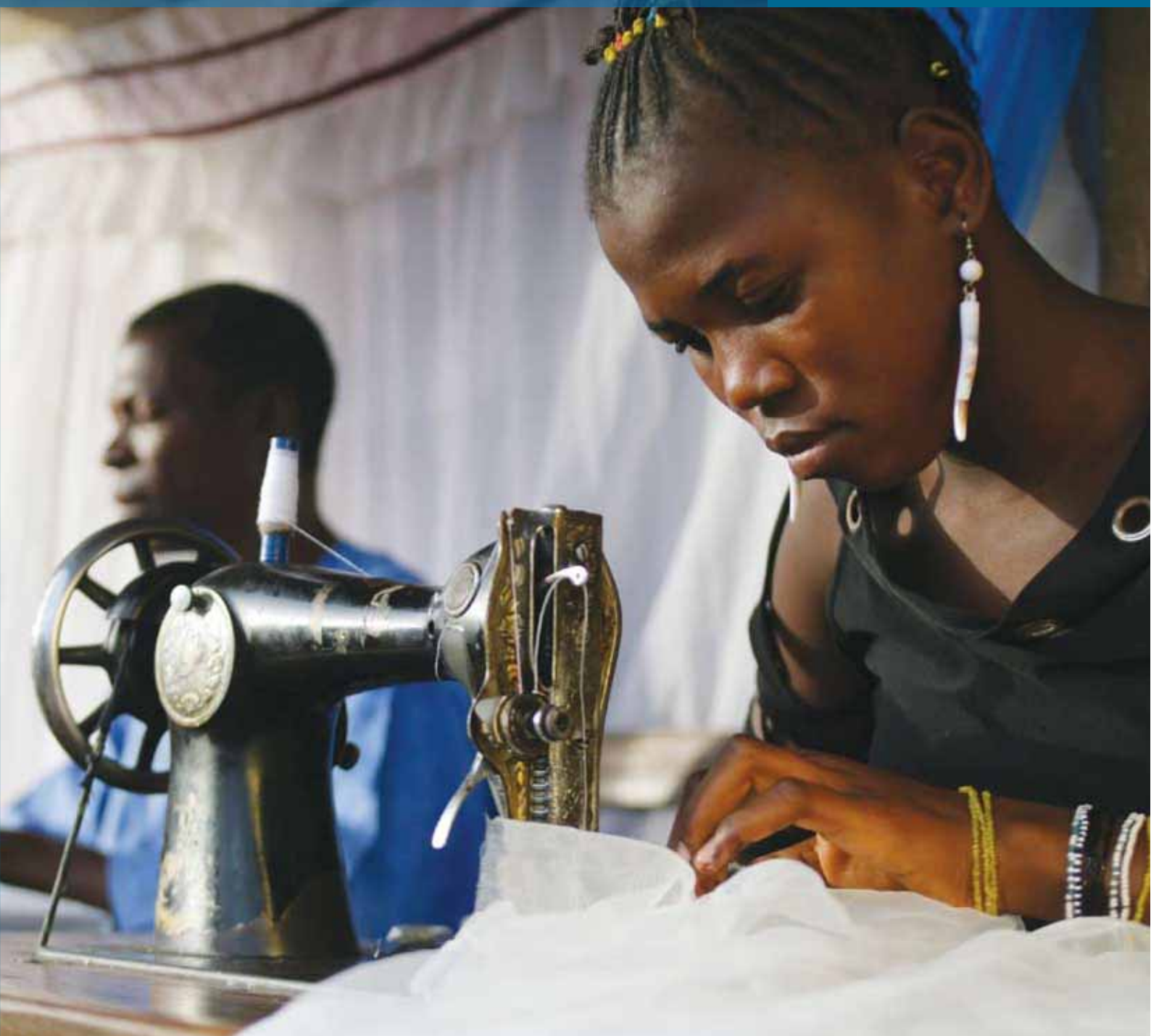


PSA 29:  
Reduce poverty  
in poorer countries  
through quicker  
progress towards  
the MDGs and  
DFID Departmental  
Strategic Objectives

# 2008 Autumn Performance Report







Department for International Development

# 2008 Autumn Performance Report

An outline of progress against the  
2008–11 Public Service Agreement 29 and  
DFID Departmental Strategic Objectives

Presented to Parliament by the  
Secretary of State for International Development  
by Command of Her Majesty  
December 2008

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ISBN: 9780101751520

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# 1 Introduction

- 1.1 The Public Service Agreement (PSA) framework has changed for the period 2008–11. Thirty PSAs now reflect a collective set of the UK government's priorities.
- 1.2 The Department for International Development (DFID) is the lead department on PSA 29: Reduce poverty in poorer countries through quicker progress towards the Millennium Development Goals (MDGs). This report presents the first summary of progress against this PSA.
- 1.3 DFID is also delivery partner on PSA 27: Lead the global effort to avoid dangerous climate change (led by the Department of Energy and Climate Change) and PSA 30: Reduce the impact of conflict through enhanced UK and international efforts (led by the Foreign and Commonwealth Office). DFID also contributes to PSAs on counter-terrorism and migration.
- 1.4 To cover the totality of DFID's contribution to each PSA we have established seven Departmental Strategic Objectives (DSOs) for the 2008–11 period. This report also presents the first report of progress against the DSOs.

## PSA 29

- 1.5 PSA 29 is based on the eight MDGs (Box 1) which represent a shared global vision to reduce world poverty. The overarching goal is to eradicate extreme poverty and hunger. Further information on the MDGs can be found at [www.developmentgoals.org](http://www.developmentgoals.org).
- 1.6 PSA 29 focuses on progress in 22 developing countries where the UK's development assistance is mainly focused and where we expect to make the most impact. Progress towards PSA 29 in these countries will be assessed using eight indicators – one indicator for each MDG – selected from the internationally agreed set of measures. Details of the PSA countries, indicators and success measures of PSA 29 are set out in **Section 2**.

### Box 1: The Millennium Development Goals

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

## Departmental Strategic Objectives

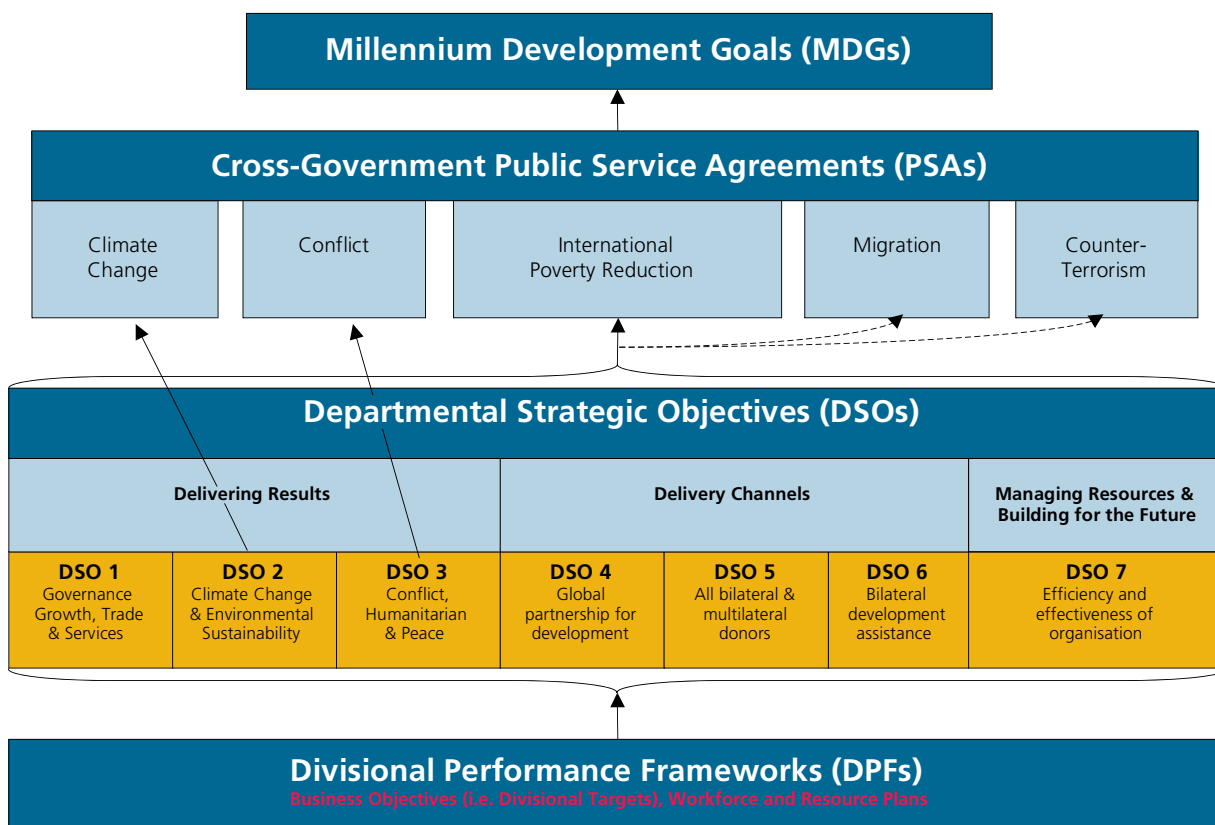
- 1.7 DFID's seven DSOs (Box 2) reflect our priority outcomes (DSOs 1–3), and three main delivery channels (DSOs 4–6), as well as our objective to build our underpinning capability (DSO 7).

