial crisis, a food crisis and accelerated environmental degradation. The severity of the climate crisis has been increasingly recognised since the MDGs were agreed. In addition, we have seen 9/11 and the so-called 'War on Terror', and the very rapid rise of China and other newly powerful economies. Although the dramatic impact of many of these factors could, perhaps, not have been anticipated in 2000, we must ensure that they do not negatively impact on the achievements that have been made so far. Now is a key moment in which to achieve the MDGs and support the poorest in the world.

This paper, compiled by the CONCORD network of 1600 European Development NGOs, sets out what the European Union needs to deliver to achieve progress towards meeting the MDGs, as well as our specific asks for the UN Review Summit. The introduction looks at the opportunities that exist at this important juncture, as well as tackling some of the overarching areas linking the Goals and important to all of them. This is followed by chapters on the individual MDGs where more detailed analysis is provided.

### **2010 and the need for Europe to take the lead on plans for reaching the MDGs**

CONCORD believes that to put the world back on track towards reaching the MDGs, the EU, as provider of 60% of global aid flows, and as a major trading partner for some of the world's poorest nations, should take the lead in preparing a successful UN summit in September to ensure that the steps needed to halve poverty by 2015 are taken by all concerned. **In order to do this the EU must:**

- Adopt a MDG rescue plan at the EU Heads of States summit in June. The plan should be **concrete and action-oriented**, should include **monitoring mechanisms**, recognise the importance of tackling the MDGs as one holistic package with **synergies between all the Goals** and take a **human rights based and a gender equality approach**, ensuring that vulnerable and marginalised people are the clear beneficiaries.
- Fulfill the commitments made in the EU Consensus on Development, and as a signatory to the Paris Declaration, the Accra Agenda for Action, the Beijing Platform for Action, the Cairo Agenda for Action and the fair, ambitious and binding commitments hoped for at the UN Climate Change Conference in Copenhagen. Commitment to and achievement of these internationally agreed upon agendas would go some way towards achieving the MDGs.
- Implement the EU Agenda for Action and reach the targets on specific MDGs included in the Agenda.
- Renew emphasis and commitment to tackle climate change and environmental degradation.
- Use its influence (as the largest donor) to push other donors to perform better through discussion in international fora (G8, G20, IMF, World Bank).
- Ensure the legal obligations set out in the Lisbon Treaty vis-à-vis Development Cooperation and the objective of poverty eradication are reflected in the new institutional arrangements between the European External Action Service (EEAS) and the European Commission (DG Development).

- Recognise that the MDGs can not be achieved without the EU and its member states engaging in meaningful and strong partnership with a wide range of stakeholders including civil society organisations in the North and the South, the private sector, UN agencies and other actors.
- Ensure that **pro-poor and sustainable development prevail** over short-term, narrow or elite European interests and that sustainable development and the fulfilment of human rights form the basis for EU policy-making and implementation thereof.

In addition to these recommendations, CONCORD wishes to highlight some broad overarching issues that must be addressed in order to create the conditions for the individual Goals to be attained. These are 1) ensuring that a rights based approach as well as gender equality are applied across the Goals thereby addressing inequities and discriminations; 2) recognise the linkages between the MDGs and capitalise on the synergies to ensure sustainable development; 3) Securing adequate financing for development; 4) Addressing incoherencies across the policy spectrum that undermine development; 5) Strengthening accountability: development driven by Southern contexts.

### 1) Ensure a rights based approach and gender equality

While the MDGs have had an enormous impact on the development community, and have raised the ambition regarding the achievements necessary in the fight against poverty, they were not developed from a human rights, gender equality or sustainable development perspective. As a result they fail to adequately address the structural and systemic injustices which continue to put the gains of the MDGs beyond reach for many.

Women and girls continue to be the majority of the world's poorest and vulnerable people. They experience discrimination in every sphere of political, social and economic life, and at every age, on the grounds of gender. This denies millions of women their basic human rights, to their personal security and physical integrity, to education, healthcare and other basic service and economic resources, and to political power. The causes and nature of women's poverty make it vital to look at a broad range of gender issues, going from specific women's empowerment programmes to gender-sensitive approaches which also meaningfully involve men and boys.

Equally, the current MDG structure does not explicitly take into account excluded or marginalised groups, creating a real danger that they will be further pushed to the periphery in the drive to reach general targets and indicators. This includes people with disabilities, who comprise one of the single largest groups of marginalised and chronically poor people in the world with one in five of the poorest people being disabled, older people with an estimated 180 million people over the age of 60 living in poverty, children, with 8.8million children worldwide dying before their 5<sup>th</sup> birthday in 2008, and minority and indigenous communities, which reside on the margins of society and are excluded from decisions regarding development taken at the national level.

Those groups must be included in development policies and programmes and the MDGs must be re-envisioned through a human rights lens and ensure that indicators of progress are disaggregated by disability, age, gender and ethnicity. This will guarantee that action to reduce poverty effectively targets and reaches those who are currently marginalised.

The best way to help people realise their rights is to invest in social and human development, and intensify the implementation of existing commitments enshrined in numerous human rights treaties, such as the Convention on the Elimination of All Forms of Discrimination Against Women and Girls, the UN Convention of the Rights of the Child, and the Convention on the Rights of Persons with Disabilities. The EU should prioritise its actions in areas that are vital to the achievement of the MDGs, such as gender equality, social protection including access to basic social services for all (health and education), especially for the most marginalised groups. The EU needs to contribute to the realisation of social rights to reduce inequality and promote sustainable development if the MDGs are to be achieved.

#### We urge EU member states to:

- Ensure women's empowerment policies and programmes and gender sensitive approaches throughout the Goals, monitoring progress with disaggregated data.
- Look at the MDGs through a human right lens and ensure that most marginalised groups are reached.
- Ensure long term, predictable investment in social and human development.

### 2) A holistic approach to the MDGs, capitalising on the linkages between the MDGs and taking into account environmental sustainability and human security

While we are drawing attention to the groups and issues excluded from the MDG framework, it is also of vital importance to remember the important linkages between the Goals, and the fact that very often if one Goal is to be met, then others must be too. The current failure to reach the MDGs is only enhanced by a mutually reinforcing negative cycle of knock-on effects. We cannot treat the MDGs as silos: meeting *all* Goals is vital to the achievement of any one of the MDGs.

We urge the EU to build on the obvious links between areas such as education and health, water and sanitation and health, nutrition and health and recognise the importance of gender, human rights and environmental sustainability across all the Goals.

The achievement of Goal 8 has a fundamental impact on the achievement of the other goals. The EU's pursuit of a conclusion to the Doha round and of far-reaching free trade agreements (FTAs) with developing countries risks limiting the measures available to them to support the domestic industries, jobs, agricultural systems and basic services that are necessary to support the MDG's, particularly 1 and 7.

Ensuring environmental sustainability (MDG7) needs the environment to be recognised both as a sector and as a cross-cutting issue. It requires effective integration between all strands of the MDGs and at all levels, from policy and planning through to delivery on the ground. For example, ensuring integrated water resource management and catchments protection for sustainable access to water and sanitation. It is vital that the importance of healthy ecosystems are recognised, effectively valued and incorporated into development work. They are the fundamental building blocks of development and are often a lifeline for the poorest and most vulnerable people. Without environmental sustainability, any gains on the MDGs will be transitory and inequitable.

While not formally recognised to date as an element in the achievement of the MDGs, the negative impact of armed violence on human security and sustainable development is real and increasingly understood. Building on the momentum stimulated by the Geneva Declaration on Armed Violence and Development, the Secretary General's report 'Promoting development through the reduction and prevention of armed violence' (A/64/228), and the High Level Conference on Armed Violence and the MDGs (Oslo, April 2010), the EU must act by investing in and encouraging greater integration of armed violence prevention and reduction strategies into development programming.

Linkages between the MDGs and external factors affecting their attainment must be taken into account in both the design of policies aimed at fulfilling the MDGs and in their implementation.

**We urge EU member states to:**

- Address the MDGs as a holistic and integrated package recognising the links between all MDGs.
- Ensuring environmental sustainability is addressed as a cross cutting issue that underpins all of the other MDGs.
- The EU must act by investing in and encouraging greater integration of armed violence prevention and reduction strategies into development programming.

**3) Financing for development**

Development aid is more important than ever, since the financial crisis has shrunk other sources such as private capital flows, remittances and export revenues to developing countries.

The European Union is the largest provider of development aid in the world, which gives it critical responsibility in the fight against global poverty. The EU has clearly committed not only to further increasing the volume of aid, but also to improving the quality of the aid.

2010 is the target date for meeting the EU collective commitment of 0.56% ODA/Gross National Income (GNI) towards 0.7% in 2015 and individual ODA targets for EU member states – 0.51% of GNI for the EU-15 and 0.17% of GNI for the EU-12. The 2009 [AidWatch](#) report [Lighten the Load](#) demonstrated that many EU member states are not on track to meet this interim target, let alone 0.7% by 2015. The OECD has since confirmed that the 2010 collective EU target will not be met, with aid from big EU economies such as France (0.46%), Germany (0.40%) and especially Italy (0.20%) expected to fall some way short of their individual commitments.

To reach the MDGs targets both the **quantity** and the **quality** of the EU's aid needs to be increased and the EU must make greater efforts to implement the **financing for development** agenda. International aid commitments (0.7%) *must* be met but will not be enough to deal with new global challenges such as climate change, food and energy crises and the effects of the financial crisis. The EU needs to find additional sources of financing to deal with these challenges.

**We urge EU member states to:**

- Deliver at least 0.7% of GNI in Official Development Aid (ODA) by 2015 at the latest (and 0.56% by 2010) and to put in place binding timetables at national level showing year on year increases leading towards the attainment of these targets.
- Dedicate at least 20% of all EU assistance to basic social services, such as health and education as repeatedly called for by the European Parliament.
- Ensure that all of the money allocated under the geographic programmes of the EU's Development Cooperation Instrument (DCI) and at least 90% of funds under the thematic programmes qualify as ODA in accordance with the provisions of the DCI itself.
- Step up efforts to improve the quality of aid and report annually on the progress made in the implementation of the Paris Declaration and the Accra Agenda for Action Commitments. Agree to new binding commitments on aid effectiveness at the 4<sup>th</sup> High Level Forum on Aid Effectiveness in Seoul in 2011.
- Phase out harmful economic or trade policy conditionality attached to development aid as well as conditionality on migration control measures.
- The European Consensus and the Accra Agenda for Action have identified the need to strengthen mainstreaming across all sectors of policy and programming. The issues identified are human rights, gender equality and environmental sustainability. Without the systematic mainstreaming of these issues, aid cannot be effective or sustainable.
- Provide developing countries with the tools they need to **mobilise domestic resources** effectively, including through tackling capital flight, tax competition, corporate tax evasion and avoidance, transfer pricing, bank secrecy. In particular, the EU should champion the creation of a global multilateral information exchange convention, a country-by-country financial reporting standard for Multi National Companies, and a strengthened UN Committee of Tax Experts with a political mandate. The EU should work multilaterally to achieve these three objectives by 2015.
- Introducing "**innovative**" sources of finance (i.e. in addition to traditional ODA). These include the **Financial Transaction Tax**. The EU must advocate for this agenda internationally but also act swiftly to put in place such measures within the Eurozone in the short term.
- Cancel all debt for those developing countries which currently cannot finance the MDGs from domestic resources.

**4) Improve policy coherence of the Union's internal and external policies to achieve sustainable development**

Trade, agricultural, environmental, migration, financial, and many other European policies have an impact on the capacity of developing countries to attain the MDGs. Not only have these policies not sufficiently and directly contributed to poverty eradication globally, but their inconsistency with development goals can be costly and can negate the impact of development aid. Achieving the MDGs will only be possible if we ensure that all policies elaborated at EU and at national level are consistent with the EU's legally binding development objectives.

Policy Coherence for Development (PCD) is an important tool that, if implemented effectively, could have a markedly beneficial impact on sustainable development, respect for human rights and poverty reduction. For this to happen, CONCORD has identified the changes needed:

- Make more explicit the **multiple linkages** between different policy areas in order to give a better understanding of the complexities of policy solutions.
- Ensure that its policy-making becomes more **transparent** and **participatory** (i.e. participation of the relevant stakeholders in Europe and in developing countries, including civil society and parliaments)

from the earliest stages and that the EU is held accountable of the harmful impact of its policies on development.

- Strengthen the **capacity of both national and EU administrations** to improve the coherence of their respective policies vis-à-vis EU and national level development objectives as well as international commitments on development; with a view to have an effective impact, to identify the incoherencies regardless of the policy areas involved and suggest solutions in order to improve impact.
- Make sure that the **work programme on PCD** for the 2010-2013 period is developed with a view to attaining the MDG targets and to assessing the impact of all relevant EU policies on the progress made towards the MDGs.

##### 5) Strengthening accountability: development driven by Southern contexts

Despite increasing evidence that successful pro-poor development is driven largely by domestic political processes, donors continue to intervene in countries with little priority given to the political, historical or social context. Donors must recognise that the MDGs do not exist in a political vacuum. Improving governance and addressing corruption in developing countries must be a core concern – and this can only be effectively tackled by adopting a less technocratic approach to international development.

While some progress has been made on focusing on the political economy of different contexts (e.g. the Swedish and UK power analysis and drivers of change approaches), the EU as a whole must invest more into understanding the underlying factors (for example, history, geography, sources of government revenue, deeply embedded social and economic structures) that shape formal and informal relationships between the state and organised groups in society, the incentives that drive politicians and policymakers, and the potential pressures for or against progressive change. A better understanding and a willingness to prioritise this approach will help in the formulation of policies that are fit for the context, will address governance issues more effectively and will, ultimately, enhance efforts to achieve development goals.