### Box 2: DFID’s Departmental Strategic Objectives

- DSO 1: Promote good governance, economic growth, trade and access to basic services
- DSO 2: Promote climate change and adaptation measures and ensure environmental sustainability
- DSO 3: Respond effectively to conflict and humanitarian crises and support peace in order to reduce poverty
- DSO 4: Develop a global partnership for development (beyond aid)
- DSO 5: Make all bilateral and multilateral donors more effective
- DSO 6: Delivery high quality and effective bilateral development assistance
- DSO 7: Improve the efficiency and effectiveness of the organisation

- 1.8 **Figure 1** shows how DFID’s DSOs link to PSA 29 and other PSAs. The PSAs and DSOs are used as a tool to manage and improve performance, providing a high-level framework against which policy decisions and financial commitments can be assessed and success and underperformance measured. DFID’s management processes are set up so that at each level – from divisions to departments, teams and individuals – targets can be set and measured that relate directly to the achievement of the DSOs, PSA – and ultimately of the MDGs.
- 1.9 Several of the indicators in DFID’s DSOs are shared with our delivery partners, reflecting areas of joint work, such as debt relief, trade and growth, conflict prevention and post conflict reconstruction and climate change, and the support and assistance provided by our network of posts. Where appropriate, our joint targets are highlighted in the relevant DSO.
- 1.10 The DSOs have a number of indicators and success measures which are used to track the performance of the DSOs. The indicators and success measures are shown in **Section 3** and cover the first six DSOs – those with an external focus. DSO 7 which is about improving the efficiency and effectiveness of the organisation is reported in **Section 4**.
- 1.11 DFID has also embarked on an organisational change programme, “Making it Happen”, designed to help deliver the PSA and DSOs by 2011. This has three key elements: stronger delivery, sharper focus and greater impact on development and includes at its centre increasing our capability by developing our workforce, skills and systems.

**Figure 1: DFID’s business planning flow chart**





## The development context

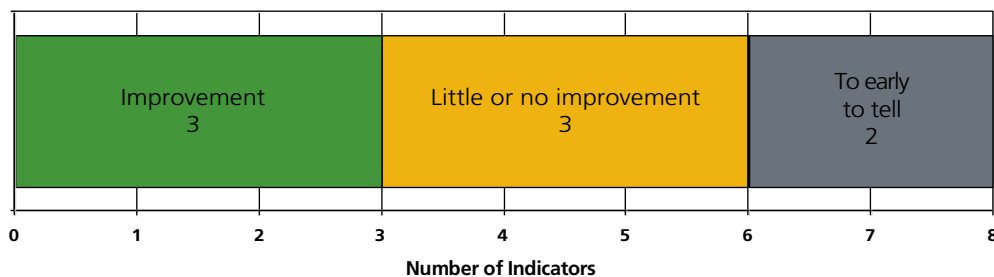
- 1.12** The last six months has seen a changing landscape for international development – a landscape that has become more challenging against difficult global economic conditions. Early this year high food and fuel prices threatened to set back some of the gains that had been made in reducing poverty in poorer countries. In the midst of high food prices, concerns about declining world agricultural output and diminishing food supplies gave rise to a food security crisis that again threatened to hit the poor the hardest. Since then, food and fuel prices have lowered giving some relief to the poor but concerns about food security and the impact of climate change remain. In the summer, the Doha trade talks ended without successful conclusion. The centrepiece of the Doha trade round is free trade in farm goods, a shift in trade that will benefit poor countries. The UK continues to support the agenda that opens markets for imports and exports in developed and developing countries.
- 1.13** Since March, the global financial and economic downturn has increased the challenge of maintaining global support for development. The response has been positive, led by the successful MDG Call to Action campaign. In June EU leaders agreed an Agenda for Action, to deliver EU aid pledges and in July the G8 reaffirmed their aid commitments. In September the UK played a leading role in securing an ambitious international agreement (the Accra Agenda for Action) which included concrete commitments to improve the quality of aid. The UN High Level Event, also in September, brought together a broad alliance of stakeholders to fight poverty, including over 140 country representatives, leaders of NGOs, business, faith groups and philanthropic organisations. At the conclusion of that event, the UN Secretary General announced \$16 billion of commitments by different stakeholders to tackle poverty in crucial areas such as food security. To emphasise to the UK public the long-term benefits to the UK of achieving PSA 29, DFID has launched a communication strategy allowing us to identify our audience and communicate with them better.
- 1.14** The UK has been taking the lead internationally in responding to food security and financial crises. A major part of this is pressing for a Global Partnership for Agriculture and Food to promote agricultural production and long-term food security, and advocating a global response to the financial crisis that considers the needs of developing countries. Within DFID, the “Making it Happen” programme is designed to enable us to better respond in these challenging times and to increase our impact on poverty reduction by 2011.

## Summary of progress

- 1.15** Details of progress against the PSA and DSOs six months into the monitoring period 2008–11 can be summarised as follows:

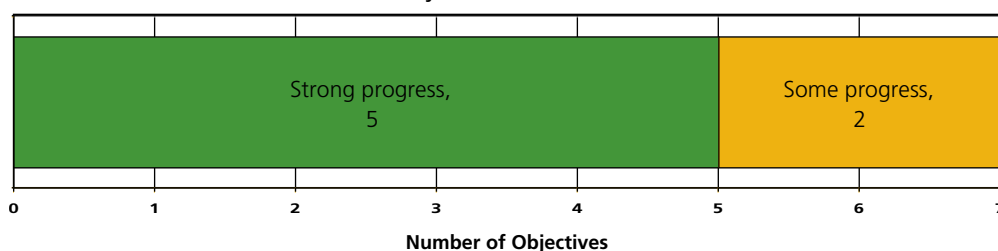
### International Poverty Reduction PSA 29 2008–11

1 target  
8 indicators of which:



### Departmental Strategic Objectives 2008–11

7 Objectives of which:



## Links between the 2008–11 PSA and earlier PSAs

- 1.16** While the new PSA, like its predecessors, retains as its aim the elimination of poverty in poorer countries, in particular through achievement of the MDGs by 2015, it represents a change from previous PSAs in respect of four main areas:
- First, the emphasis for delivery of 2008–11 PSA represents a cross-Government effort, involving HM Treasury, Foreign and Commonwealth Office, Department for Business, Enterprise & Regulatory Reform, Department for Environment, Food and Rural Affairs, and the new Department for Energy and Climate Change, with DFID being the lead department;
  - Second, the make up of our PSA countries has changed to reflect countries where the Government will target most of its efforts and resources to accelerate progress towards the MDGs. South Africa, Lesotho, China and Indonesia are no longer PSA countries although we continue to support the development of these countries, and Yemen becomes a PSA country;
  - Third, the key indicators we have used to track progress of the PSA have also changed. In particular, we have chosen the maternal mortality ratio to monitor MDG 5; prevalence of HIV/AIDS in adults to monitor MDG 6; access to improved water sources for MDG 7; and low income countries access to developed countries markets, as measured by the % of duty free imports for MDG 8;
  - Fourth, the PSA success measures focus on the individual MDG performance of the 22 countries. This replaces targets in the previous PSA period which were based on the “average” performance of the countries included in sub-Saharan Africa and South Asia;
  - We also report progress against our DSOs in 2008–11.
- 1.17** **Annex C** gives details of progress against outstanding targets from the legacy PSAs of 2005–08 and 2003–06, which continue to be monitored until we can obtain final outturn data and make a final assessment.

## A note on data quality

- 1.18** The PSA on International Poverty Reduction is based on progress towards key MDG indicators in 22 developing countries. MDG progress is measured using international data sources supplemented by data from developing country sources, where we have more up to date information and DFID can verify that the definitions and quality are comparable.
- 1.19** Despite every effort to secure accurate data for all PSA countries, it is important to recognise that there are limitations to the data available for reviewing progress.
- Substantial lags in the data used for assessing progress mean that it might be as late as 2013 or 2014 before we are able to establish the full picture for 2011.
  - Data are unavailable to assess progress towards some indicators in some of our PSA countries. Therefore, there may be no change in the assessment compared with the previous period.
  - Where data are available, new figures will generally not be produced each year, so there may be gaps in time series.
  - New data becoming available can lead to revisions in the data series for previous years, which means that some of the baselines set out at the start of the PSA period may change.
- 1.20** More detailed information on data issues of relevance to the PSA, and the methods we have used to deal with these, are discussed in **Annex A**. Information on data sources, baseline and current data for the PSA can be found in the **Technical Annex**, which is available at <http://www.dfid.gov.uk/aboutdfid/performance.asp>
- 1.21** A variety of international and internal data sources have been used to track progress of the DSOs. The specific indicators used are reported in **Section 3** and **4**, and the detailed sources of data underpinning these indicators are published in the **Technical Annex**<sup>1</sup>.

## Further information

- 1.22** Further information on DFID’s work can be found on our website, [www.dfid.gov.uk](http://www.dfid.gov.uk), or from our Public Enquiry Point on +44 (0) 845 300 4100.

<sup>1</sup> See <http://www.dfid.gov.uk/aboutdfid/performance.asp>

## 2 Progress against PSA 29

### Reduce poverty in poorer countries through quicker progress towards the Millennium Development Goals

2.1 The report provides a summary assessment of PSA 29 and each DSO, in line with HM Treasury guidance. This involves

- an evaluative assessment chosen from:

<b>Green</b>	<b>Strong progress</b> where more than 50% of indicators had improved
<b>Amber</b>	<b>Some progress</b> where 50% or less indicators had improved
<b>Red</b>	<b>No progress</b> where no indicators had improved
<b>Grey</b>	<b>Not yet assessed</b> where more than 50% or more of the indicators are yet to have first time data

AND

- a factual assessment of the form “*improvement in y out of x indicators*” for example “*improvement in 3 out of 5 indicators*”

2.2 For each indicator the following terms have been used:

*Improvement* – where an improvement has been recorded against the baseline and there is a strong likelihood of meeting the success criteria

*Little or no improvement* – where no or little change has been recorded against the baseline or progress is insufficient to meet the success criteria

*Too early to tell* – yet to have even first time data

2.3 This section provides an assessment of progress against the specific PSA success measures for 2008–11, which are based on 8 internationally agreed indicators (one indicator per MDG) and MDG progress in the 22 countries (illustrated in **Figure 2**).

2.4 The countries included in the assessment are:

**Africa:**

Democratic Republic of Congo, Ethiopia, Ghana, Kenya, Malawi, Mozambique, Sierra Leone, Nigeria, Rwanda, Sudan, Tanzania, Uganda, Zambia, Zimbabwe

**Asia:**

Afghanistan, Bangladesh, Cambodia, India, Nepal, Pakistan, Vietnam

**Middle East:**

Yemen

2.5 A progress chart showing the countries’ MDG performance<sup>2</sup> for each of the selected indicators is given in **Annex A**. A summary of DFID activity in support of quicker progress towards the MDGs in these countries is presented in **Annex B**.

2 Details of the MDG targets are presented in Table 1 of Annex A



**A****PSA 29:****Reduce poverty in poorer countries through quicker progress towards the Millennium Development Goals****Progress**

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**Some progress**

Three of the eight indicators show improvement, there is little or no improvement in three indicators and two are not yet assessed.

Overall progress against the selected indicators has been mixed. Good progress is being made on education and gender parity – reflecting improving rates of enrolment and a closing gender gap in primary schooling – leading us to predict that many of our PSA countries will be on track to meet these MDG targets. Progress against targets in child mortality, prevalence of HIV/AIDS and access to improved water sources are more mixed. Some progress has been made on the target for child mortality where at baseline four countries were on track to reduce the under-5 mortality rate by two-thirds. The current assessment shows that whilst the countries on track at baseline have been maintained – a further three countries are now also on track.

Several countries report reducing or stable HIV/AIDS prevalence rates in adults but overall rates remain high in sub-Saharan Africa, and the share of people using drinking water from improved sources continues to rise in some of our PSA countries, while in others the trend is the other way around. The target for maternal mortality is one of the most challenging, and is off-track. DFID will continue to push for increased priority to be given to gender and maternal health outcomes.

It is too early to judge progress against the target to increase low income countries' access to developed countries markets, as measured by the proportion of low income countries exports admitted into developed countries duty free. The UK continues to push for fairer trade on a number of fronts: working with the EC to ensure that EU's Economic Partnership Agreements (EPAs) deliver duty and quota free access into the EU and establishing a framework to better track Aid for Trade flows and impacts. On income poverty, levels of extreme poverty have been reported by the World Bank to be higher than previously thought. While progress towards the global target of halving poverty remains within reach, there has been little movement in Sub-Saharan Africa which is the focus of this PSA. The current challenging global economic conditions are likely to impact on the incomes of the poor.

<b>Indicator</b>	<b>1. Proportion of population below \$1 a day</b>
<b>Progress</b>	<b>Too early to tell</b>
<i>Success measure: Progress accelerated in the majority<sup>3</sup> of off-track countries</i>	Country level data is not yet available to an appropriate standard in order to make an assessment of performance on this indicator for the individual PSA countries. However data from the World Bank at regional level shows that while global trends in reducing extreme poverty remain on-track to achieve the MDG target of halving the proportion of people living in extreme poverty by 2015, progress in sub-Saharan Africa (14 out of the 22 countries covered by this PSA) is slower than in other parts of the world. The United Nations MDG Report (2008) notes that challenging global economic conditions are likely to impact on the incomes of the poor.

<b>Indicator</b>	<b>2. Net enrolment in primary education</b>
<b>Progress</b>	<b>Improvement</b>
<i>Success measure: 12 countries judged to be on-track at baseline maintained and progress accelerated in at least 4 of the remaining countries</i>	<p>At baseline 12 countries were on track. The current assessment shows that 14 countries are now on-track to achieve the MDG target. Progress has slowed in Cambodia, although the rate remains high at 92% in 2007. On the other hand, Ghana, Zimbabwe and Vietnam have seen improvements. In Ghana the latest recorded primary enrolment ratio 72% (2007) is an improvement of 14 percentage points on the ratio 3 years ago. It is predicted to meet the MDG target, if the current trend continues. In Zimbabwe, the latest figure 88% (2006) represents an increase of 6 percentage points on the last recorded figure 82% (2003) and on the basis of this trajectory it is on track to meet the MDG target. Over 97% of primary school children were enrolled in 2006 in Vietnam and it is predicted to meet the MDG target.</p> <p>Compared to the baseline, progress in Ghana, Zimbabwe and Vietnam has accelerated, while in Cambodia it has slowed – on balance this suggests that the indicator shows improvement.</p>

<sup>3</sup> To be determined following the receipt of country-level poverty data.

<b>Indicator</b>	<b>3. Ratio of girls to boys in primary education</b>
<b>Progress</b>	<b>Improvement</b>
<i>Success measure: 17 countries judged to be on-track at baseline maintained and progress accelerated in at least 2 of the remaining countries.</i>	<p>The 17 countries that were on track at baseline to meet the MDG target remain on-track.</p> <p>Progress has accelerated in Ghana, Kenya, Sierra Leone, Tanzania, Uganda and Zambia. In Cambodia progress has slowed, but it remains on-track to meet the MDG target.</p> <p>The latest ratio for Sierra Leone, 90 girls enrolled for every 100 boys, (2007), represents a significant improvement on the last reported figure which was 71 in 2001, and assuming a linear increase from 2007 means that gender parity would be met by 2015.</p>

<b>Indicator</b>	<b>4. Under 5 mortality ratio</b>
<b>Progress</b>	<b>Improvement</b>
<i>Success measure: 4 countries judged to be on-track at baseline maintained and progress accelerated in at least 8 of the remaining countries</i>	<p>There has been some improvement in this indicator. The four countries that were on-track to meet the MDG at baseline remain on track with the current assessment, and three additional countries are now on track. Progress has accelerated in Mozambique, Rwanda and Zambia. Recent trends in Zambia show that under 5 mortality has fallen from 168 (deaths) per 1000 (live births) in 2001 to 119 per 1000 live births in 2006 and it is now on track to meet the MDG target by 2015. In Rwanda there was a similar fall, from 152 per 1000 live births in 2005 to an estimated 103 per 1000 in 2008, and if this trend continues the MDG target would be met. With the exception of Malawi, Mozambique, Rwanda and Zambia, most sub-Saharan African countries will not meet their MDG targets by 2015 based on current trends.</p>

<b>Indicator</b>	<b>5. Maternal mortality ratio (MMR) per 100,000 live births</b>
<b>Progress</b>	<b>Little or no improvement</b>
<i>Success measure: The country judged to be on-track at baseline maintained and progress accelerated in at least 10 of the remaining countries.</i>	<p>Our current assessment shows that most countries are not on track to meet their MDG targets. Countries in South Asia have lower maternal mortality rates and are closer to meeting the MDG targets, compared to sub-Saharan Africa. Pakistan is very close to being on track with a maternal mortality rate of 320 per 100,000 in 2005. Ethiopia has made some progress, with MMR falling from 871 per 100,000 live births in 2000 to 673 in 2005 but it is still not on track to meet the MDG target.</p>