This approach should not be an optional 'add-on'. It should be fully integrated into all country assistance strategies and be mainstreamed within aid effectiveness mechanisms and development processes. At the heart of this approach must be the intent and action to build stronger state accountability towards its citizens. Without stronger state–citizens relations the implementation of the envisaged Breakthrough Plans is going to be plagued by the same challenges that have contributed to compromising the attainment of the MDGs.

## MDG 1 Eradicate Extreme Poverty and Hunger

Specifically, reduce the proportion of people who suffer from hunger by half between 1990 and 2015, with hunger measured as the proportion of the population who are undernourished and the prevalence of children under five who are underweight. In addition, achieve full and productive employment and decent work for all, especially for vulnerable groups.

### 1. The global context and tracking progress

In 2010 the hunger target is far from being met. Reductions in hunger achieved in the early 1990s are being reversed. Since 1995, the number of hungry people worldwide has been on the rise again<sup>1</sup>. The recent food and economic crises have exacerbated this trend. Since 2008 a further 105 million people are going hungry<sup>2</sup> bringing the total to more than one billion people today<sup>3</sup>. Out of the one billion hungry, there are about 129 million underweight children in the world<sup>4</sup>.

At the same time, in 2009, the number of jobless worldwide reached nearly 212 million, the number of women and men in vulnerable employment have reached a share of half of the world's labour force and as many as 215 million workers were living on the margin and were at risk of falling into poverty (i. e. joining the millions of workers living on less than USD 1.25 per day)<sup>5</sup>.

Although global food prices have fallen and the food crisis headlines are a distant memory, price levels remain significantly higher than what they were in 2007. Many farmers have been unable to increase their production and the poorest and most marginalised, particularly women and children, burdened with the high cost of local food, are unable to afford enough to eat, this is compounded by the lack of decent jobs opportunities and/or any form of social protection. Meanwhile the financial crisis and disrupted weather patterns are continuing to push increasing numbers into hunger. The trend is one of rising, not falling, hunger. A large part of rising hunger can be attributed to the continuous lack of attention to structural causes and complex issues which lead to hunger and food insecurity, in particular:

- **Low investment in agriculture and rural development:** the percentage of official aid to agriculture has dropped from 17% of all ODA in 1982 to 3.6% in 2006. Despite recent increases, and the fact that agriculture is back on the agenda, aid spent on food, agriculture and rural development remains much lower than what is needed.
- **Poor quality aid:** What aid there is remains poorly targeted and coordinated and with questionable priorities. Donors are failing to fully meet their Paris Declaration commitments to improve aid effectiveness in agriculture. Too much aid is unpredictable, undermining ability of governments to plan and account. Donors are failing to focus on key services to farmers or to deliver aid in ways that ensure it is well spent. Too little aid is provided for credit and extension services for smallholder farmers, particularly women. Moreover, key donors are still putting too much faith in economic liberalization policies, such as promoting the part-privatisation of extension services, undermining government intervention policies that could work better for small-scale food providers like farmers, pastoralists, fishers, indigenous peoples.
- **Low investment in social protection:** Social protection is a proven and powerful instrument for poverty reduction and social cohesion particularly when targeted at the most marginalised. Social protection measures such as cash transfers can prevent malnutrition by providing families with the means to buy food. Food security schemes can mitigate the effects of drought and pension schemes, disability benefits and child grants can help provide social security nets. While most OECD countries spend around 10% of their GDP on social protection, they have failed to support developing countries to initiate such programmes.
- **Jobless growth and lack of decent work:** By 2010, many have recognised the importance of decent work policies to lift people out of poverty and prevent them from falling into it. Nevertheless even the

<sup>1</sup> From 831, 8 millions in 1995 to 963 millions in 2008. Since 2004 also the percentage of hungry people has increased from 13,5% in 2004 to 13,8% in 2007 (source: FAO)

<sup>2</sup> UN evaluation, 2010 <http://www.undg.org/docs/10869/Evaluation-of-Progress-on-MDG1-Hunger-Target.100106.pdf>

<sup>3</sup> FAO State of Food Insecurity SOFI 2009 [www.fao.org/publications/sofi/en/](http://www.fao.org/publications/sofi/en/)

<sup>4</sup> UNICEF: Tracking Progress on Child and Maternal Nutrition, November 2009

<sup>5</sup> ILO: Global Employment Trends 2010

robust world economic growth in the years preceding the crisis has failed to translate into significant reductions in unemployment or poverty among those in work: the number of working people living on US\$2 a day reached 1.37 billion in 2006<sup>6</sup>. The crisis has dramatically increased these trends<sup>7</sup> and more workers find themselves in poverty and/or precarious jobs. Successfully reducing poverty requires supporting the creation of decent and productive employment for all.

- **Lack of leadership on nutrition:** tackling malnutrition must become a political priority if the problem of hunger is to be solved. Donor countries need to invest in nutrition and support a multi-sectoral approach that addresses the immediate underlying causes of under nutrition.
- **Fuel over food?:** The North's energy needs are fuelling hunger in the South. Foreign food and agrofuel importers have acquired an area the size of France, 20 million hectares of farming land, in developing countries, since 2006. This land should be used to grow food for local consumption. The shift of land use from food to agrofuel production is likely to expand further with the advent of the EU Directive for renewable energy. Approved in 2009, it foresees that by 2020, 10% of energy for transport will come from renewable sources, a target likely only to be met through the use of agrofuels.
- **Trade:** Trade liberalisation has been a major contributor to the food crisis by dismantling the very foundations on which localised food systems should be based, while local agriculture has suffered because of cheap imports. Liberalisation of trade and markets facilitated the speculation in food and commodities that sparked the price spikes. During the crisis some farmers also suffered because of export restrictions so they could not benefit from higher world market prices.

## 2. The role of the EU

If political inaction is largely responsible for causing one billion people to go hungry, then political action that refocuses policy on securing local food access and supply can also put a stop to it.

The MDG Review Summit offers an opportunity for the EU to demonstrate the political will to act to halt the alarming reversals on MDG 1. The fallout of the economic crisis and the expected hike in food prices and increasing poverty will undoubtedly keep pushing-up global hunger numbers throughout the next decade. Failure to take strong action and set out a vision to tackle growing hunger in 2010 could lead to a permanent food crisis.

The EU and other donors have already taken significant steps on global food security initiatives. In late 2008, the EU mobilised a billion Euro and created the food facility as the EU's response to the food crisis. However, the facility was only a short term measure and is not addressing the structural causes of hunger. The L'Aquila Initiative, announced during the 2009 G8, set new commitments towards tackling the food crisis by committing to raising US\$20 billion per annum over the next three years for supporting country led agricultural plans and focusing on smallholders. These pledges need to be realised.

2010 must be the year of finally living up to those promises. But is not just about aid. The EU has a major role in addressing its policies which are contributing to rather than solving hunger.

## 3. Recommendations to the EU

### Adopt a rights based approach

The EU should use the FAO voluntary guidelines on the right to food to ensure that the right to food, nutrition policy and protection of local food production drives EU agriculture and food security policy. Any increases in EU spending must be dedicated to long term programmes and investments that benefit poor farmers, including women producers and the most food insecure people. The new EU policy framework to assist developing countries in addressing agriculture and food security challenges should enhance sustainable agricultural production systems of the women and men small-scale producers who provide food, especially for local consumers. Low external input agro-ecological approaches, which improve climate resilience as well as productivity at lower costs to farmers, should be given particular priority as found necessary by the UN's

<sup>6</sup> ILO: Global Employment Trends Brief, January 2007. The report acknowledged that the percentage of working poor in total employment had declined,

<sup>7</sup>The Millennium Development Goals Report 2009, [www.un.org/millenniumgoals/pdf/MDG%20Report%202009%20ENG.pdf](http://www.un.org/millenniumgoals/pdf/MDG%20Report%202009%20ENG.pdf)

International Assessment of Agricultural Knowledge, Science and Technology for Development. Tackling hunger necessitates more than simply increasing food production – affordable access, reducing losses and wastes, improving local storage, increasing local control are among other measures needed.

### **Address the incoherencies that are sustaining hunger**

The EU must ensure that its external and internal policies that have an impact on food markets, access to food and food production are coherent with the realisation by the people suffering from hunger of their right to food. The EU scale of values regarding agriculture and food-related policies must be reversed so as to place the protection of this fundamental right before other potentially conflicting interests.

The EU must in particular ensure that productive land is not confiscated for the expansion of agrofuels production in developing countries at the expense of food production for local markets, and that projects resulting in land-grabbing respect the FAO's Voluntary Guidelines on the Right to Food. In the same vein, the EU must ensure that trade regulations allow developing countries to put in place sufficient protection measures to help them protect their food markets and local agriculture.

### **Sustained aid to agriculture**

The EU must ensure that EU member states are living up to their commitments for new and additional aid to agriculture. It should start by keeping the promise to fund part of the L'Aquila Initiative of \$20bn per annum over the next 3 years, with clear follow-up mechanisms for its delivery through robust country-led and locally validated plans and systems (such as the Comprehensive African Agriculture Development Programme), in line with Paris and Accra commitments. In the long term, the EU should provide multi-year, predictable and guaranteed flows, without attaching conditionalities (other than those necessary to meet fiduciary responsibility) to tackle hunger – at least four times<sup>8</sup> as much as what was announced at L'Aquila is needed annually.

### **Social protection**

The EU needs to increase investment in social protection and basic social services. National anti-hunger plans should include programmes to immediately increase food intake (such as school meals and subsidized food grains), to enhance the poorest economic access to adequate and nutritious foods by increasing purchasing power, to boost incomes (such as old age pensions, child and disability benefits, cash-for-work programmes), and to build human capital (such as free basic education and healthcare).

### **Decent work**

The EU has to provide technical and financial assistance for the implementation of ILO Core Labour Standards (CLS) using all instruments at its disposal to promote their respect. In cooperation with the ILO, support should be provided to assist countries to monitor and report effectively on employment indicators under MDG Target 1B.

### **Scale up nutrition interventions**

The food price has had a severe impact on vulnerable groups. The EU needs to support and scale up nutritional surveillance in developing countries to achieve the necessary coverage and quality so that the impacts of the crisis at the local level can be identified, given geographical variations in food availability, access and quality. Part of the strengthening of health systems will require prioritization in particular countries. International policies can only enable and facilitate national policies once these have been developed.

### **Get the governance right**

The EU must support the reformed FAO Committee on Food Security, which marks a particular breakthrough because it creates a single body where UN food agencies, IFIs, governments and civil society, including the organisations of small-scale food producers, can discuss and agree best policies and strategic framework for the global food system. This is vital to tackling global coordination and the fragmentation of food efforts to avoid future crises.

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<sup>8</sup> G8 L'Aquila pledge is currently rumoured to stand at around \$20bn over 3 years = approximately \$7bn per year. Our ask is \$28bn new money in total. It is currently unknown as yet exactly how much of the \$22bn is additional to existing aid – one of our demands is for clarity in this. However, total amount needed is four times as much as *was pledged in L'Aquila*. As a comparison, it is factually correct.

## MDG 2 - Achieve Universal Primary Education<sup>9</sup>

### 1. Introduction

Target 2 is stated as 'Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling'. While Target 2 contains three indicators for progress (net enrolment ratio in primary education; proportion of pupils starting grade 1 who reach last grade of primary; literacy rate of 15-24 year-olds, women and men) this paper focuses on the overall target.

The right to education for all children and young people has been enshrined in a number of treaties, including the Universal Declaration on Human Rights, the UN Convention on the Rights of the Child, the Convention on the Rights of Persons with Disabilities, and the Convention on the Elimination of all Forms of Discrimination against Women.

Education has been increasingly rising up the global agenda and awareness of the challenges that need to be addressed has been transformed into many initiatives to bring primary education to all children. However, many challenges remain.

### 2. Tracking progress

Overall, the global numbers of out-of-school children are dropping too slowly for the target to be reached by 2015. While the number of children out of primary school across the world has dropped by 33 million since 1999<sup>10</sup>, there are still 72 million children currently denied their right to primary education. Over half of those out-of-school children, 38.7 million, live in conflict-affected fragile states (CAFS), and one-third are disabled. According to UNESCO's GMR 2010 as many as 56 million children could be out of school in 2015.

While some countries, such as India, have made good progress, many remain considerably off-track, particularly in sub-Saharan Africa. Some countries, including Chad, Haiti, Nigeria and Sri Lanka, have seen the numbers of out-of-school children increase. Clearly, since the recent earthquake in Haiti, progress there will be still more difficult. Furthermore, there is a very real danger that, owing to the financial crisis, any hard-won progress will be reversed, while those already off-track will simply slip further behind.