<b>Indicator</b>	<b>6. HIV prevalence rate, 15–49 years old</b>
<b>Progress</b>	<b>Little or no improvement</b>
<p><i>Success measure: At least 14 of 22 countries report reducing HIV/AIDS prevalence rates among 15–49 years olds.</i></p>	<p>Several countries report success in reducing HIV/AIDS prevalence rates in adults. Based on recent trends, an improvement was seen in Uganda, Zambia, Zimbabwe, Malawi and Rwanda. However, the prevalence rate remained high in most of these countries. Progress in reducing prevalence rates has reversed recently in Kenya and Mozambique. Prevalence rates in South Asia countries have levelled off but remain low.</p> <p>There has been little improvement in this indicator, and much remains to be done if the target is to be met.</p>

<b>Indicator</b>	<b>7. Proportion of population with sustainable access to an improved water source (urban and rural)</b>
<b>Progress</b>	<b>Little or no improvement</b>
<p><i>Success measure: 7 countries judged to be on track at baseline maintained and progress accelerated in at least 7 of the remaining countries.</i></p>	<p>On current trends, Ghana, Malawi, Uganda, Cambodia, India, Nepal and Vietnam remain on track to meet the MDG target, which is to halve the proportion of the population without sustainable access to safe drinking water. Progress in Ethiopia has accelerated – the current trend indicates that 62% of the population will use drinking water from improved sources in 2015 compared with a target of 57%. In Zambia progress has also accelerated – although it remains off-track to meet the target. At baseline it was predicted that 91 % of the population in Pakistan would have access to improved drinking water sources compared with a target of 93%, the current trend shows that this target will be met. However, current trends have worsened in Mozambique, Rwanda, Sierra Leone, Tanzania and Yemen, and this suggests that the target will not be met.</p> <p>There has been improvement in some of our PSA countries, while in others progress is proving harder to attain.</p>

<b>Indicator</b>	<b>8. The value (in nominal terms), and proportion admitted free of duties, of developed countries imports (excluding arms and oil) from low income countries</b>
<b>Progress</b>	<b>Too early to tell</b>
<p><i>Success measure: A positive change in nominal terms and as a % of duty free imports into developed countries from low income countries.</i></p> <p><i>Baseline – 66% (3 year rolling average 2004-2006) or \$77.3bn per annum on average (2004-06)</i></p>	<p>2007 data to indicate progress against the baseline will be available from 2009. We are pushing hard for agreement of headline figures for tariffs and subsidies of the Doha Development Agenda (DDA) at a World Trade Organisation Ministerial in December. This would be a significant contribution as the current package includes 97% duty free quota free (DFQF) access for Least Developed Countries. In addition to the DDA, 36 Africa/Caribbean/Pacific countries have agreed Economic Partnership Agreements (EPA) and one region (Caribbean – 14 countries) has now signed a full EPA, allowing 100% DFQF access to the European Union. Other positive steps taken towards increasing duty free imports from Low Income Countries into developed countries include work on Aid for Trade, Rules of Origin and Fair and Ethical Trade – see DSO 1.3 and Annex B for further information on this work.</p>



## 3 Progress against Departmental Strategic Objectives

**3.1** This section assesses progress against the indicators and success measures used to monitor the delivery of DFID's Department Strategic Objectives (DSOs). It reports progress for the first six DSOs – those with an external focus. Each DSO has a number of indicators which are used to track the performance of the DSO. The assessment for each DSO is set out in Table 3.1.



**Table 3.1: DSOs and indicators**

DSO		DSO Indicator
<b>DSO1:</b> Promote good governance, economic growth, trade and access to basic services	Some Progress	<b>1.1:</b> Governance (improved state capability, accountability and responsiveness)
		<b>1.2:</b> Improved support for economic growth
		<b>1.3:</b> Increased participation in global trade by developing countries
		<b>1.4:</b> delivery of White Paper commitments on public services (improved outcomes for education, health, HIV and AIDS, water and sanitation and social protection)
		<b>1.5:</b> Increased access by women and girls to economic opportunities, public services and decision-making.
<b>DSO2:</b> Promote climate change and adaptation measures and ensure environmental sustainability	Strong Progress	<b>2.1:</b> Policies and programmatic approaches developed for effective climate change mitigation and adaptation measures in developing countries, along with coherent international support for both
		<b>2.2:</b> Environment sustainability integrated into programmes
<b>DSO3:</b> Respond effectively to conflict and humanitarian crises and support peace in order to reduce poverty	Strong Progress	<b>3.1:</b> Improved capacity of the international system to prevent conflict, respond early to crises and build peace
		<b>3.2:</b> Effective implementation of DFID Security and Development policy in priority countries
		<b>3.3:</b> Effective DFID response to prioritised humanitarian crises
		<b>3.4:</b> Improved international system for humanitarian assistance
		<b>3.3:</b> Enhanced HM Government coherence for assessment, planning and implementation of conflict prevention and stabilisation
<b>DSO4:</b> Develop a global partnership for development (beyond aid)	Strong Progress	<b>4.1:</b> High quality research and evidence based policies for achieving the MDGs
		<b>4.2:</b> Cross-Whitehall agreement and support for coherent, pro-development forums and programmes
		<b>4.3:</b> Greater positive participation by Brazil, Russia, India, China and South Africa (BRICS) in multilateral and other development forums and programmes
<b>DSO 5:</b> Make all bilateral and multilateral donors more effective	Some Progress	<b>5.1:</b> Improved global performance against Paris Declaration commitments
		<b>5.2:</b> 2005 Gleneagles commitments delivered (including increased aid volumes)
		<b>5.3:</b> Improved effectiveness of the European Commission
		<b>5.4:</b> Improved effectiveness of the International Finance Institutions
		<b>5.5:</b> Improved effectiveness of the UN system
		<b>5.6:</b> Improved effectiveness of the Global Funds
<b>DSO 6:</b> Deliver high quality and effective bilateral development assistance	Strong Progress	<b>6.1:</b> Paris Declaration commitments implemented and targets met corporately and in country offices
		<b>6.2:</b> DFID programmes in fragile states are consistent with the DAC principles
		<b>6.3:</b> Portfolio quality is improved.

## A

**DSO 1:****Promote good governance, economic growth, trade and access to basic services****Progress****Some progress**

One indicator has shown improvement; two have shown little or no improvement and it is too early to judge two indicators.

Progress on governance has been uneven with marginal improvements in state capability in Africa but no overall improvement in Country Policy and Institutional Assessments (CPIA) scores on public sector management and institutions in South Asia. Voice and accountability scores have shown improvements for most PSA countries in Africa but with a mixed picture in South Asia. DFID is now gearing up support for elections and accountability work in Africa and South Asia with a view to improving election processes and outcomes.

Improved economic growth was recorded in Africa with reported rates of GDP per capita growth of 4.4% and in Developing Asia of 8.6% in 2007, both well above target. DFID has stepped up its support for economic growth in developing countries and is influencing the international aid system in support of poor countries' economic growth. Challenging global economic conditions may affect future performance in Africa and Asia.

Low Income Countries (LICs) and to a lesser extent Less Developed Countries (LDCs) increased their total share of world trade from 2000 to 2006 though data for 2007 are not yet available. Led by the joint DFID-BERR Trade Policy Unit, the UK is developing several strands of work to increase participation by developing countries in global trade, including efforts to shape the outcome of the Doha Development Agenda and Aid for Trade initiatives in Africa and internationally.

Delivery on White Paper 3 commitments on improved public service outcomes in basic services has seen some progress over the reporting period. PSA countries are on course to halve the number of off-track MDGs on universal primary school completion. Health MDGs remain off-track, especially the goal on maternal mortality. There is progress on the water target but it will not be achieved in Africa by 2015. In response DFID is doubling spending on education to £1 billion per year by 2010/11, a further £450 million is being spent over the next three years on the International Health Partnership and new targets and commitments on social protection. DFID is increasing its spend on improving access to safe water and sanitation in Africa.

But there has been some progress on increased access for women and girls to economic opportunities, public services and decision-making. Gender-related Development Index (GDI) data used to measure progress will only be available from later in 2008/09. DFID is making progress on initiatives to ensure that principles of gender equality are understood and acted on by DFID departments. Action plans and the production of a gender manual have been produced to support staff across the organisation.