### 2. Barriers to achieving MDG2

- **Insufficient funding** has been provided for education. Donors have not fulfilled their education commitments and, as a result of the financial crisis, ODA commitments are under further threat. Overall amounts of ODA are likely to diminish anyway as they are based on a percentage of GNI, which has declined. Developing countries' governments are experiencing considerable fiscal pressure which will inevitably affect spending on social policies more than other areas.
- The **EFA Fast Track Initiative (FTI)** has fallen short of expectations: it has made few financial transfers, at high transaction costs, through the Catalytic Fund, its main financing mechanism. The conditions set for accessing funding mean that CAFS rarely qualify.
- **CAFS** face multiple difficulties: not only do they have the largest proportion of children out of school, but they are generally amongst the poorest of lower income countries (LICs) and therefore in greatest need for support from donors. However, they are particularly under-funded. Conflict itself is a significant barrier to children attending school, as violence and unrest can force both governments and aid agencies to deem areas too dangerous to operate.
- **Education is rarely prioritised by the international community in its emergency responses**, despite the proven advantages of doing so. Natural disasters and armed conflict often destroy schools and education facilities as well as displacing or killing large numbers of teachers, students and parents.
- School-level barriers such as **school fees** (applied in almost all CAFS, even though they may have been legally abolished) and/or indirect costs (such as school uniforms), inappropriate, insufficient or inaccessible facilities (such as a lack of separate toilets for girls, insufficient classrooms, or lack of adaptation of facilities for disabled people), insufficient and/or poorly trained teaching staff, lack of supplies including books and paper all affect enrolment, retention and learning.
- **Inequalities in access to education, particularly for those from vulnerable or marginalised groups.** The list of specific barriers preventing certain groups of children or young people from

<sup>9</sup> The UNESCO GMR 2010 is the primary data source. Where data are missing, UNICEF estimates are presented or the exact reference provided.

<sup>10</sup> [www.un.org/millenniumgoals/pdf/MDG%20Report%202009%20ENG.pdf](http://www.un.org/millenniumgoals/pdf/MDG%20Report%202009%20ENG.pdf)

accessing, and benefiting from, education is long. Furthermore, **discrimination** against children demonstrating any of these factors only adds to their difficulties in accessing education. Key factors include:

- **Family income**, with children – particularly girls - from the poorest households being the least likely to attend school. In some less developed countries, children in the poorest 20% of the population are three times less likely to be enrolled in primary school than children from the wealthiest 20%.<sup>11</sup>
- **Location** – a significant urban-rural divide exists: four out of five out-of-school children live in rural areas. The average distance to school is considerably higher in rural areas, and there is a lack of investment in schools in those areas. This factor is often combined with others such as poverty.
- **Gender** - girls have lower enrolment rates and higher drop-out rates than boys owing to discrimination, social and economic constraints and expectations, and a lower priority given to girls' education by families and society.
- **Ethnicity or minority group status**, which is often linked to the language of instruction.
- **Language** – lack of availability of education in a language understood by the child affects millions of speakers of local languages and indigenous peoples; deaf and blind people are rarely catered for through appropriate methods of communication such as sign language or Braille, respectively.
- **Disability** – since about one-third of out-of-school children are disabled, MDG2 will not be achieved until fully inclusive and fundamental changes have been made to all aspects related to education.
- **Violence** –takes many forms, and particularly affects girls, but the most common include violence in the home, in school, attacks against schools and children, increased levels of gender-based violence.
- **Displacement** - since the average length of conflict is 10 years and the average period of displacement is 17 years, millions of older children and young people have had little or no primary education.

Furthermore, it is at the **intersections** of these barriers that some of the most intractable barriers to expanding education to all children are found.<sup>12</sup> For children with more than one of the above characteristics (such as a girl from a minority ethnic group, who is poor and living in a rural area), the barriers to accessing education are particularly pernicious and their chances of getting into school extremely low.

However, it must be noted that access to education is only one aspect of MDG2: it is also necessary to complete a full course of primary schooling. In reality, millions of children drop out before this – a factor related not only to many of the access barriers but also to the **quality** of the education provided. Millions more children may complete their schooling but leave without basic literacy, numeracy or life skills owing to the lack of quality, or inappropriateness, of the education received.

#### 4. The role of the EU

The role of the EU in regard to the fulfilment of children's right to education is three-fold: policy-related, financial and programmatic.

##### Policy Commitments

*Development cooperation policy* - The European Commission (EC) / EU has a well-developed policy framework for development cooperation and education, including in fragile contexts.<sup>13</sup> However, the EC's emphasis on good governance has the potential to disadvantage fragile states. The Africa-EU Partnership on the MDGs is worthy of mention since it has developed an Action Plan (2008-10) which addresses issues such as the need to focus on gender parity and disabled children, and the removal of user fees. Moreover, the EC has gone further than required simply by the MDG framework by looking also at the issue of the quality of education and the role it can play in improving quality levels.<sup>14</sup> This therefore also addresses many of the above-mentioned barriers to education, such as language of instruction.

*Humanitarian aid policy* - The key document guiding humanitarian aid - the 2008 Humanitarian Consensus Action Plan (based on the Humanitarian Consensus of 2007) - does not mention education. Education is

<sup>11</sup> <http://www.un.org/millenniumgoals/pdf/MDG%20Report%202009%20ENG.pdf>

<sup>12</sup> Barriers to Accessing Primary Education in Conflict-Affected Fragile States, Save the Children, 2009

<sup>13</sup> For example, the EU Consensus on Development 2005, Programming Guide for Strategy Paper: Education, 2006, EC Communication *Towards an EU response to situations of fragility*, 2007

<sup>14</sup> More and Better Education in Developing Countries, Commission Staff Working Document, February 2010

typically seen as a development activity and not supported by ECHO, although the staff working document on Children in Emergency and Crisis Situations (2008) gave hopeful signs of change by dedicating one of the three sections to education in emergencies.

### Budget Allocations

The European Union accounts for over half of all aid given to education worldwide. However, while on average between 2005 and 2007, 9% of the EU's ODA was committed to education in other LICs, it was only 5% in CAFS<sup>15</sup>. It is not yet clear what the effects of such policies as the 'EU Division of Labour' will have, but there is a risk of creating further donor 'orphans', especially among CAFS.

At the high level event in May 2007, the EC announced estimated direct aid for education of €1.7 billion up to 2013, including €80 million for basic education under its thematic programme "Investing in People", of which €22 million was to support the FTI.

Between 2006 and 2008, ECHO allocated only 0.3% of its funding to education.<sup>16</sup>

### Programming and implementation of Policy

Translating policy commitments into implementation remains a challenge for the EU, not least owing to the discrepancy between programming being done locally, while policy is developed centrally in Brussels. Moreover, new policies on division of labour, which may bring complementarity and greater efficiency among donors, also imply that the EU may well fund education less often. Human development, which includes education, is rarely chosen as a focal sector in the Country Strategy Papers.

## 5. Recommendations to the EU

The following recommendations relate to the EU's own strategy towards achieving the MDGs. However, we would urge the EU and its Member States, both together and individually, to advocate for all these points at the UN MDG Review Summit in September this year.

### The EU should:

- **Increase funding** for education – and particularly basic education - in order to close the financing gap. Countries with the greatest need should be prioritised, including CAFS.
  - Honour ODA commitments and the "fair share" principle of aid, based on a share of the global aid pledge and the size of GNI.
  - Ensure that aid is long-term and predictable, and find a mechanism to extend the MDG Contracts to countries whose context is less stable.
  - Improve aid effectiveness, with a greater focus on CAFS, as well as on the issues of equity and the Accra Agenda commitments on gender, rights and disability.
  - Explore innovative financing options and examine how existing modalities can be modified to suit the needs of CAFs.
  - Support countries seeking to eliminate school fees, through financial and technical assistance.
- Endorse and promote the recommendations from the FTI evaluation to **radically reform the FTI**. In particular, address the governance and trustee arrangements, the inclusion of civil society, and the financing of CAFS. The FTI should further address the need for capacity-building to focus on issues of inclusion.<sup>17</sup>
- Invest in child sensitive social protection mechanisms such as cash transfers to protect vulnerable households.
- Ensure focus remains on improving access to education and reducing drop-out rates, especially for the more vulnerable and marginalized groups, even in countries where progress is made overall.
- Encourage countries receiving development assistance to put in place data collection systems that take into account factors such as gender, ethnicity, and language and to use that data when conceiving national education policies and curricula.
- Support education as part of every humanitarian response, through the education cluster, and allocate adequate funding to preparedness, co-ordination and response at country and global levels.
- Continue to emphasise quality of education, measuring not only the number of children enrolled in school but their achievement of key learning outcomes such as literacy, numeracy, rights and life skills.

<sup>15</sup> Delivering Education for Children in Emergencies, Save the Children, 2008

<sup>16</sup> Delivering Education for Children in Emergencies, Save the Children, 2008

<sup>17</sup> <http://www.educationfasttrack.org/media/library/Themes/vulnerable-groups/EFA-FTI-Equity-Inclusion-Tool-Report.pdf>

- Ensure children are ready to learn by expanding comprehensive early childhood care and development programmes for children aged 0-5 years.

## MDG 3 - Promote Gender Equality and Empower Women

**Target 3a:** Eliminate gender disparity in primary and secondary education preferably by 2005, and at all levels by 2015

- 3.1** Ratio of girls to boys in primary, secondary and tertiary education
- 3.2** Share of women in wage employment in the non-agricultural sector
- 3.3** Proportion of seats held by women in national parliament

### 1. Introduction

It is now widely accepted that achieving gender equality and women's empowerment is a human right and a moral imperative with far-reaching consequences for the lives of poor women and girls across the world. It is also central to the achievement of the other MDGs: three in every five adults living with HIV in sub-Saharan Africa are women, with young women making up the largest percentage of new infections<sup>18</sup>; 57 per cent of primary-age children out of school are girls<sup>19</sup>; and three quarters of deaths among babies in the first four weeks of life could be prevented if women were adequately nourished and received appropriate care during and after pregnancy<sup>20</sup>. Reducing maternal mortality - the most off track MDG goal - relies most heavily on improving the status of women<sup>21</sup>.

Yet progress on MDG3 has been uneven and slow. Women's share of waged non-agricultural employment has increased by only 3% since 1990<sup>22</sup> and only one in five members of parliament worldwide are women<sup>23</sup>. As shocks from the global financial crises continue to reverberate, with gender-differentiated impacts particularly evident via changes in labour markets and new obstacles to women's employment<sup>24</sup>, fragile progress on gender equality is coming under renewed threat.

### 2. Tracking progress and barriers to further progress

**Target 3a: Eliminate gender disparity in primary and secondary education preferably by 2005, and at all levels by 2015**

#### 3.1 Ratio of girls to boys in primary, secondary and tertiary education

Positive advances in gender parity in education, especially at primary levels, have demonstrated what can be accomplished when governments are prepared to invest. Yet five years after the target date, gender parity in education has still to be achieved. Of countries with available data, 63% have achieved gender parity at primary level, 37 per cent at secondary, and less than three per cent at the tertiary level<sup>25</sup>. South Asia and sub-Saharan Africa are lagging behind at all levels, most severely at the tertiary level. Ten of the 22 fragile states for which data is available are also badly off track<sup>26</sup>.

Intensified investment in strengthening opportunities for girls' secondary and tertiary education is a priority, not least because of compelling evidence that post-primary education has far greater impact on women's empowerment and well-being, and that of their families and communities. Investment in girls' access to secondary and tertiary education also yields sustainable development results: a 100 country survey by the World Bank found that increasing the share of women with a secondary education by just one per cent boosts annual per capita income growth by 0.3 per cent<sup>27</sup>.

Progress on girls' education has been further hampered by insufficient attention to school attendance and completion rates, and quality of learning, as well as a reluctance to tackle the causes of high drop out rates among girls, such as heavy domestic workloads, violence against girls in school, early marriage, lack of or poor quality sanitary facilities, and poor infrastructure and transport. Girls from minority ethnic and indigenous groups

<sup>18</sup> *Progress of the World's Women*. New York, UNIFEM, 2008/09

<sup>19</sup> *Ibid*

<sup>20</sup> Hit or Miss: Women's Rights and the Millennium Development Goals, Action Aid, 2008

<sup>21</sup> *Ibid*

<sup>22</sup> The Millennium Development Goals Report, New York, United Nations, 2009

<sup>23</sup> *Progress of the World's Women*. New York, UNIFEM, 2008/09

<sup>24</sup> World Bank (2009) *Women in 33 Countries Highly Vulnerable to Financial Crisis Effects*, World Bank Press Release 245/PREM, 6 March, Washington DC: World Bank

<sup>25</sup> UNESCO, Institute for Statistics, 2008

<sup>26</sup> Global Monitoring Report, World Bank, 2009

<sup>27</sup> Gender Inequality, Income, and Growth: Are Good Times Good for Women? *World Bank Policy Research Report on Gender and Development, Working Paper Series No. 1*, Washington, DC: World Bank, 1999

often face particularly severe obstacles, including ethnic discrimination on the part of teachers, lack of access to mother tongue education, and lack of investment in areas where minorities and indigenous communities live. Girls with disabilities may also face 'double discrimination', which has been well-documented in development policies<sup>28</sup>.

### 3.2 Share of women in wage employment in the non-agricultural sector

Results are disappointing in this key dimension of women's empowerment: women's share of waged non-agricultural employment has improved only marginally over the past decade<sup>29</sup>. In Northern Africa and Western Asia, just 23 per cent and 21 per cent of working-age women, respectively, are employed<sup>30</sup>. Even where women are accessing the wage labour market they are generally failing to secure decent jobs, with close to two thirds of all employed women in vulnerable employment<sup>31</sup>. The global financial crisis has compounded the obstacles women face in securing decent employment, with female-dominated industries and services especially hard hit<sup>32</sup>. Yet the MDG framework gives no attention to monitoring or improving the quality of women's employment, nor to reducing women's heavy care and domestic workloads which limit their ability to take up paid work or push them into poorly paid and insecure work<sup>33</sup>.

### 3.3 Proportion of seats held by women in national parliaments

Women's equal participation in governance is a human right as well as being key to more effective allocation of public financial resources. While the percentage of women in national parliaments has increased slightly in the past decade - including some very positive results in some of the world's poorest countries - the rate of progress remains unacceptably slow. At the current rate, not only will few countries achieve a critical mass of 30 per cent by 2015, it will take another 40 years for women to constitute 40 per cent of parliamentary representation in developing regions<sup>34</sup>. More rapid progress is possible, with quotas and reservations having been shown to significantly accelerate the rate at which women move into public decision making at national and local levels<sup>35</sup>. Once elected, women also need the institutional support and capacity to be effective decision-makers and remain in formal politics - for example, through the provision of training and mentoring.

### Overall progress on the goal area

Achieving gender equality and meeting the other MDGs will require action on a much broader range of women's rights issues than those captured by the existing indicators, including guaranteeing women's property, land and inheritance rights, combating sexual and gender-based violence against women and girls, and reducing women's unpaid care and domestic workloads. The European Community (EC) and EU Member States have a key role to play in addressing these gaps.

## 3. The role of the EU

The EU has strongly committed itself to promoting gender equality and women's rights in all its actions, and is both legally and politically bound to promote gender equality in its development policies and assistance. Despite these commitments<sup>36</sup>, gender mainstreaming has not been systematically implemented and has remained a low priority in EU development cooperation, hampered in particular by inadequate resources and lack of political will. The advancement of gender equality in development has been further stalled by the lack of policy coherence with other EU policies in the area of external relations, such as the non-integration of gender equality obligations in the ongoing bilateral and multilateral free trade agreement negotiations, as well as with the EU's international women's rights commitments.

2010 marks a pivotal year for the EU to review, reaffirm and accelerate its commitment to achieving gender equality and promoting women's human rights, particularly with the emergence of the new UN agency for women. The drafting of an EU Gender Action Plan (2010-15) offers another important opportunity to accelerate action on gender equality through development cooperation. In a year which will also see the 15 year review of

<sup>28</sup> World Bank (2009) *Women in 33 Countries Highly Vulnerable to Financial Crisis Effects*, World Bank Press Release 245/PREM, 6 March, Washington DC: World Bank

<sup>29</sup> *Progress of the World's Women*. New York, UNIFEM, 2008/09

<sup>30</sup> The Millennium Development Goals Report, New York, United Nations, 2009

<sup>31</sup> Ibid

<sup>32</sup> Ibid

<sup>33</sup> Kabeer, N. (2008) *Mainstreaming Gender in Social Protection for the Informal Economy*, London: Commonwealth Secretariat

<sup>34</sup> *Progress of the World's Women*. New York, UNIFEM, 2008/09

<sup>35</sup> UN Millennium Project Task Force on Education and Gender Equality, *Taking Action: Achieving Gender Equality and Empowering Women*, 2005

<sup>36</sup> For example, the EU has recently reiterated its commitments on gender equality through the EU Consensus on Development (2005) - which recognises gender equality as a goal in its own right and identifies it as one of the five essential principles of development cooperation - and the Communication on Gender Equality and Women's Empowerment in Development Cooperation (2007).

the ambitious Beijing Platform for Action to which the EC and EU Member States are signatories, we call on the EU to ensure its far-reaching existing commitments become a reality for women and girls across the world.

#### 4. Recommendations to the EU

We urge the EU to translate its own far-reaching commitments on gender equality and women's empowerment into concrete action, utilising a rights-based approach as laid out in CEDAW and the BPfA. We also ask for continued leadership at the international level to ensure that gender equality and women's empowerment is central to the MDG call to action. In particular, we call upon the EU to:

- **Make aid a more effective tool for achieving gender equality and women's empowerment, including by building capacity for gender responsive budgeting within the context of general budget support** to track investments in gender equality and ensure public expenditure matches gender policy commitments. Capacity for gender responsive budgeting should be developed as part of mainstream public financial management and public sector reforms.
- **Reinforce commitments on gender equality and women's rights in EU external policies** by ensuring the new EU strategy for gender equality is a Strategic Action Plan for Effective Equality, with concrete commitments and measures and strong accountability mechanisms; and making sure the future EU Gender Action Plan on Gender Equality and Development (GAP) is linked to the EU gender strategy and is a binding document with a specific budget and specific accountability mechanisms.
- **Ensure that significantly increased funding reaches women's organisations as key actors in the promotion of gender equality** by earmarking funds to support work on gender equality and women's empowerment - following, for example, the Dutch MDG3 fund - and channelling money through women's funds and other mechanisms to directly support women's organisations, as well as creating political spaces for policy dialogue for women's organisations, and working with women's organisations to develop specific targets and strategies, including at country-level, for significantly scaling up support for, building the capacity of, and expanding the programmatic reach of women's organisations
- **Call for specific targets to motivate action on women's economic empowerment and participation in public decision-making, and rapidly accelerate investment by the EC and EU Member States in these key dimensions of women's empowerment.** Particular efforts are needed to reduce women's reliance on vulnerable employment, expand the provision of social protection measures for vulnerable women workers including those with caring responsibilities, promote positive action and quotas to accelerate women's representation in public decision-making, and support elected women to be effective political actors.
- **Take action on a much broader range of women's rights issues than those currently included in the MDG framework, drawing on the Beijing Platform for Action indicators approved at EU level.** In particular, the EC and EU Member States must demonstrate bold leadership on ending sexual and gender-based violence against women and girls - referred to as the 'missing MDG' by the UN Secretary General - including through the implementation of SCR 1325 and 1820.
- **Work with governments to re-galvanise efforts to reach gender parity in education** by strengthening opportunities for post-primary education for girls, tracking completion and attendance rates alongside enrolment rates, and tackling the barriers - such as violence in schools - that inhibit girls' from completing their education or achieving positive outcomes.
- **Improve national level capacity to monitor and report on gaps and progress on gender equality** by improving the coverage, quality and frequency of collection and use of sex-disaggregated data and statistics, particularly in the areas of time-use and violence against women.
- **Strengthen the UN's capacity to combat gender inequality and advance women's rights by pushing to conclude negotiations on the creation of a new, powerful UN agency for women.** In particular, we ask for continued leadership to ensure the agency has the authority, funding and mandate to be able to hold governments and UN agencies to account for meeting international commitments and targets on gender equality, and to be able to design, finance and deliver programmes that will make a real difference to women's lives. The UN Women's Agency must be ambitiously funded by at least \$1bn initially.

## Overall Recommendations for MDGS 4, 5 and 6: The Health Related MDGs

Of all of the MDGs, the health-related MDGs are some of the most seriously off track. Although some progress has been made, it is uneven and there much more remains to be done. The statistics speak for themselves: in 2008, 8.8 million young children died from largely preventable or treatable causes (MDG 4); in 2005, there were 450 maternal deaths per 100,000 live births in developing countries compared to just 9 in the developed world (MDG 5); and in 2008, an estimated 2.7 million new HIV infections occurred and an estimated 2 million people died due to AIDS-related illnesses worldwide around 1.77 million deaths from tuberculosis and approximately 1 million deaths from malaria (MDG 6).

### **The health MDGs are closely interrelated and require a joint and comprehensive approach.**

Success in meeting the health MDGs will only be realised if they are addressed as a coherent package, and not in isolation from each other.

In order to make progress in MDG 4, 5 and 6, a comprehensive approach to improve health is essential.

Therefore, CONCORD recommends the EU and its Member States to take up strong overall actions on health funding, health systems and access to quality health services, next to additional actions required for each of the MDGs 4, 5 and 6.

### **The EU should:**

- Implement their **health ODA commitments**, including the EU Agenda for Action on the MDGs to ensure **sufficient, long-term and predictable** health aid.
- Establish **0.1% of GNI to health** as a benchmark performance target for its ODA, in accordance with the recommendation of the WHO's Commission on Macroeconomics and Health. WHO estimated in 2001 that in order to achieve the health MDGs by 2015, donors need to allocate at least 0.1% of its GNI (equivalent to 15% of the 0.7% GNI donors have committed to provide to ODA).
- Urgently supporting, in addition to ODA, the **development and implementation of innovative sources of finances**, in particular financial transaction taxes including a currency transaction levy.

### **Support strengthening of health systems and capacities which take into account the following:**

- The health MDGs can only be achieved if **both health systems strengthening and disease-specific responses are equally addressed**. The EU as a whole needs to adopt and implement a strong and coherent joint approach to support countries achieving universal access to a basic health care package, which includes universal access to HIV prevention, treatment, care and support, universal access to sexual and reproductive health services, and malaria universal coverage.
- The EU should push for greater aid effectiveness by closely **coordinating and harmonizing its aid with other donors** at the country level, including through the International Health Partnership and related initiatives (IHP+) and **meaningfully engage civil society** in health systems strengthening efforts.
- In addition, the support provided for the strengthening of health systems should include built-in financial resources and capacity building for the training, remuneration and retention of a **skilled health workforce**. Without the coverage of these significant recurrent costs, health systems will remain too weak to deliver the necessary universal coverage.

### **Ensure fair access to health services:**

- The EU needs to provide the support necessary to allow the abolition of user fees and the provision of public basic health care services (including access to medicines, supplies, vaccines) so that these are provided free at the point of use in developing countries. This strategy should also include how the EU and its Member States act within the decision making of the IMF and World Bank to allow such policies to be promoted.
- The EU should strongly promote **gender equality** and the development of **social protection mechanisms** at the country level so as to ensure access for the poorest and most marginalised.
- The EU should commit to providing political and financial support to enable civil society to play its critical role in holding donor and national governments accountable for delivering healthcare services and strengthening communities' capacities to deliver healthcare services
- Rural areas must receive appropriate proportions of funding and HSS. Effective community based solutions must be re-emphasized, fully implementing the Alma Alta accords.

## MDG 4 - Reduce Child Mortality

**Target:** Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate from 95 to 31 per 1,000 live births by 2015.

**Indicators:** 4.1 Under-five mortality rate; 4.2 Infant mortality rate; 4.3 Proportion of 1 year-old children immunised against measles.

### 1. Introduction

A staggering 8,8 million children die each year – around 26,000 a day, or nearly one child every three seconds - before they are five years old<sup>37</sup>. The six causes of 90% of under-five child mortality - acute respiratory infections, diarrhea, measles, malaria, HIV/AIDS and neonatal conditions - are easily preventable.

The large majority of these deaths could easily be avoided if developing countries had well-functioning health systems that prioritised child health and respected commitments made when ratifying international conventions. Article 6 of the United Nations Convention on the Rights of the Child, for example, states that every child has the inherent right to life and that States Parties have to ensure to the maximum extent possible the survival and development of the child, while Article 24 ensures that States Parties recognise the right of the child to the enjoyment of the highest attainable standard of health and take appropriate measures to diminish infant and child mortality.

### 2. Tracking progress

Overall, MDG 4 is one of the MDGs most unlikely to be achieved by 2015, despite the availability of simple, low-cost and effective interventions<sup>38</sup>.

The under-five mortality rate fell worldwide from 95 per 1,000 live births in 1990 to 65 in 2008<sup>39</sup>. However, at the current rate of progress, child mortality rate will only be reduced by a quarter instead of the planned two-thirds by 2015. Asia, home to one-third of the world's children, is on track to reach the goal<sup>40</sup> as is Latin America<sup>41</sup>. However, only one country in sub-Saharan Africa is on track to meet this target<sup>42</sup> and this region accounts for half of all under-5 deaths<sup>43</sup>. The situation in fragile states, where the MDGs are most off-track, is of particular concern, with only two of 35 fragile states on track to meet this MDG<sup>44</sup>.

Nonetheless, even when a country is on-track, deep inequalities still persist, with the poorest communities continuing to experience far less progress than the richest.<sup>45</sup> Mortality rates for disabled children under five can be as high as 80%, even in countries where overall under-five mortality is below 20%<sup>46</sup>.

New-born deaths account for 40% of deaths in children under the age of five each year. Progress in decreasing infant mortality has been poor. More than two-thirds of all newborn deaths occur in just 10 countries: India, China, Pakistan, Nigeria, Bangladesh, Ethiopia, DRC, Indonesia, Afghanistan and Tanzania. Severe infections, asphyxia and premature birth cause 86% of newborn deaths. However, with better pre- and post-natal care and skilled attendants at childbirth, many of these deaths could be avoided.

Significant progress has been made on reducing child mortality from measles. Between 2000 and 2008 the number of deaths attributable to measles worldwide fell by 78% to 164,000<sup>47</sup>. This was in large part due to the ever-expanding coverage of measles vaccinations with, in 2008, 83% of children being given at least one dose by their first birthday, up from 72% in 2000<sup>48</sup>.

### 3. Barriers to achieving MDG 4

There are a number of key barriers that have been identified as contributing to the insufficient progress on MDG4. These include:

<sup>37</sup> UNICEF, 2008

<sup>38</sup> World Bank, 2007

<sup>39</sup> UNICEF, 2009 ([http://www.unicef.org/media/media\\_51087.html](http://www.unicef.org/media/media_51087.html))

<sup>40</sup> Need reference please Plan.

<sup>41</sup> UN Millennium Development Goals Report (2009)

<sup>42</sup> World Bank, 2007

<sup>43</sup> Need reference please Plan.