<b>Indicator</b>	<b>1.1 Governance (improved state capability, accountability and responsiveness)</b>
<b>Progress</b>	<b>Little or no improvement</b>
<p><i>Success measure: Improvement in the average public sector management and institutions (CPIA Cluster) score.</i></p>	<p>Marginal improvements in state capability were registered in Africa and Asia for this reporting period. For PSA countries in sub-Saharan Africa CPIA indicator scores showed a small improvement over a 2005 baseline. Achievements with DFID support, include improvements in public financial management in Malawi, Uganda, Zambia and Mozambique and progress in combating corruption in Zambia, which in 2008 saw its first improvement in 5 years in the Transparency International Corruption Perceptions index. The picture for South Asia is mixed with uneven progress across the region with no overall improvement in CPIA scores. Improving public financial management and combating corruption continue to be priorities in a number of countries. There is recent evidence of improvement in the capability of public institutions in countries in South Asia, at national and sub-national levels. In India, DFID supported the use of evidence based planning and computerisation of systems in Orissa which helped the Government to move into a surplus on its revenue account by 2005/06. DFID's support of the power sector reform in Madhya Pradesh has led to reductions in the subsidy to the power sector and cuts in the fiscal deficit.</p>
<p><i>Success measure: Improvement in the voice and accountability score</i></p>	<p>Small improvements were registered in voice and accountability scores in most individual PSA countries in sub-Saharan Africa (Sierra Leone registering the largest improvement), with the exception of Mozambique, Sudan and Ethiopia which registered small falls. Progress in South Asia is mixed, with three countries (Afghanistan, India and Nepal) showing improvements and two (Pakistan and Bangladesh) slight deterioration.</p> <p>DFID enhanced its activity on elections and accountability in Africa over the reporting period with increased policy work in collaboration with the Foreign and Commonwealth Office (FCO) and selected country offices following violence and contested elections in Kenya and Zimbabwe. DFID has supported elections work in Malawi and Mozambique. Our engagement with institutions of political governance also includes support to Parliament in Malawi and Tanzania, voter education in Uganda, leading on the development of a democratic institutions programme in Ethiopia and support for democratic transformation in Sudan, particularly with regard to the elections planned for 2009. In South Asia, successful elections were held in both Nepal and Pakistan. DFID supported the election process including in Pakistan the strengthening of the Election Commission and of civil society's ability to exercise oversight of the process. In Bangladesh, we are supporting preparations for the coming elections which have included for the first time the issue of photo identity cards.</p>

Indicator	1.2 Improved support for economic growth
<b>Progress</b>	<b>Improvement</b>
<p><i>Success measure: Per capita GDP growth rates in Africa of 4% in 2010.</i></p> <p><i>Success measure: Per capita GDP growth rates in Developing Asia of 7% in 2010.</i></p>	<p>Both Africa and Developing Asia exceeded the target in 2007 with GDP per capita growth rates at 4.4% and 8.6% respectively. However, in light of current global economic conditions, current forecasts show that Africa will not meet the target in 2008 with a GDP per capita growth rate of 3.1%. It is important to note that this is well above the forecasted growth rates for the world as a whole and for advanced economies. Developing Asia remains on target for 2008 with growth rates of 7.2%.</p> <p>DFID has significantly stepped up its support to economic growth in developing countries:</p> <ul style="list-style-type: none"> <li>● The International Growth Centre will be in place by the end of 2008 which will produce high quality policy-relevant research and demand-driven technical assistance to developing countries.</li> <li>● DFID country offices are providing support for economic growth to partner countries in Africa and Developing Asia.</li> <li>● DFID is delivering policy advice for sustainable economic growth to partner countries on programmes with the private sector, regulatory and competition frameworks, financial sector development and agricultural policy.</li> </ul> <p>DFID is also influencing the international aid system in support of poor countries' economic growth:</p> <ul style="list-style-type: none"> <li>● The World Bank and African Development Bank, to which the UK is a major contributor, will increase investment in infrastructure to accelerate economic growth.</li> <li>● Development finance institutions (IFC and CDC) in which DFID is a shareholder will increase the proportion of investments to frontier markets.</li> </ul> <p>The current difficult global economic conditions may affect performance against the targets in future years. DFID will need to engage with partner countries and the international community to consider how these two regions will be affected and how best to respond.</p>



Indicator	1.3 Increased participation in global trade by developing countries
<b>Progress</b>	<b>Too early to tell</b>
<p><i>Success measure: Increase the value of all imports and exports of goods (excluding arms and oil) from least developed countries (LDC) and low income countries (LIC) as a proportion of world trade to 0.684% (LDC) and 14.17% (LIC) by 2010.</i></p>	<p>Comparable data for 2007 is not yet available. However, LICs<sup>4</sup> and to a lesser extent LDCs<sup>3</sup> significantly increased their total share of world imports of goods excluding fuel between 2000 and 2006. LIC's share rose by over half from just over 7% to almost 12%. Figures for only the Office for Economic Cooperation and Development (OECD) suggests there was little change in LDCs or LICs share of the OECDs imports in 2007.</p> <p>The Doha Development Agenda (DDA) remains an important way of increasing overall developing country participation in global trade, and is a top trade priority for the UK. The DDA Ministerial in July broke down, although progress was made on a number of difficult issues. We continue, as a priority, to seek agreement on headline numbers on tariffs and subsidies this year to allow completion of the round in 2009.</p> <p>The joint DFID-BERR Trade Policy Unit's efforts to increase developing country participation in trade in other ways have been encouraging. Aid for Trade (AfT) increases developing countries capacity to benefit from more open markets. The UK has championed AfT internationally and has pledged to increase its support by 50% to over £409m (\$750m) a year by 2010. This autumn sees the UK launch its AfT strategy, setting out how we deliver our targets and take forward various initiatives in countries and regions. Examples of AfT successes include, through DFID's Regional Standards programme, helping the Mozambique fisheries industry to maintain its European Union (EU) standards accreditation, thereby safeguarding Mozambique's exports to the EU.</p> <p>There have also been significant developments on Economic Partnership Agreements (EPAs)<sup>5</sup>, the aim of which is to increase the ability of Asia, Pacific and Caribbean regions to compete in world markets. The first full regional EPA (Caribbean) was signed on 15 October. Ghana, Cameroon and SADC interim EPAs have also been submitted to UK Parliamentary scrutiny in the past few months. The first of these has now been cleared by Parliament.</p> <p>We are stepping up work on Fair and Ethical trade (FET) e.g. assessing impact on LDC producers, considering and using FET initiatives to build and develop markets. We are also stepping up our communications effort on trade and growth and its contribution to development.</p>

4 For a list of LICs and LDCs see the Technical Annex at [www.dfid.gov.uk/aboutdfid/performance.asp](http://www.dfid.gov.uk/aboutdfid/performance.asp)

5 EPAs are trade agreements between the EU and African, Caribbean and Pacific countries (ACPs)

<b>Indicator</b>	<b>1.4 Delivery of the White Paper commitments on public services (improved outcomes for education, health, HIV and AIDS, water and sanitation and social protection)</b>
<b>Progress</b>	<b>Little or no improvement</b>
<p><i>Success measure: By 2010 halve the number of PSA countries off track to reach Universal Primary education completion</i></p>	<p>Nine PSA countries (Democratic Republic of the Congo, Malawi, Uganda and Zimbabwe, Afghanistan, Bangladesh, India, Vietnam and Yemen) are currently off-track to attain universal completion in primary schooling (UPC) by 2021, from a baseline of 10 countries.</p> <p>DFID will increase spending on education from over £500 million to £1 billion a year by 2010/11. This will enable us to meet our commitment to spend £8.5 billion on education by 2015/16.</p>
<p><i>Success measure: By 2010 halve the number of PSA countries off-track to meet the MDG target on Births Attended by a skilled health professional</i></p> <p><i>Success measure: Increase in percentage of most-at-risk populations reached with HIV prevention programmes</i></p>	<p>Six PSA countries (Ethiopia, Kenya, Malawi, Sierra Leone, Tanzania and Zambia) were off-track at baseline and remain off-track to meet the MDG target on births attended by skilled health professionals. There are currently no updated progress assessments available for the percentage of most-at-risk populations reached with HIV prevention programmes in PSA countries. In general the health MDGs remain the most off-track.</p> <p>In June 2008, the UK set out plans to spend £6 billion on health systems and services over seven years to 2015. In parallel the UK launched a new AIDS Strategy which sets out how the UK will continue to help developing countries reach the goals of Universal Access and halting and reversing the spread of HIV.</p>
<p><i>Success measure: By 2010 halve the number of PSA countries off track to meet the MDG target on access to an improved water source</i></p> <p><i>Success measure: By 2010 halve the number of PSA countries off track to meet the MDG target on access to improved sanitation</i></p>	<p>The MDG target to halve the proportion of people without access to safe drinking water is currently off track in 11 PSA countries (Democratic Republic of Congo (DRC), Kenya, Mozambique, Sierra Leone, Nigeria, Rwanda, Tanzania, Zambia, Zimbabwe, Bangladesh and Yemen), from a baseline of 13 countries. The biggest challenges are faced by DRC and Nigeria. In Asian PSA countries, only Bangladesh is off-track primarily as a result of the problems with groundwater arsenic, which sent progress into reverse between 1990 and 2006. The remaining PSA countries are off-track, apart from Afghanistan and Sudan where no data is available.</p> <p>Only Pakistan and Vietnam are currently on-track to meet the MDG target to halve the proportion of people without access to basic sanitation. The remaining PSA countries are off-track, apart from Afghanistan and Sudan, where there is no data available.</p> <p>In October DFID launched a new water and sanitation strategy setting out a plan of investment over the next five years, to help 25 million more people across Africa gain access to safe water and basic sanitation.</p>