<sup>44</sup> World Bank, 2007

<sup>45</sup> Bolivia is an exception in this regard. Macro International Inc (2009)- [www.measuredhs.com](http://www.measuredhs.com)

<sup>46</sup> DFID (2000) *Disability, Poverty and Development*. Department for International Development: London

<sup>47</sup> <http://www.measlesinitiative.org/>

<sup>48</sup> WHO, 2009 (<http://www.who.int/mediacentre/factsheets/fs286/en/>)

- **Lack of funding:** if countries are to be able to strengthen their health systems, funding must be adequate, long-term and predictable. In 2001, the Commission on Macroeconomics and Health (CMH) estimated that an additional US\$94 billion (approx €70 billion) was needed by 2015 in order to reach the health MDGs. More recently, in 2009, the High Level Taskforce on International Innovative Financing for Health estimated that, now, an additional US\$36-45 billion is required<sup>49</sup>. Developing countries have committed to dedicate 15% of their national budget to health but despite this, owing to a lack of domestic resources, it is clear that a large part of the necessary funding will need to come from donors. For their part, donors have committed to provide 0.7% of their Gross National Income (GNI) to Official Development Assistance (ODA). However, owing to the financial crisis, the amount of funding provided risks being considerably lower than foreseen (and necessary).
- **Weak, poor-functioning health systems** – at a minimum, health systems should be equipped, staffed and organised to deliver proven interventions, effectively and equitably, to those mothers, newborn babies and children who need them. These systems need to operate across what is called the 'continuum of care'. Yet in many poor countries and communities, such systems are simply non-existent. Two aspects of weak systems to which attention should be drawn are:
  - Shortage of health workers, including skilled attendants at birth.
  - Shortage, or unavailability, of medicines, or vaccines, especially preventative and curative treatment for pneumonia, diarrhea and malaria.
- **Barriers to accessing health-care** – there are several factors which make accessing health difficult or impossible and therefore contribute to high rates of child mortality. These include:
  - User fees or informal payments - a number of studies have shown that when user fees are introduced, poor people's demand for primary health services falls, and when they are abolished, it increases dramatically.<sup>50</sup>
  - Distance to health care facilities, and a general lack of adequate funding and attention to rural areas<sup>51</sup>.
  - Discrimination on the grounds of gender, caste, ethnicity, religion or disability.
- **Under-nutrition** - A child is almost ten times more likely to die if they are severely underweight than if they are of average weight for their age. This could be prevented through initiatives promoting breastfeeding, complementary feeding, micronutrient supplements, social protection mechanisms.
- **Shortage of clean water and lack of safe sanitation** can cause or worsen disease such as diarrhea.

#### 4. The Role of the EU

The role of the EU in achieving MDG4 is not only a crucial one, but also multi-faceted.

##### Policy Commitments

There has been much recent action within the EU to address global health issues. In addition to an upcoming Communication on the EU's role in global health, the EU has produced policies based around what it considers to be the two key elements involved: health systems strengthening and human resources for health<sup>52</sup>. Furthermore, the Council of the European Union has set itself ambitious targets for 2010 to "save 4 million more children's lives each year, 2 million of which in Africa; and to have 35 million more births attended by skilled health personnel each year"<sup>53</sup>.

The Africa-EU Strategic Partnership on the Millennium Development Goals (2007) calls for "joint actions to strengthen district and national health systems, including... the elimination of fees for basic health care" yet no further policy commitment has been made and no clear ideas have been laid out as to how this will be achieved<sup>54</sup>.

##### Budget Allocations

<sup>49</sup> [http://www.internationalhealthpartnership.net/en/taskforce/working\\_groups](http://www.internationalhealthpartnership.net/en/taskforce/working_groups)

<sup>50</sup> These studies include L Gilson (1997) 'The lessons of user fee experience in Africa', *Health Policy and Planning* 12 (4): pages 273–285; B McPake (1993) 'User charges for health services in developing countries: a review of the economic literature'.

<sup>51</sup> For example, 75% of doctors and 60% of nurses in developing countries live in the urban areas. Little Health System Strengthening funding is tracked to the district level. World Vision, 2009, *Child Health Now: Together we can end preventable deaths*, [https://childhealthnow.com/docs/pdf/Child\\_Health\\_Now-Report.pdf](https://childhealthnow.com/docs/pdf/Child_Health_Now-Report.pdf)

<sup>52</sup> Communication from the Commission to the Council of the EU and the European Parliament (21.12.06)- European Programme for Action to tackle the critical shortage of health workers in developing countries (2007-2013), Council of the EU (11.11.08) Conclusions of the Council of the European Union and of the Representatives of the Governments of the Member States, meeting within the Council, on strengthening health systems in developing countries.

<sup>53</sup> Council of the EU (16.06.08) The EU as a global partner for pro-poor and pro-growth development- EU Agenda for Action on MDGs

<sup>54</sup> Africa- EU Strategic Partnership on the Millennium Development Goals (2007)

The European Commission's funding for the health sector has not increased as a proportion of its total development assistance since 2000<sup>55</sup>. The assistance committed directly to the health sector in sub-Saharan Africa, for example, represented 3.5% of the total tenth European Development Fund (EDF commitments €793.8 million), well below their 15% target and down from 5.5% of EDF commitments in the ninth EDF.

### Implementation of Policy

The EU, in its policy commitments, shows willingness to take a rights-based, holistic approach. Yet, in practice it focuses on specific issues or diseases. It does not therefore take a health systems strengthening approach which is widely agreed to be necessary. This is further undermined by a lack of coherence between policy areas in the EU. Just to cite one example, the European Commission promised to "provide increased support to country-level efforts to strengthen national health systems, supporting the development of comprehensive and inclusive national strategies to increase the capacity and performance of the health workforce"<sup>56</sup>. However, the development of a 'Blue Card' which will allow highly-skilled migrants fast-track admission to the EU<sup>57</sup> is likely to impede its stated commitment to tackling the 'brain drain' of health workers in developing countries, and on the contrary encourage such workers to come to Europe.

Furthermore, much of the EU's contribution to Global Health is channeled through vertical initiatives such as the Global Fund to Fight HIV/ AIDS, Tuberculosis and Malaria<sup>58</sup>. While this aid is important, it fails to address mechanisms that would strengthen health systems and thus fails to provide a less disease-centric approach.

## 5. Recommendations to the EU

We call on the EU and its Member States to scale up urgently their response to MDG 4. The EU should:

- Commit to contribute to the **milestones outlined in the EU Agenda for Action on the MDGs**. This includes: a) saving 4 million more children's lives each year, of which 2 million in Africa; b) having 35 million more births attended by skilled personnel each year, of which 13 million in Africa; and c) increasing coverage of Integrated Management of Childhood Illness programs.
- Ensure a **rights-based approach to children's health** which, among other things, should tackle discrimination, target poor and marginalized groups, and address birth registration to facilitate access to basic services.
- Avoid treating the MDGs as silos and build on the obvious links between education and health, water and sanitation and health, nutrition and health.
- Recognise that gender is a barrier to accessing health care for girls, as well as women, and provide support to reduce these barriers with particular attention to the rights of adolescent girls
- Promote direct nutrition interventions such as breast-feeding counselling, weaning practices, micronutrient supplements, nutrition education and growth monitoring.
- Strongly support the overall recommendations calling for an integrated approach to the health MDGs (see page 15) and ensure children are at the heart of their response with:
  - **Full funding** of commitments to address the main causes of child mortality, ensuring that the specific EU policy commitments on MDG 4 are reflected in EU funding for developing countries, **focusing on those countries most off-track**.
  - A child-friendly approach to **health system strengthening** that includes support to community-based service delivery, child-friendly sexual and reproductive health services, training of health workers on child health.
  - Measures targeted specifically at children to ensure **fair access** to essential health services such as promoting **social protection schemes for children** and ensure that they include marginalised and vulnerable groups (such as exploited or abused children, those with disabilities, who suffer social exclusion, orphans, children affected by HIV/AIDS).

<sup>55</sup> EC development assistance to health services in sub-Saharan Africa, European Parliament Resolution 12th March 2009

<sup>56</sup> Communication from the Commission to the Council of the EU and the European Parliament (21.12.06)- European Programme for Action to tackle the critical shortage of health workers in developing countries (2007-2013)

<sup>57</sup> On the conditions of entry and residence of third-country nationals for the purposes of highly qualified employment (25.05.09) creates a 'Blue Card' which allows highly-skilled migrants fast-track admission to the EU

<sup>58</sup> 10<sup>th</sup> European Development Fund

## MDG 5 - Improve Maternal Health

**Target 5.A:** Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio

5.1 Maternal mortality ratio

5.2 Proportion of births attended by skilled health personnel

**Target 5.B:** Achieve, by 2015, universal access to reproductive health

5.3 Contraceptive prevalence rate

5.4 Adolescent birth rate

5.5 Antenatal care coverage (at least one visit and at least four visits)

5.6 Unmet need for family planning

### 1. The global context and tracking progress

In 1994 at the **International Conference on Population and Development (ICPD)**, 179 countries (among which the EU Member States) committed to an ambitious Programme of Action (PoA) for improving sexual and reproductive health and rights (SRHR) over the world, taking a strong human-right's based approach. The PoA included the goals to reduce maternal mortality and to ensure universal access to reproductive health care by 2015. MDG5 includes targets deriving from the ICPD PoA and should be considered in the context of that comprehensive package of SRHR recommendations.

**MDG5 is the most off track of all MDGs**, especially in fragile states. No significant progress has been made since 1990. Despite dramatic statistics and the current needs that have grown drastically over the last decade, financial commitments and political will are strongly lagging behind. The interventions needed to achieve MDG 5 are available, but are not being delivered to the mothers (and children) who need them.

**Target 5.A:** 15 years after the ICPD PoA, **maternal mortality is still the most dramatic indicator of global health inequity**. Every minute, a woman dies from a pregnancy or childbirth-related cause<sup>59</sup>. It represents 536,000 of women and girls deaths every year as well as 1 million children left motherless. These children are 10 times more likely to **die** within two years of their mothers' death. 70,000 of these maternal deaths are due to unsafe abortions, one of the leading causes of maternal mortality<sup>60</sup>, 99% all of these deaths occur in developing countries, with 1/2 of them in sub-Saharan Africa and another 1/3 in South Asia. For every death, at least another 20 women suffer illness or injuries related to childbirth or pregnancy<sup>61</sup>. Although maternal mortality ratios are declining globally, **the decline is very limited, slow and unequal** between countries and regions. Maternal mortality rates decreased by less than 1% per year from 1990 to 2007, far below the 5.5% annual decline required to achieve MDG5<sup>62</sup>. In sub-Saharan Africa, where maternal mortality is highest, the annual decline has been only 0.1%.

A major bottleneck is weak health systems with unavailable, inaccessible, unaffordable, or poor quality delivery services. 4 out of 5 maternal deaths are the direct result of obstetric complications, most of which could be averted through delivery with a **skilled birth attendant (SBA)** and access to **emergency obstetric care**<sup>63</sup>. Whereas globally there is an increase of care provided during pregnancy and delivery, the proportion of deliveries assisted by SBAs remains **far below** the required level of 90% of all births. Only 46% of births in Africa and 65% in Asia are attended by SBAs in contrast to 99.5% coverage in North America and Europe<sup>64</sup>. Moreover the **quality** of the services remains poor with a general lack of attention given to maternal, newborn and basic SRH services.

Poor maternal health also reflects the **violations of women's rights** in societies and the broader failure of States to respect, protect and fulfill women's full range of human rights. Early marriages, recurrent childbearing,

<sup>59</sup> Five direct complications account for more than 70% of maternal deaths: haemorrhage (25%), infection (15%), unsafe abortion (13%), eclampsia (very high blood pressure leading to seizures – 12%), and obstructed labour (8%). WHO report 2008

<sup>60</sup> United Nations (2008) The Millennium Development Goals report New York

<sup>61</sup> The State of the World's Children Report on Maternal and Newborn health 2009, page 4: "300 million women suffer today from **maternal disability (or morbidity)** such as severe anaemia, incontinence, damage to the reproductive organs (such as fistula), chronic pain, and infertility"

<sup>62</sup> United Nations (2008) The Millennium Development Goals report New York

<sup>63</sup> 70% of maternal deaths result from five well-known and relatively common obstetric complications which can be treated with existing inexpensive medical or surgical techniques. Most of maternal deaths are easily preventable.

<sup>64</sup> WHO 'Proportion of birth attended by a skilled health worker. 2008 updates'

[http://www.who.int/reproductivehealth/publications/maternal\\_perinatal\\_health/2008\\_skilled\\_attendant.pdf](http://www.who.int/reproductivehealth/publications/maternal_perinatal_health/2008_skilled_attendant.pdf)

gender-based violence, including female genital mutilation<sup>65</sup>, are among the indirect factors of maternal ill-health. Exposure to infections having dramatic consequences on pregnant women such as malaria or HIV and AIDS also play a significant role. The provision of **comprehensive sexuality education and services** for women, men and young people is therefore crucial for improving knowledge, dispelling myths surrounding family planning and maternal health and reducing sexual risk behaviors.

**Target 5.B:** This target was incorporated within the MDG monitoring framework based on recommendations of the world leaders at the 2005 World Summit.

One in four women who want to avoid or space a pregnancy are not using an effective method of contraception<sup>66</sup>. With an estimated 215 million women having an **unmet need for family planning**, the proportion remains unacceptably high. It represents up to 24% of women aged 15-49 in sub-Saharan Africa. It is however recognised that ensuring universal access to family planning is efficient for reducing maternal and child mortality<sup>67</sup> and is a cost-effective way to help achieving MDG5<sup>68</sup> as well as other MDGs.

Overall **contraceptive prevalence rate** remain low despite increases in contraceptive use in most developing regions, generally accompanied by reductions in fertility. The major exception is sub-Saharan Africa, where contraceptive use, though nearly doubling between 1990 and 2005, was still only 22% in 2005 (with some countries facing a prevalence rate still below 10%). Contraceptive needs are however predicted to increase by 40% by 2015 as the world's 1 billion young people enter their reproductive years.

**Antenatal care** is a crucial service for healthy motherhood and childbirth by monitoring the well-being of both the woman and her baby. However the recommended norm of 4 antenatal visits is still not accessible to many pregnant women worldwide with the lowest proportion in sub-Saharan Africa (55% of women have no access). **Pregnancy in adolescence** also contributes to the cycle of maternal deaths and indicates limited access to reproductive health services especially for young people. Pregnancy and deliveries are the leading causes of death for young women under 19 in developing countries. But adolescent fertility remained stagnant or increased marginally between 2000 and 2005.

Among the **main barriers** to the advancement of MDG5 are:

- **Lack of political will and leadership in matters related to MDG5.** Both donors and recipient governments neglect women's health and rights as well as SRHR in their policies and budgets and are insufficiently addressing gender discriminations and barriers to quality services access.
- **Lack of funding** for maternal health and SRHR, both from domestic and external sources. Current levels are insufficient to cover the needs<sup>69</sup>. Striking is the decline since 1995 of donor funding for family planning, even as progress in maternal health stalls. It has shrunk from 55% of the resource flows for population activities to only 5% from 1995 to 2006. (A decrease of 34% since 2000)<sup>70</sup>.
- **Lack of prioritization of SRH services (incl. maternal health) in health system strengthening** as well as lack of linkages between related services such as HIV and AIDS, newborn, malaria and TB, insufficient trained health workers and access to reproductive supplies and equipment.

## 2. The role of the EU:

The EC and the Member States have made strong political and funding commitments for universal access to SRH as set out at the 1994 ICPD PoA<sup>71</sup> and for MDG5 specifically<sup>72</sup>. The November 2004 Council Conclusions called for significantly more financial resources and support for SRHR and in June 2008, the Council adopted the EU Agenda for Action on MDGs which includes a set of specific milestones and timelines to put back on

<sup>65</sup> Female genital mutilation-related child birth complications include an increase in caesarean sections, postpartum haemorrhage and obstetric fistulas as a result of prolonged and obstructed labour.

<sup>66</sup> Gutmacher Institute. 2009. *Adding it Up : The costs and benefits of investing in Family Planning and Maternal and Newborn Health* – 215 million women or 15% of all women aged 15-49 are having an unmet need for family planning

<sup>67</sup> Gutmacher Institute. 2007. *Adding it Up : The costs and benefits of investing in Family Planning and Maternal and Newborn Health* – Ensuring access to family planning can reduce maternal deaths by 25-40% and child mortality by 20%

<sup>68</sup> Gutmacher 2009

<sup>69</sup> UN Commission on Population and Development report 2009

<sup>70</sup> Euromapping 2009 – DSW, EPF, EuroNgos

<sup>71</sup> The EC and all the EU MS have subscribed to the ICPD Programme of Action (PoA). The commitment to the PoA full implementation was reaffirmed in the November 2004 Council Conclusions

<sup>72</sup> The EU largely recognizes that the MDGs, and especially **MDG5, cannot be attained "without progress in achieving the Cairo goal of universal access to SRHR"** as stated in both the May 2005 Council Conclusions on the achievement of the MDGs as well as in the EU Consensus on Development (Art 94).

track MDG5. However, despite strong policy commitments, evidence shows that more needs to be done to ensure their implementation.

In practice, health, especially maternal health and SRHR are not sufficiently prioritized in the Country Strategic Papers (CSPs). None of the CSPs under the 10<sup>th</sup> EDF has chosen SRHR as a focal sector and only a handful of CSP had chosen Health<sup>73</sup>. Moreover, it was shown that in sub-Saharan Africa where maternal health is the worst<sup>74</sup>, the EC financial support to health remains low. Allocations to the health and maternal health sector have not increased since 2000 as a proportion of total ODA despite the EC's commitments to the MDGs. Moreover, whereas the EC has a thematic budget line on SRHR under "Investing in People", the average funding level per year decreased from the period 2003-2006 when it was 18 million Euros/year to the period 2007-2013 when it became 12 million Euros.

### 3. Recommendations to the EU

**Internationally (and specifically at the UN Summit on MDG+10), the EU and its Members States should:**

- Show strong **political will** and play a **leadership role** in prioritising MDG5 with a particular focus on prevention, human rights and gender equality.
- **Call for improvement and enforcement of gender and SRHR laws and policies with specific focus** to legislating against traditional harmful practices (early marriage, FGM) and gender-based violence as well as eliminating discriminations against women in the field of access to health care.
- Take leadership in **accelerating investments** in SRHR, with a focus on sexuality education, family planning as well as quality delivery services and training of skilled birth attendants.
- Encourage international health initiatives (Global Fund, GAVI, UNITAID, IHP) to expand funding for SRH (including maternal health) as well as reproductive health supplies in their activities so as to place MDG5 at the centre of global health initiatives and funding mechanisms.

**The EU and its Members states should work towards the following objectives between 2010 and 2015:**

Reversing the trend in declining assistance to MDG5, the EU should:

- Fulfil the **health ODA financial targets** set out in the EU Agenda for Action on the MDGs (8 billion Euros by 2010) by allocating adequate, long term and predicable funding for SRHR in the EU budget, the EDF and national development budgets.
- Commit to further contribute to the 2010 Milestones of the **EU Agenda for Action on the MDGs** which call for 1) Urgent support for attainment of universal access to RH; 2) Have 35 million more births attended by skilled personnel each year, 13 million of which in Africa and 3) Provide 50 million more women in Africa with modern contraceptives and access to family planning.
- Ensure that SRHR programmes are funded **through a mix of funding** mechanisms including general as well as sector budget support earmarked funding as well as partnerships with civil society, UN agencies and private sector<sup>75</sup>. Guarantee inclusion of monitoring and evaluation tools.

Prioritising MDG5 at EU policy level as well as in policy and political dialogue with partner countries.

- Promote a clear political and financial commitment towards achieving MDG5 through supporting the development of **national action plans on gender and SRHR**, including maternal health services.
- Ensure that the EU policy commitments on MDG5 are **reflected in financial agreements** with developing countries by including systematically gender and SRHR-related performance indicators.
- Support policy dialogue at country level with partner countries on the importance of gender and SRHR for poverty reduction. The dialogue should include the following areas:

<sup>73</sup> Only 4% of the 9<sup>th</sup> EDF was dedicated to health funding

<sup>74</sup> Main recommendations of the European court of auditors report on EC financing for health in Sub-Saharan Africa (2008)

<sup>75</sup> The private sector organisations are key actors in supporting health systems, including through large scale public private partnerships (PPP) and performance based financing which can dramatically increase the use of SRH services.

- Commit to **effective health systems** that ensure the delivery of a **quality package** of SRH and maternal health services (incl. skilled health workers) and guarantee **accessible and affordable services to all people**, including marginalised and vulnerable groups.
- Support the **strengthening of the linkages** between SRHR and related services such as prevention, treatment and care of STIs (including HIV), child health, malaria and tuberculosis.
- Give special attention to the SRH needs of **young people**, by involving them in the design, formulation and implementation of relevant health policies and programmes and by ensuring access to youth-friendly health services as well as comprehensive sexuality information and education.
- Promote the **empowerment of women** by encouraging policies and support programmes aimed at enhanced social position of women in societies and recognition of their rights.
- Support **gender-sensitive approaches** which also meaningfully include boys and men.

## MDG 6 - Combating HIV/AIDS, Malaria and Other Diseases

**Target 6a:** Halt and begin to reverse the spread of HIV/AIDS

**Target 6b:** Achieve, by 2010, universal access to prevention, treatment, care, including greater transparency and support for HIV/AIDS

**Target 6c:** Halt and begin to reverse the incidence of malaria, tuberculosis and other major diseases

### 1. The global context and tracking progress

An estimated 33.2 million people worldwide are currently living with HIV. While HIV epidemics have reported stabilization in some regions, HIV prevalence remains alarmingly high in sub-Saharan Africa, particularly in Southern Africa. Eastern Europe and Central Asia are also presenting disturbing figures, with rising prevalence among key populations in countries in these regions, particularly among injecting drug users, sex workers and men who have sex with men, who have limited access to HIV prevention, treatment, care and support services. AIDS-related illness is the leading cause of death and disease among women of reproductive age globally.<sup>76</sup>

Furthermore, in 2008, AIDS-related deaths were the principal cause of under-5 mortality in a number of sub-Saharan African countries, and millions of children have lost one or both parents to AIDS. Therefore there is a clear need for not only halting and reversing the spread of HIV/AIDS, but also to mitigate the devastating impact that this disease has on the lives of those living with and affected by HIV through the provision of social protection mechanisms. Additionally, gender inequality continues to drive the epidemic, especially in sub-Saharan Africa where women and girls account for nearly 60 percent of those infected - a result of their entrenched social and economic inequality within sexual relationships and marriage.

Global coverage of antiretroviral therapy (ART), the life-saving treatment for people living with HIV, has risen from 7% for those in need in 2003 to 42% in 2008. Despite this, more than 2 million AIDS-related deaths occurred in 2008, many of which could have been prevented through provision of ART. There is an urgent need for stronger and sustained investments to ensure lifelong treatment for all in need. However there are worrying signs of declining international support to combat HIV/AIDS, including a funding deficit that will need to be resolved in order to provide ART to 80% of people living with AIDS who still do not have access to treatment by the end of 2010.

Malaria is a disease which nearly half the world's population (3.3 billion) is at risk of contracting. Prevention of malaria is achieved through providing long lasting insecticide nets and treatment, which are highly effective interventions at limited cost. Such interventions have resulted in a 50% decrease in malaria cases and deaths in certain countries. However, progress is still lagging behind in many countries due to lack of sustainable funding and support.

Similarly, while global incidence of tuberculosis (TB) has declined, the number of cases continues to increase in areas particularly affected by drug-resistant TB and HIV, such as Eastern Europe and Africa. Alarmingly, less than 1% of the estimated Multi Drug Resistant and extensively drug resistant TB (M/XDR-TB) were treated according to set guidelines and drugs in 2007. The re-emergence of the disease, particularly in co-infection with HIV, requires renewed efforts to ensure adequate treatment.

The EU should continue to support initiatives on other major diseases as noted in target 6c, as part of a general support to health systems. For example, the neglected tropical diseases (NTDs) are a group of 13 parasitic and bacterial infections that affect over 1.4 billion people, most of whom live on less than \$1.25 per day. NTDs cause physical impairment, reduce economic productivity and prevent individuals from being able to care for themselves or their families—all of which promote poverty. For some of these diseases, the goal of elimination is now within reach.

### 2. The role of the EU

<sup>76</sup> WHO 2009 Women and Health: Today's Evidence, Tomorrow's Agenda

**The European Programme for Action to Confront HIV/AIDS, Malaria and Tuberculosis through External Action (2007-2011)** is the first commitment to collective action by the EU on these three areas. The 2009 Council Conclusions<sup>77</sup> on progress on the Programme for Action call for stronger, more effective and more concerted efforts of the EU at all levels, including through the creation of collective EU Action Teams. In addition, the Commission is requested to initiate the preparation of a new Programme for Action to ensure continued action to confront the three diseases beyond 2011.

**The EU-US Summit declaration of November 2009** renews and intensifies the transatlantic dialogue on development cooperation and the MDGs, in the running up to the UN High Level Meeting on the MDGs this September. In the context of the ongoing discussions on the new Communication on the EU role in global health and the new Global Health Initiative of the US Government, there is a vital opportunity for the EU and the U.S to develop synergies and harmonize between the different US and EU's aid modalities at the country level to ensure that universal access to HIV prevention, treatment, care and support, universal access to sexual and reproductive health and rights, and universal coverage of malaria interventions is achieved.

**The Global Fund to fight HIV/AIDS, tuberculosis and Malaria** has achieved incredible results in tackling the three diseases since its existence as a results-based, innovative and country-owned financing mechanism with strong involvement of civil society. However, it has been unable to obtain sufficient donor commitment to meet the estimated financing need of 17-20 billion USD for the coming years, which directly affects the ability to respond to the three diseases by implementing countries.

### 3. Recommendations to the EU

**We urge the EU to:**

**Scale up political and financial commitment for sustainable impact on these diseases by:**

- Ensuring EU Member States realize their 0.7% ODA contribution with 0.1% earmarked for health and initiate policy discussions with partner countries to motivate increased budget allocations for health (15% of national budgets according to the Abuja declaration).
- Ensuring a targeted response to the three diseases to achieve universal access to services, including by fully funding the Global Fund to Fight AIDS, Malaria and TB through increased contributions by the European Commission and EU Member States.
- Supporting the achievement of the 9 priority actions in UNAIDS 'Outcome Framework', in strong collaboration with UNAIDS and international community.
- Strengthening political and financial support for research and development for new preventive technologies, such as vaccines and microbicides for HIV and Malaria prevention, and ensuring that they are accessible and affordable for all.

**Promote effective country responses to AIDS, Malaria, and Tuberculosis as well as NTDs by:**

- Working in partnership with partner countries to develop and support implementation of country-led strategies to confront the three diseases with meaningful engagement of civil society.
- Supporting the strengthening of health and social protection systems and solving the crisis of human resources for health through contributing to better alignment of financing mechanisms with other donors and by promoting adequate fiscal space for social sectors.
- Involvement of people living with, most at risk for, and affected by the three diseases – including those providing home and community based care – in the design, implementation and monitoring of programmes and services in order to ensure that these are evidence-based and lead to concrete outcomes.
- Ensuring that HIV/AIDS, TB and Malaria issues are effectively mainstreamed across all poverty development priorities and programmes.
- Increasing support to NTD elimination, to permanently remove an obstacle to poverty eradication. The burden of these diseases in terms of Disability-Adjusted Life Years is comparable to TB and Malaria and there are tested, effective and safe treatments available.