<b>Indicator</b>	<b>1.5 Increased access by women and girls to economic opportunities, public services and decision making</b>
<b>Progress</b>	<b>Too early to tell</b>
<p><i>Success measure: 75% of PSA countries show an improvement in their Gender-related Development Index (GDI) by 2011</i></p>	<p>The data used to measure progress against this indicator is collected annually with the baseline set from the 2007/08 UN Development Report. The 2008/09 GDI dataset is yet to be published.</p> <p>However across DFID we have made progress to ensure that the principles of gender equality are widely understood and acted upon, by means of communications campaigns, guidance for departmental gender action plans, and a gender manual to support staff across the organisation. As part of the focus on results, all new country plans in Africa have identified selected statistics that differentiate progress for men and women. Gender action plans are also being implemented across all divisions including in all DFID country offices in South Asia. Our multilateral partnerships have made progress on gender, notably the President of the World Bank has made six new commitments on gender equality as a result of lobbying from donors including the UK. Many UN agencies now demonstrate commitments to action on gender in their strategic plans and progress against these commitments will be used to as a basis for reviewing future funding. There was close cooperation with bilateral partners to ensure that outcomes of the Accra High Level Forum on Aid Effectiveness took gender into account. Eight Civil Society Challenge Fund programmes have a focus on gender equality and fund guidelines have been revised to ensure that applicants demonstrate how their activities will impact on gender equality.</p>



**Access to basic services:** A health worker explains to people visiting a health centre the benefits of long-lasting treated nets and how to use them. Several of them leave with a brand new net that will offer protection for up to five years.

Photographer: Thomas Omondi/DFID



**Economic growth and trade:** The bustling fish market in Maputo, DFID through the Regional Standards Programme has supported the Mozambique fisheries industry to maintain its EU accreditation safeguarding its exports to the EU.

Photographer: David Pratt/DFID



**Good Governance:** Political empowerment in Kenya, a young Kenyan waves a voter's card in the air

Photographer: Thomas Omondi/DFID



**G****DSO 2:**

Promote climate change mitigation and adaptation measures and ensure environmental sustainability

**Progress****Strong progress**

The two indicators show improvement.

Progress has been made in supporting developing countries to better understand the implications of climate change, integrate climate change into their development plans, and in increasing multilateral finance for mitigation and adaptation. DFID is sponsoring studies at the country level to build understanding of the cost implications of climate change and the transition to low carbon development. We are supporting countries in Africa, Asia and Latin America to develop climate resilient and clean technology policies. Most countries are at early stages, but Bangladesh has developed a climate change strategy for climate resilient and low carbon development, which DFID is supporting with £75 million. At a multilateral level there has been progress on financing for climate change mitigation and adaptation. At the G8 Summit the Climate Investment Funds were launched with \$6 billion from G8 donors, and Multilateral Development Banks (MDBs) have set out their ambition of up to \$117 billion for low carbon and climate resilient development, including leveraging funds from the private sector.

DFID is supporting developing countries to integrate environmental sustainability into national policies and programmes. DFID is supporting the United Nations Environment Programme (£4 million over the next 3 years), which jointly runs the Poverty and Environment initiative with UNDP and is promoting 'environment for development' across the UN system. This has for example supported the Government of Malawi to develop a national strategy, which reflects the environmental priorities of the country.

DFID is undertaking a review of its environmental screening process, including benchmarking against other donors, and will also roll out lessons learned from integrated environmental assessment pilots in South Asia. The Climate Change Adaptation in Africa research and capacity development programme is helping identify climate change adaptation for rural and urban people.

<b>Indicator</b>	<b>2.1 Policies and programmatic approaches developed for effective climate change mitigation and adaptation measures in developing countries, along with coherent international support for both</b>
<b>Progress</b>	<b>Improvement</b>
<p><i>Success measure: Countries have integrated climate change into their plans and budgets. At least five countries are implementing programmes for low carbon development, and at least five countries are implementing strategies for climate resilient development, including with support through the Climate Investment Funds</i></p>	<p>The UK will support pilot countries with scaled up finance for climate resilient and low carbon development through a major multilateral finance initiative, the Climate Investment Funds. DFID is also developing support to increase resilience and clean technology through our bilateral programmes in Bangladesh, Brazil, Ghana, Malawi, Mozambique, Nepal, Southern Africa, Tanzania and Vietnam. Most countries are in the early stages of integrating climate change measures into planning, but examples of where progress has been made include Bangladesh, where the Government has developed a climate change strategy for climate resilient and low carbon development, which DFID has committed to support with £75 million. DFID supported programmes in Bangladesh are already reaching 1.2 million people with climate resilience and disaster risk reduction measures.</p> <p>We are working with the World Bank, the Netherlands and Switzerland to build understanding of the costs of climate change through Economics of Adaptation studies in Bangladesh, Bolivia, Ethiopia, Mozambique and Vietnam. We are also supporting countries to begin to plan for the transition to low carbon development through low carbon growth studies with the World Bank in Brazil, China, India, Mexico and South Africa.</p>
<p><i>Success measure: An increase in multilateral financing and leveraging of funds from the private sector for climate change mitigation and adaptation.</i></p>	<p>The UK is pressing for agreement of an effective international response to climate change in line with the Secretary of State's five 'development tests' for the post-2012 deal. Progress with multilateral finance is considered to be largely on track. The Climate Investment Funds were launched at the G8 Summit in July with a commitment of \$6 billion from G8 donors, including £800 million from the UK. The Trust Fund Committees of the Climate Investment Funds have been established, including strong representation from developing countries in decision-making.</p> <p>The World Bank and five Multilateral Development Banks (MDBs) produced a joint report for the G8 Summit in 2008 setting out a level of ambition for the Clean Energy Investment Framework (CEIF) of up to \$117 billion up to end 2010. Each MDB is working to achieve its proportion of the CEIF investment target.</p> <p>The Adaptation Fund has been established, and the UK is working as a Board member to ensure that it becomes operational.</p>



<b>Indicator</b>	<b>2.2 Environmental sustainability integrated into programmes.</b>
<b>Progress.</b>	<b>Improvement</b>
<p><i>Success measure: Strengthened support to developing countries to achieve MDG 7 (environmental sustainability), including impacts of climate change reflected in country programmes.</i></p>	<p>DFID is undertaking a review of its environmental screening assessments, aimed at strengthening the procedure and benchmarking against other donors. DFID is piloting approaches in South Asia to better integrate environmental sustainability into our programmes and policies, including considering current and future climate variability, low carbon development and disaster risk reduction. The results will inform how environmental sustainability is integrated and monitored in programmes across DFID.</p> <p>DFID has committed £4 million over the next 3 years to the UNEP, which jointly runs the UN Poverty and Environment Initiative alongside UNDP. The initiative helps countries develop their capacity to mainstream poverty-environment linkages into national development planning and is being piloted in: Kenya, Tanzania, Malawi, Mali, Burkina Faso, Mauritania, Mozambique, Rwanda, Uganda, Vietnam and Bhutan. A review of progress will be conducted in 2009 of the pilots and a decision taken on its potential roll out to additional countries and regions. DFID Sudan is supporting work through UNEP (£8m over the next 3 years) to address environment issues in relation to conflict and recovery in Darfur.</p> <p>DFID is committed to supporting the achievement of a strengthened and more coherent international architecture, which will more effectively integrate environment, development and climate change objectives.</p>



Bangladesh. Rickshaws struggling through flood waters. Monsoon rains caused flooding in 40 of Bangladesh's 64 districts, displacing up to 30 million people and killing several hundred.

Photographer: G.M.B. Akash/Panos pictures

## G

**DSO 3:****Respond effectively to conflict and humanitarian crises and support peace in order to reduce poverty****Progress****Strong progress**

Improvement has been made against all five indicators.

During the last year, DFID has responded quickly and effectively to quick-onset humanitarian crises in Burma, China, Georgia and the Caribbean. Our post-response monitoring and evaluations have found that the responses were timely, appropriate and effective. Good progress has also been made on funding for Disaster Risk Reduction (DRR) after quick-onset crises: expenditure is already taking place in Burma, China and Haiti; and a further 10% on top of the original response is now fully committed to programmes in countries affected by the 2004 tsunami.