<sup>77</sup> [www.consilium.europa.eu/ueDocs/cms\\_Data/docs/pressData/en/gena/111247.pdf](http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/gena/111247.pdf)

- Ensuring the response to NTDs includes health systems strengthening, particularly training and equipping at the primary health care level, as this is where much of the effort of treatment and control is made.
- Ensuring that while support to pharmaceutical treatment continues, the other elements required for NTD control, particularly provision of safe water, sanitation and hygiene promotion, are also available and links are made with EU support in these areas under MDG 7.

**Develop effective division of labour and partnerships to confront the diseases through:**

- Emphasis on managing for results and mutual accountability in the division of labour between donors and making optimal use of available health expertise within European Member States and EU Delegations.
- Greater mobilization and engagement of EU Member States in the effective operationalisation of the **EU Action Teams** as outlined in the Progress Review of the "Programme for Action" 2009<sup>78</sup>.
- Supporting and facilitating dialogue between partner country governments and civil society at the country level on the development and implementation of comprehensive and evidence-based national health strategies, which promote gender equality, human rights and the needs of vulnerable and marginalized populations.
- Playing an important role as a global advocate to address sensitive priority interventions such as combating stigma and criminalisation, addressing the needs of sexual minorities, harm reduction, condom programming and integration of HIV and sexual and reproductive health and rights programmes.

**HIV/AIDS, Tuberculosis, Malaria and NTDs are devastating diseases in developing countries, with major impacts on the social and economic growth of those countries. We therefore urge the EU to scale up and live up to their commitments in order to achieve universal access to HIV prevention, treatment, care and support, universal access to sexual and reproductive health and rights, universal coverage of Malaria interventions, universal timely treatment and diagnosis of Tuberculosis and support for NTD elimination– all of which will contribute to the achievement of MDG 6.**

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<sup>78</sup>[ec.europa.eu/development/icenter/repository/COMM\\_PDF\\_SEC\\_2009\\_0748\\_F\\_EN\\_AUTRE\\_DOCUMENT\\_TRAVAIL\\_SERVICE.pdf](http://ec.europa.eu/development/icenter/repository/COMM_PDF_SEC_2009_0748_F_EN_AUTRE_DOCUMENT_TRAVAIL_SERVICE.pdf)

## MDG 7 – Ensure Environmental Sustainability

### 1. The global context

MDG 7 which aims to ensure environmental sustainability encapsulates a broad array of key environmental issues including biodiversity, air pollution, forests, climate change, fish stocks, clean drinking water, sanitation and improvement of slums.

Climate change has risen hugely up the global agenda. UNDP have called it the defining human development challenge of the 21st Century<sup>79</sup>. Failure to respond to it will stall and then reverse international efforts to reduce poverty. The poorest countries and most vulnerable citizens will suffer the earliest and most damaging setbacks, even though they have contributed least to the problem. Many of the impacts play out through the natural world.

Ecosystems and biodiversity are the fundamental building blocks on which we all depend for our existence and development. Biological diversity provides food, timber, fibre, fuel, medicine and freshwater but also essential services such as water purification, air and soil quality, pollination, pest control, climate regulation, flood control and protection against natural hazards. While we all depend on natural services, the poor are usually the most vulnerable to environmental degradation, lack of clean water and fertile land, leading to increased hunger, illness and poverty.

At least 60% of the essential services provided by ecosystems are degraded and used unsustainably<sup>80</sup>. Demands on rivers and groundwater resources for agriculture and industry already use about 90% of the world's freshwater. There are strong links between biodiversity loss and poverty reduction, including meeting the MDGs, and the economic and welfare impacts of biodiversity loss are enormous. For example biodiversity loss is resulting in the disruption of agriculture and a decrease in fish catches. It is estimated that each year we lose ecosystem services worth ~€50 billion; by 2050 the cumulative loss of ecosystem services will amount to €14 trillion per year<sup>81</sup>. Climate change will further exacerbate this, and in turn this will reduce resilience to cope with climate impacts.

Lack of sanitation and clean water has profound impacts for meeting the goals on education, health, nutrition and gender equality. Poor water and sanitation has huge costs, accounting for 28% of child deaths and the loss of 443 million school days globally each year. However, an investment of just €1 in water and sanitation can generate an average of €8 in economic returns through better health and increases productivity<sup>82</sup>. People with disabilities have the least access to safe water and sanitation and this contributes to persistent poverty among this group<sup>83</sup>.

Access to water and sanitation is also of key concern for slum dwellers. Around 1.1 billion people are currently living in slums and this will increase to 1.4 billion by 2020 unless urgent action is taken<sup>84</sup>. Inadequate housing, insecure tenure and a lack of essential services cause and reinforce many other aspects of poverty and vulnerability and negatively impact upon health, safety, security, psychological wellbeing, education, economic opportunities and social cohesion and increases people's vulnerability to disasters.

### 2. Tracking progress

The Millennium Development Goals Report 2009<sup>85</sup> points out that accelerated progress is needed in several areas including giving greater priority to preserving our natural resource base. *"We have not acted forcefully enough – or in a unified way - our fisheries are imperilled; our forests, especially old-growth forests, are receding; and water scarcity has become a reality in a number of arid regions"*. The target to reduce biodiversity loss is woefully off track with an overall 30% decline in species populations since 1970,<sup>86</sup> if this trend continues, the functioning of vulnerable ecosystems, and the services they provide, may be severely compromised, with

<sup>79</sup> Human Development Report 2007-8, UNDP (<http://hdr.undp.org/en/reports/global/hdr2007-2008/>)

<sup>80</sup> Millennium Ecosystem Assessment. (2005) Ecosystems and Human Well-being: Biodiversity Synthesis. World Resources Institute, Washington, D.C. <http://www.millenniumassessment.org/documents/document.765.aspx.pdf>

<sup>81</sup> EC (2008) The Economics of Ecosystems & Biodiversity (TEEB): Interim Report [http://ec.europa.eu/environment/nature/biodiversity/economics/pdf/teeb\\_report.pdf](http://ec.europa.eu/environment/nature/biodiversity/economics/pdf/teeb_report.pdf)

<sup>82</sup> WHO (2008) Safer Water, Better Health [http://whqlibdoc.who.int/publications/2008/9789241596435\\_eng.pdf](http://whqlibdoc.who.int/publications/2008/9789241596435_eng.pdf); UNDP (2006) Human Development Report, Beyond scarcity: Power, poverty and the global water crisis <http://hdr.undp.org/en/media/HDR06-complete.pdf>

<sup>83</sup> Jones, H. and Reed, B. (2005) Water and Sanitation for People with disabilities and Other Vulnerable Groups, Water, Engineering and Development Centre (WEDC) Loughborough University of Technology.

<sup>84</sup> UN-Habitat Urban Information database (<http://www.devinfo.info/urbaninfo>)

<sup>85</sup> United Nations (2009) The Millennium Development Goals Report [http://www.un.org/millenniumgoals/pdf/MDG\\_Report\\_2009\\_ENG.pdf](http://www.un.org/millenniumgoals/pdf/MDG_Report_2009_ENG.pdf)

<sup>86</sup> WWF (2008) Living Planet Report [http://assets.panda.org/downloads/living\\_planet\\_report\\_2008.pdf](http://assets.panda.org/downloads/living_planet_report_2008.pdf)

drastic consequences to human societies<sup>87</sup>. Global forest loss is estimated at 13 million hectares a year<sup>88</sup>. Overall deforestation accounts for up to 20% of global greenhouse gas emissions<sup>89</sup> and is a significant contributor to climate change.

Progress in meeting the targets on water and sanitation has been mixed. Globally the MDG target on water is likely to be met, but this is largely due to progress in East Asia, as Africa remains far off-track. Access to sanitation in Sub-Saharan Africa is an area of particular crisis, where on current trends the MDG target will not be met until 2108<sup>90</sup>. In all, 2.5 billion people lack access to safe sanitation, and almost 900 million lack access to safe drinking water, resulting in over 4,000 child deaths each day from diarrhoea alone.

Problems preventing progress in sanitation and water include low levels of investment by both donors and national governments and poor targeting of aid towards low-income countries. Between 2006 and 2008, only 41% of EU member states aid allocated to sanitation and water, and just 31% of EC aid, went to low-income countries.

As with other targets, progress on achieving a decline in slum growth is mixed. Just eight countries are considered on track and 50 countries off track, where already high slum populations face rapid and sustained growth rates<sup>91</sup>. The greatest challenge is the sheer size of increases in urban population between 2000 and 2030, the urban areas of the less developed regions of the world will absorb 95% of global population growth<sup>92</sup>. Without the engagement of urban poor in the process of slum upgrading, redevelopment and resettlement, real progress will be limited and unsustainable. Reluctance on the part of governments to legalise informal settlements of the urban poor has ensured that these settlements are left out of planning and budgetary processes thus hampering slum-upgrading initiatives. The practice of forced evictions, often development-induced, not only further entrenches patterns of poverty and exclusion but is also one of the most common barriers to slum upgrading.

The impacts of climate change are seriously undermining progress on the MDGs and are causing more people to slide into poverty. The 2009 Human Impact Report claims that 300,000 people a year are already dying from climate change impacts and a further 4 billion are vulnerable<sup>93</sup>. Water scarcity, food insecurity, reduced agricultural productivity, floods, the loss of low-lying lands and islands, desertification and the spread of vector-borne diseases are all expected impacts which will put further stress on those people already living in the most vulnerable situations. The fact that the UNFCCC (COP 15) Copenhagen Summit on climate change failed to secure a fair and ambitious legal binding agreement, with countries' pledges so far inadequate to the agreed goal of keeping the world below 2°C average warming means that the economic, social and environmental threat and costs of preventing a long term global disaster are mounting fast.

The European Consensus on Development<sup>94</sup> recognises environment and the sustainable management of natural resources both as an objective in itself, and also as a cross-cutting issue to strengthen the impact and sustainability of development cooperation. Through the Consensus, the EU has committed to strengthen its approach to mainstreaming including through capacity, dialogue, and technical support.

The EU Agenda for Action<sup>95</sup> in 2008 recognises that priority actions are needed in key areas such as environment, water and sanitation and to improve the living conditions of slum dwellers as well as enhancing the integration of cross-cutting issues. The Agenda for Action demonstrates an intention to increase its investment in the environment sector globally and also commits to address other pressing development challenges in the context of the MDGs such as adaptation to and mitigation of climate change, protection of biodiversity, halting deforestation, and the transformation to safe and sustainable low carbon development pathways.

### 3. Recommendations to the EU

<sup>87</sup> UNEP/CBD/SP/PREP/2 November 2009

<sup>88</sup> FAO (2005) Forest Resources Assessment <http://www.fao.org/forestry/fra/fra2005/en/>

<sup>89</sup> idem

<sup>90</sup> Tearfund and WaterAid (2008) Sanitation and water: Why we need a global framework for action. Based on trends in the UNICEF/WHO (2008) Joint Monitoring Report

<sup>91</sup> Global Scorecard on Slums, UN Human Settlements Programme (2006), UN-Habitat (2007) State of the World's Cities report 2006/7, UN-Habitat, Nairobi

<sup>92</sup> UN Habitat (2003) Slums of the World: the face of urban poverty in the new millennium? UN-Habitat, Nairobi

<sup>93</sup> Global Humanitarian Forum (2009) Human Impact Report Climate Change: The Anatomy of a Silent crisis [www.ghf-geneva.org/Portals/0/pdfs/2009forumreport.pdf](http://www.ghf-geneva.org/Portals/0/pdfs/2009forumreport.pdf)

<sup>94</sup> The European Consensus on Development (2006/C 46/01)

<sup>95</sup> The EU as a global partner for pro-poor and pro-growth development – EU Agenda for Action on MDGs, European Council 24 June 2008, 11096/08

**Mainstreaming the Environment for Aid effectiveness** – Environmental sustainability, along with gender equality and human rights, is a cross cutting issue. The Accra Agenda for Action<sup>96</sup> emphasises that these issues are cornerstones to achieve enduring impact. Within EU policy, these issues are essential to the achievement of the MDGs and should be mainstreamed through development policy and programming. A new strategy for the integration of environment should be in place by 2011, before the next programming round.

**Environmental and social safeguards** – EU member states, as shareholders and major contributors to many international financial institutions, should ensure adherence to the strongest environmental criteria and social safeguards, regularly and independently reviewed. In this respect the EU should show leadership through the operations of the EIB and EBRD. Development activities should also be screened to ensure they are not exacerbating climate change and will also be resilient to climate impacts.

**Target 7a - Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources by:**

- **Ensuring coherence for environmental sustainability:** Ensure that development cooperation, as well as approaches to climate change, fully integrate concerns for environmental protection, including the protection and restoration of ecosystem services and support existing multilateral environmental agreements. This should be addressed through the multi-annual EU work programme on Policy Coherence for Development.
- **Valuing natural capital:** Utilise tools such as natural resource accounting and strategic environmental assessments to highlight the benefits of functioning and healthy natural systems and the negative economic costs of degrading the environment.
- **Addressing climate change:** The EU must adopt a target of 40% emissions reductions by 2020 compared to 1990 levels and take effective action towards achieving this intermediate goal with strong domestic action. It must be ensured that there are adequate resources (€145 billion a year by 2020<sup>97</sup>) to support the most vulnerable countries for both adaptation and the implementation of sustainable development paths. Funding for climate change should be additional to the already-promised 0.7% ODA, and be long-term, transparent, predictable and responsive to developing country needs and priorities. Interventions should recognise the vital role of healthy ecosystems for both adaptation and mitigation as well as the importance of community-based adaptation measures.
- **Water resources management:** Throughout its development interventions, the EU should support national and regional water resource management planning to integrate demands, availability and climate risk into programmatic and sector frameworks. These need to be participatory, gender sensitive, have a clear poverty focus, and be based on sound science (hydrology and ecology).
- **Access to clean energy:** Some 2.5 billion people live without access to modern cooking and heating services and 1.5 billion have no access to electricity<sup>98</sup> which impacts health and education. The EU should facilitate access of developing countries to low carbon and climate resilient technologies for energy use and support the development of capacity to formulate and implement low carbon energy development pathways.

**Target 7b - Reduce biodiversity loss, achieving by 2010, a significant reduction in the rate of loss by:**

- **UN Convention on Biological Diversity:** The EU should play a strong role in the development of a new and ambitious biodiversity vision and targets through global consensus at the Conference of the Parties to the CBD in October 2010, including addressing the underlying drivers of biodiversity loss.
- **Investing in the environment:** Build on the commitments made in The EU Agenda for Action on MDGs<sup>99</sup> to increase the investment in the environmental sector globally, including doubling current investments for biodiversity conservation in partner countries.
- **Promote participation:** The EU through its development cooperation programming should give support, through strong incentives and financial resources, to participatory, gender-sensitive, pro-poor natural resource and ecosystem management systems.

<sup>96</sup> Accra Agenda for Action, 3<sup>rd</sup> High Level Forum on Aid Effectiveness, Accra, September 2008

<sup>97</sup> WWF International (2009) WWF expectations for the Copenhagen Climate Deal [assets.panda.org/downloads/copenhagen\\_expectations\\_paper\\_wwf.pdf](http://assets.panda.org/downloads/copenhagen_expectations_paper_wwf.pdf)

<sup>98</sup> UNDP/WHO (2009) The Energy Access Situation in Developing Countries [www.who.int/indoorair/publications/energyaccesssituation/en/index.html](http://www.who.int/indoorair/publications/energyaccesssituation/en/index.html)

<sup>99</sup> The EU as a global partner for pro-poor and pro-growth development – EU Agenda for Action on MDGs, European Council 24 June 2008, 11096/08

**Target 7c - Halve, by 2015, the proportion of people without access to safe drinking water and basic sanitation by:**

- **Giving greater priority to investing in sanitation:** Recognise its role as a particularly neglected MDG target, and one that is central to achieving progress in child health, girls' education, nutrition and gender equality. Investment needs to reflect this importance.
- **Improving the targeting of aid:** Work towards at least 70% of aid to sanitation and water going towards low-income countries, 50% to basic services, and extra attention being provided to the needs of women and the urban poor.
- **Increasing investment in national sanitation and water plans:** Keep the commitment made in the EU Agenda for Action on the MDGs to invest an extra €2 billion per year.
- **Support 'Sanitation and Water for All - A Global Framework for Action':** as the new international platform to provide leadership, coordination and accountability.

**7d - By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers by:**

- **Reinforcing the Habitat Agenda:** EU donors should make sure they put greater emphasis on commitments made and strategies agreed at the UN 1996 Habitat II Conference. These strategies are still highly relevant today.
- **Taking a multi-sectoral approach:** Support to governments through development cooperation should take a multi-sectoral approach to ensure effective coordination between development finance, governance, infrastructure, services and climate change investments.
- **Preventing forced evictions:** EU member states, as shareholders and major contributors to many international financial institutions, should ensure that development funding does not result in the forced eviction of communities.
- **Supporting community-based interventions:** The EU should increase funding to finance community-based slum upgrading as a quick win for achieving the MDG target and explore options to leverage and blend finance from public and private sources.

## MDG 8 - Develop a Global Partnership for Development

**Target 8a:** Develop further an open, rule-based, predictable, non-discriminatory trading and financial system

**Target 8b:** Address the special needs of the least developed countries

**Target 8d:** Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term

### 1. The global context

Since MDG 8 was set, despite many international commitments to debt cancellation and increases in aid, many developing countries are still struggling to meet the MDG targets and the international financial system is still heavily weighted against those countries. The EU continues to pursue free market trade policies that exacerbate poverty in developing countries. Lack of democratic participation of EU citizens and Parliamentarians allow corporate interests to dominate European and global economic decision-making.

The impact of the recent financial crisis has seriously impacted developing countries in terms of their ability to mobilise their domestic resources, facing the challenges of unjust trade rules, lack of financial reform and debt.

### 2. The role of the EU

NB Recommendations related to Aid are addressed in the introductory chapter.

#### Mobilising domestic resources

Most developing country governments have the potential to raise significant amounts of money through domestic taxation, including taxation of multinational companies. Helping all low- and middle-income countries to attain just 15% of national income through tax in 2007 (when the OECD average was 37%) would have made an additional \$198 billion.

In addition to addressing capacity constraints, an effective solution to this problem must tackle illicit capital flight, including the driving role played by tax havens. Capital flight from developing countries may total as much as \$1 trillion per year – almost ten times ODA. Around 65% of this estimate corresponds to transactions motivated by tax avoidance and tax evasion schemes by European and other multinational companies,

Capital flight jeopardises the achievement of the MDGs, and commitments made at Monterrey and Doha. Europe has a paramount responsibility in this area:

- it is a major provider of ODA and technical assistance, including in fiscal matters;
- it has pioneered two models of multilateral tax information exchange that expand beyond its member states – the European Savings Taxation Directive and the Council of Europe-OECD Convention on Mutual Assistance;
- EU member states host many tax havens, both directly and through many of their overseas countries and territories.

#### Fairer Trade

Trade has the potential to support the achievement of the MDGs, but only if development goals are properly integrated into trade policy and processes. As the world's second biggest economic bloc and the biggest trade partner for many developing countries, the EU has an important role to play. However the EU's approach to date has been to prioritise its own commercial interests and ability to compete in the global market at the expense of development goals. As a result, current European trade policy constitutes a fundamental block to the achievement of the MDGs and runs counter to the EU's own principles of Policy Coherence for Development.

#### Aid for trade

The aid for trade process is a useful recognition that there are costs as well as benefits, losers as well as winners from trade reforms. It addresses the need to put in place the proper conditions and accompanying measures before undertaking liberalisation in developing countries in order to maximize and not reverse effects on poverty eradication.

Properly designed aid for trade could help poor producers and trader benefit from trade and contribute to their countries' economic development. Wrongly implemented, aid for trade could simply repeat the mistake of

earlier decades of donor- and IFI-driven reforms that had devastating impacts especially on the poorest groups<sup>100</sup>. In particular, aid for trade must not be tied to the signing of far-reaching trade and investment liberalisation commitments.

Total EU (EC and Member States) Aid for Trade, (AfT) in 2007 amounted to 7161 million Euros in 2007 and has thus steadily increased from 5156 million Euro in 2001. However, figures show that AfT to Sub-Saharan Africa has decreased from 2814 million Euros in 2005 to 1946 million in 2007, while AfT to Northern Africa has increased from 442 million Euros in 2005 to 627 million Euro in 2007.

The EU's AfT commitments to the African, Caribbean and Pacific (ACP) States fell from €2975 million in 2005 to €2097 million in 2007, and the ACP's share of the EU's overall AfT commitments fell from 50% to 36% over the same period. This is not consistent with prior promises to prioritise aid for trade.<sup>1</sup>

### Financial Reforms

Financial stability is a global public good. The current financial and regulatory system has proven to be insufficient and inadequate in preventing or even coping with financial instabilities. In their efforts to minimise the damage caused by investors' unregulated speculation, developed countries' governments had to resort to reactive ad hoc actions; meanwhile, developing countries suffered the consequences of a crisis for which they were not responsible. The burden is carried by taxpayers, and by the poor. Equally, poorly planned financial sector liberalisation and deregulation has restricted developing countries' abilities to increase the resilience of their economies to external shocks, and to implement sustainable development strategies.

These measures have too often been pushed through by International Financial Institutions (IFIs) through conditions attached to their grants and loans. Similarly, a self-regulatory approach to the financial sector has been driven forward by EU Member States and the European Commission in past decades – in response to the financial sector's pressure groups.

### Debt

All European Union (EU) Member States have signed up to the internationally agreed Millennium Development Goals (MDGs) and most (but not all) participate in the Highly Indebted Poor Country (HIPC) Initiative which is intended to deliver a robust exit from the burden of unsustainable debt. Both official and civil society evaluations of the HIPC Initiative point to the dismal failure of the programme to deliver debt sustainability for the counties involved. Moreover, many poor countries were excluded from the schemes and debt, much of it based on irresponsible, unjust and self-interested lending, continues to prevent countries reaching their MDGs in scores of developing countries. This will be compounded by the international economic crisis.

## 3. Recommendations to the EU

### Mobilising domestic resources:

The EU should work multilaterally to achieve four objectives by 2015:

- The creation of a global multilateral information exchange convention, with the potential to move towards automatic information exchange.
- A country-by-country financial reporting standard for MNCs, through reviews of International Financial Reporting Standards 6 and 8, and of the TOD Directive.
- A strengthened UN Committee of Tax Experts with a political mandate and additional resources, including by providing these resources.
- Increased funding for developing countries to strengthen their tax systems, surveillance and collection, and tackle illicit flows of capital. This should begin with transparency concerning the amounts of EU ODA set aside for such work.

### Fairer Trade:

We urge the EU to:

- Stop pushing developing countries to liberalise and deregulate their economies in the financial, industrial, agricultural or wider service sectors, via the WTO or EU regional and bilateral negotiations.
- There should be no rush through to a completion of the Doha WTO round – a deal that developing countries have rejected several times due to concerns at the potential impact on their economies.

<sup>100</sup> Christian Aid (2007), Opportunities and risks of Aid for Trade

- As part of the EU2020 process, the EC should undertake a fundamental review of its trade and investment agenda in order to prioritise development objectives including labour and environmental standards.
- Demonstrate full flexibility and support ACP requests for renegotiation of contentious issues in Interim-EPAs.
- Fully respect ACP positions on services, intellectual property and Singapore Issues, and refrain from pressuring countries into agreement in these areas in the context of EPA negotiations.
- Fully support any requests from ACP countries for alternatives to EPAs, as mandated in the Cotonou Agreement.
- Play a key role in reforming IFIs to become more transparent, accountable and development-focused.

#### **Aid for trade:**

We urge the EU to:

- Monitor implementation of Aid for Trade commitments, in particular disbursement and effective delivery of pledged financial and technical assistance; and give it equal weight to monitoring of implementation of commitments by parties to a trade agreement<sup>101</sup>.
- Improving mechanisms for designing local trade and development strategies to drive the aid for trade process according to local needs and priorities.
- As part of the EU2020 process, the EC should undertake a fundamental review of its trade and investment agenda in order to prioritise development objectives including labour and environmental standards.
- Negotiate the necessary changes to trade rules at the multilateral level so that these also accommodate the principles of sound aid for trade – for example linking compliance to effective aid delivery or market opening to development progress.

#### **Financial Reforms:**

We urge the EU to:

- Push for a major democratisation of the governance of the IFIs, starting with the establishment of truly democratic structures and the improvement of transparency based on the principle of the right to information.
- Financial activities must be strictly regulated, taking into account the risks posed by highly leveraged speculative activities, unregulated financial instruments and institutions, and secrecy jurisdictions; in particular, activities of a purely speculative nature on food and energy as well as speculation on land must be strictly limited.
- The EU directive on alternative investors should target all funds (not just managers as is currently the case), increase capital requirements for these funds to match those required for banks, ban transactions with entities based in tax havens, and include social and environmental standards as part of risk assessment of financial institutions.
- Country-by-country reporting, mentioned above, would prevent excessive risk-taking in addition to tax avoidance and tax evasion.

#### **Debt:**

We urge the EU to:

- At the very least, offer a temporary moratorium on external debt service payments, without the accumulation of interest charges. This moratorium should be made available on demand to all those countries that are currently behind in achieving MDGs by the target date of 2015.
- Support a fair and transparent debt work-out procedure. This must be based in a neutral international space, such as the UN, rather than the IFIs and have a mutually agreed neutral arbitrator. The procedure could be instigated by either party, must include an immediate stay on payments, be empowered to investigate both payability and legitimacy of debts and include the right for civil society representation.
- Acknowledge the illegitimacy of much past debt and work to audit and cancel such debts. Continuing to force repayments of such illegitimate debts is having a major impact on the ability of countries to meet the MDGs, as acknowledged by the UN Special Expert on Foreign Debt.

<sup>101</sup> APRODEV 2009

- Agree on a set of including responsible lending standards, including the provision of export credit, to ensure that debt sustainability is permanent. These standards must be enforceable at national and European level. These standards must make explicit that 'sustainable' and 'payable' debt does not equate simply to ability to earn foreign currency, but to the primary importance of developing countries investing to meet their Millennium requirements *before* servicing debts.
- Support more creative and non-debt creating measures to help countries address the immediate pressures caused by the global recession and make progress towards the MDGs. Given the strength of European Union Member States within the International Financial Institutions (IFIs), CONCORD believes the EU must exercise moral and political leadership in international debt negotiations and pursue a common policy of 100% cancellation of the external debts of the poorest countries where debt repayments are seriously hindering efforts to reach the MDGs by 2015.
- The European Commission should strengthen its informal coordination of European Executive Directors to the World Bank and International Monetary Fund to this end. CONCORD urges the European Commission to publicly support the phased sale of International Monetary Fund gold reserves as one strong and viable option to fund part of this cancellation.