Good progress has been made towards the success measure to increase the United Nations Development Programme's (UNDP) programmes to strengthen national and local capacities to prevent and recover from conflict, but there are likely to be significant challenges ahead to ensuring effective implementation.

Strong DFID/FCO collaboration enabled the UK to secure international agreement to improve international, and UN, capacity for supporting conflict-affected countries during the immediate post-conflict early recovery phase. Delegates at an international meeting in Copenhagen in October agreed reform objectives to improve international and UN capacity, and DFID is now working to ensure that the UN Secretary General's Report due in May 2009 lays out an ambitious reform agenda.

DFID is working across Government and in country offices to increase awareness of security and development challenges. DFID has undertaken an analysis of drivers of radicalisation in 3 of the 10 Security and Development priority countries as part of their country planning, making us on track to meet this success measure. DFID has increased its spending on security and justice programmes by £7 million, from £31 million in 2007/08 to £38 million in 2008/09. The increased funding will help strengthen security and justice in priority countries, including Zimbabwe, Yemen, Bangladesh and Sudan.

Kenya. Empty bullet cartridges found in the aftermath of ethnic violence that was sparked by protests against disputed election results.

Photographer: Robin Hammond/Panos pictures



<b>Indicator</b>	<b>3.1 Improved capacity of the international system to prevent conflict, respond early to crises, and build peace</b>
<b>Progress</b>	<b>Improvement</b>
<i>Success measure: Increase in UNDP programmes to strengthen national and local capacities to prevent and recover from conflict.</i>	<p>DFID recently agreed a new Institutional Strategy with UNDP for 2008–11 (joint with Denmark). UNDP has committed to the objective of “an increase in effective UNDP programmes that strengthen national and local capacities to prevent, mitigate and recover from the effects of conflict and natural disasters”.</p> <p>The next step will be implementation and monitoring of the performance framework in a number of key countries. A key challenge, however, is to ensure that UNDP’s crisis prevention and recovery activities receive sufficient resources through the Agency’s core budget.</p>
<i>Success measure: More effective international support for conflict-affected countries during the immediate post-conflict early recovery phase.</i>	<p>Through the UK-chaired UN Security Council in May, the commissioning of research from New York University’s Centre on International Cooperation and the FCO-DFID international conference in July, we have secured the international agreement that we need to improve international and UN capacity to ensure:</p> <ul style="list-style-type: none"> <li>● Effective UN coordination so that we have one common early recovery strategy to guide international efforts in support of national authorities;</li> <li>● Greater developing country and international civilian capacity to plan and deliver early recovery;</li> <li>● Fast, flexible and predictable multi-donor funding for early recovery.</li> </ul> <p>In October, delegates at an international meeting in Copenhagen agreed reform objectives to fill these gaps.</p>
<i>Success measure: Continental Early Warning System triggering Africa Union Peace &amp; Security Council to task the Panel of the Wise or Africa Standby Force at least once (exercise or reality) by 2011.</i>	<p>The development of the Africa Union’s (AU) Peace and Security Architecture is making progress, although with some delays.</p> <p>The Continental Early Warning System is operational but will require enhanced capacities before it can fulfil its role at continental level.</p> <p>The AU has been proactive in various political mediations across the continent. The AU Peace and Security Council has used various tools for its mediation activities, including the Peace and Security Department, the Panel of the Wise and special envoys monitoring the implementation of the political agreement in Kenya.</p> <p>The Eastern Brigade (EASTBRIG) military exercise, due to take place in November 2008, will be a key element in testing the military capacity to respond to peacekeeping demands.</p>

<b>Indicator</b>	<b>3.2 Effective implementation of DFID Security and Development Policy in priority countries</b>
<b>Progress</b>	<b>Improvement</b>
<i>Success measure: New Country Plans in 10 priority countries include analysis of security and development challenges.</i>	<p>DFID is working across Government and in country offices to increase awareness of security and development challenges.</p> <p>DFID has undertaken an analysis of drivers of radicalisation in 3 of the 10 Security and Development priority countries as part of their country planning, making us on track to meet the target.</p> <p>In Pakistan, the recently launched Country Plan reflects specific programmatic actions to address drivers of radicalisation as part of its overall poverty reduction objective. In Bangladesh and Yemen, Country Plans are informed by analysis of the drivers of radicalisation and have already been put to UK consultation as the final step before completion.</p>
<i>Success measure: 25% increase in DFID expenditure on programmes that improve security and access to justice for the poor in priority countries.</i>	<p>DFID has increased its spending on security and justice programmes by £7 million, from £31 million in 2007/08 to £38 million in 2008/09. The increased funding will help strengthen security and justice in priority countries, including Zimbabwe, Yemen, Bangladesh and Sudan.</p>

<b>Indicator</b>	<b>3.3 Effective DFID response to all quick onset humanitarian crises</b>
<b>Progress</b>	<b>Improvement</b>
<i>Success measure: Effective DfID response to all quick onset humanitarian crises.</i>	<p>In the last year DFID responded quickly and effectively to crises in Burma, China, Georgia and the Caribbean. Our strategy is to ensure that funds, teams and the necessary assistance and relief are provided as quickly as possible in response to humanitarian emergencies. We provided £45 million of funding for areas affected by the cyclone in Burma, £2 million for the victims of the earthquake in China, £2 million for those people displaced by conflict in Georgia, and £7.5 million for those affected by recent hurricanes in the Caribbean. In all cases, our commitments and disbursements, and relief goods when required, were provided within less than 2 weeks of the disaster.</p> <p>Our post-response monitoring and evaluations have found the Burma, China, Georgia and Caribbean responses were timely, appropriate and effective.</p>
<i>Success measure: Funding for Disaster Risk Reduction (DRR) after quick-onset humanitarian crises.</i>	<p>Good progress has been made, with some funds agreed and expenditure already taking place in Burma, China and Haiti. A Disaster Risk Reduction adviser from DFID was deployed to Burma after Cyclone Nargis, and DFID has already committed £730,000 to UNDP/UN Habitat and Asian Disaster Preparedness Centre projects. In China a DFID-funded Technical Assistance Facility includes a DRR component. In Haiti, Microfinance and Early Recovery programmes, which include hillside protection and repairs to river systems, have been set up. A further 10% on top of the original response is now fully committed to programmes in countries affected by the 2004 tsunami.</p>



<b>Indicator</b>	<b>3.4 Improved international system for humanitarian assistance</b>
<b>Progress</b>	<b>Improvement</b>
<i>Success measure: Increase the percentage of global humanitarian financing committed through pooled funding mechanisms to 12% by 2010/11</i>	<p>The share of global humanitarian financing committed through pooled funding mechanisms (based on the latest, consolidated 2007 figures) stands at \$US 715 million or 9% of overall humanitarian spend.</p> <p>Funding for the Central Emergency Response Fund (CERF) has reached \$US 432 million in 2008 to date and it is likely that the target of \$US 450 million will be met by the CERF replenishment Conference, in December 2008 in New York. There are pooled funding arrangements in 56% of countries which have a Consolidated Appeal. Common Humanitarian Funds have been established in Sudan and the Democratic Republic of Congo (DRC), and Central African Republic. Emergency Response Funds (ERFs) cover Sudan, DRC, Ethiopia, Iraq, Occupied Palestine Territories, Somalia, Indonesia and Zimbabwe.</p>
<i>Success measure: Effective Disaster Risk Reduction policies and strategies in place in at least 10 DFID priority countries</i>	<p>In Vietnam, guidelines have been issued to Ministries and provinces for the preparation of action plans, as part of the National Strategy for Disaster Prevention, Response and Mitigation; and climate-resilient urban development plans and building codes have been developed. In Nepal, the initial findings of a Glacial Lakes Outbursts study have been shared with the Government, and an assessment of vulnerability of the education sector to extreme events carried out. In addition, an agricultural Insurance Feasibility study is under way; this included a lessons-learning workshop in July. In Ethiopia, DRR has been integrated into the World Bank's Country Assessment Strategy.</p>

<b>Indicator</b>	<b>3.5 Enhanced HMG coherence for assessment, planning and implementation of conflict prevention and stabilisation</b>
<b>Progress</b>	<b>Improvement</b>
<i>Success measure: Further strengthen the use of joint analysis and jointly developed and agreed strategies, planning and programming across key Whitehall departments.</i>	<p>DFID has contributed significantly to two key HMG processes aimed at improving cross-Government coherence, the National Security Strategy and the Conflict Public Service Agreement (PSA 30) Delivery Plan, which sets out HMGs collective effort in support of conflict objectives. DFID is also contributing to work on developing an HMG Conflict Strategy and on reviewing arrangements for HMG's delivery of civil effect in support of post-conflict stabilisation.</p> <p>On-going reform of the Conflict Prevention Pool (CPP) and on improving the way the Stabilisation Aid Fund (SAF) and the Peacekeeping Budget are linked with the CPP has resulted in a more coordinated approach to conflict prevention and stabilisation. All CPP and SAF programmes have developed jointly agreed programme plans with measurable indicators of progress achieved. As yet not all programmes have developed full strategies. The allocation processes and guidance for the CPP has been streamlined, including ensuring that programming decisions are informed by greater use of joint conflict analysis. Improvements have also been made in the governance and oversight mechanisms to ensure greater transparency of decision making and that a more standardised approach to prioritisation is achieved across the Conflict Prevention Pool, the Peacekeeping Budget and the Stabilisation Aid Fund. Further improvements to the prioritisation mechanisms across the three funds are expected to be made by end 2009.</p>



## G

**DSO 4:****Develop a global partnership for development (beyond aid)****Progress****Strong progress**

Two of the three indicators report improvement; it is too early to say for one indicator.

Improvements were shown in high quality research and evidence based policies for achieving the MDGs, with already a four-fold increase in visits to DFID's research portal on the baseline and good progress is being made to strengthen our research capability in six priority themes (growth, agriculture, climate change, health, governance in challenging environments, and future challenges and opportunities).

Although the latest Commitment to Development index figures have yet to be produced, some progress has been made on cross-Whitehall agreement and support for coherent, pro-development. Most notably, the UK played a leading role in ensuring that the High Level Event in September galvanised international support for the UN's efforts to accelerate progress on the MDGs. DFID has a number of jointly resourced units/post across Government (e.g. FCO/DFID/Mod Stabilisation Unit, DFID/BERR Trade Unit) and training programmes that reflect the interconnectedness of political, development and security objectives.

DFID has already established four initiatives this year with the BRICS (Brazil, Russia, India, China and South Africa) which meets the target set out, and further initiatives are in the pipeline for the rest of this financial year.



Tanzania. Heru Oshinga camp for Hutu refugees from Burundi. Using hoes lent by Oxfam to dig pit latrines.

Photographer Crispin Hughes/Panos pictures

Indicator	4.1 High quality research and evidence based policies for achieving MDGs.
Progress	Improvement
<p><i>Success measure: Increased number of users of CRD Research from R4D (DFID's Research Portal) – (a) A threefold increase in number of hits; (b) double the number of registrations for e-mail alerts and RSS feeds.</i></p>	<p>In August 2008 there were 36,400 visits to R4D (DFID's Research Portal), compared to 7,500 per month in 2006. This is nearly a four-fold increase, which already exceeds the 2011 target. This is being tracked as an indication of increased uptake of DFID funded research.</p> <p>The system to track email alert registration and RSS feeds should be in place by the end of this Financial Year.</p>
<p><i>Success measure: Research of high quality in 6 priorities themes (Growth, Agriculture, Climate Change, Health, Governance in challenging environments, and future challenges and opportunities) are reflected in policy.</i></p>	<p>A new research strategy focused on the six priority themes was published in April 2008, and an implementation timetable published in June. This set out plans to double the budget on research over the next three years. New research programmes consistent with the priority themes and implementation timetable are now being scoped and designed. DFID is on track to spend the full budget for research for this Financial Year (£134m) and has firm plans to spend the increasing budget (£181m 09/10 and £220m 10/11) in future years.</p> <p>The Policy and Research Division is being restructured to co-locate research and policy staff working on the same themes, with the aim of improving the links between research and policy work. The new structure was confirmed in September 2008 and should be in place by the end of the year.</p>
<p><i>Success measure: DFID's policy making processes strengthened to maximise DFID policy's relevance, evidence base and impact on the poor.</i></p>	<p>Progress is being made – in particular in laying the ground to bring about real improvements to the way policy is made in the future.</p> <p>During the last 6 months activities included:</p> <ul style="list-style-type: none"> <li>● taking forward a restructuring exercise to integrate policy and research teams (mentioned above) to improve the synergies between our policy and research work, and the evidence base of our policy;</li> <li>● commissioning a best practice guide to policy making, which will provide a framework to help ensure staff understand and follow best practice in developing policy; and</li> <li>● revising the scope of the Development Committee (a high level cross-DFID Committee with the mandate to help coordinate, prioritise and quality assure policy across the Department) to improve its effectiveness and relevance.</li> </ul>

<b>Indicator</b>	<b>4.2 Cross-Whitehall agreement and support for coherent, pro-development policy</b>
<b>Progress.</b>	<b>Too early to tell</b>
<p><i>Success measure: An increase in the Commitment to Development Index (CDI).</i></p>	<p>The UK ranked 9th out of 21 developed nations in 2007 with an average score of 5.5. At the time of going to print the CDI for 2008 was not available. The CDI ranks 21 developed nations in terms of aid, trade, investment, migration, environment, security and technology.</p> <p>The Prime Minister has strongly reaffirmed the UK commitment to delivering the Millennium Development Goals (MDGs) and to meeting the 0.7% Official Development Assistance/Gross National Income (ODA/GNI) ratio target by 2013 demonstrating high level Whitehall agreement and support. In September 2008 DFID led a cross-Whitehall campaign, MDG Call to Action, to galvanise international support for the UN's efforts to accelerate progress on the MDGs. This helped to secure not just expressions of general support but concrete pledges of action and resources towards this effort from a range of key, international stakeholders, both in the run up to and at the time of the UN High Level Event (HLE). The campaign included active engagement by FCO posts and DFID country offices working closely with counterparts in other governments and organisations.</p> <p>Participants in the Event, and the partnership events during the week, represented over 140 countries and leaders of NGOs, business, faith groups, philanthropic organisations and cities. The UN estimates that countries, charities, foundations and business pledged some \$16 billion in commitments for accelerating progress to achieve the MDGs, including \$11.5 billion of commitments in the UK priority areas for the HLE of malaria, food, education and health.</p> <p>DFID has a number of jointly resourced units/posts cross-Government (e.g. FCO/DFID/MoD – Stabilisation Unit, DFID/BERR – Trade Unit) and training programmes (e.g. communications) that reflect the interconnectedness of political, development and security objectives.</p> <p>In November, DFID won a Civil Service award for cross-Government working with the FCO and MoD in the Democratic Republic of Congo.</p> <p>DFID works with other Whitehall partners to deliver PSA 29. This is being taken forward by a cross-Government delivery board and a working group of officials that meet regularly to ensure that governance and accountabilities are clear and there are improvements in performance management. DFID also plays an active role in helping to deliver other cross-Government PSAs on conflict, climate change, migration and counter-terrorism.</p>

<b>Indicator</b>	<b>4.3 Greater positive participation by BRICS in multilateral and other development forums and programmes.</b>
<b>Progress</b>	<b>Improvement</b>
<p><i>Success measure: At least 5 new joint initiatives established each year with Brazil, Russia, India, China or South Africa.</i></p>	<p>Four initiatives have already been established with several further initiatives being developed and likely to be established prior to the end of the reporting period in March. We are therefore on track to meet, and likely to exceed, the success measure.</p> <p>In addition to joint initiatives, a range of further activities and policy discussions on global or regional development issues are ongoing, all of which contribute to the overall target of working with the BRICS for positive participation in multilateral and other development forums and programmes.</p>

## A

## DSO 5: Make all bilateral and multilateral donors more effective

### Progress

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#### Some progress

There has been an improvement in two of the six indicators, little or no improvement in three and it is too early to tell for one indicator.

Global progress towards Paris targets has been slow but DFID and the World Bank have made good progress and the EC has made reasonable headway.

The indicator for increasing global ODA GNI levels is unlikely to be met, with 2007 figures indicating a flattening of the recent positive trend. Global ODA levels and the impact of the credit crisis in financial markets were key issues for the Doha Conference on Financing for Development in late November and early December.

At this stage it is too early to judge whether progress has been made on improving the effectiveness of EC aid. The EC has increased the amount of budget support it provides to partner countries to 40% of all funds committed under European Development Fund (EDF) 10. Progress against the three Paris Declaration targets was mixed, with the two harmonisation targets on-track, but the target for coordinated capacity development off-track.

Good progress has been made in improving the effectiveness of the International Financial Institutions (IFIs). The World Bank continues to make progress against the Paris Declaration targets including on decentralisation, with the policy changes agreed in the IDA 15 replenishment starting to deliver change. The Asian Development Bank (AsDB) performed well against Paris targets in 2007, and the African Development Bank (AfDB) has increased the proportion of 'field based professional staff'.

There has been little improvement on UN effectiveness. Negotiation of the UNDP Performance Framework was instrumental in influencing the inter-agency agreement on the UNDP Firewall. There are now 16 countries where progress on 'One UN' is underway and an MDG fund has been agreed in partnership with Spain and Norway. However, the results of the 2008 Paris monitoring survey show serious weaknesses in areas that DFID considers to be key for improving the effectiveness of the UN system.

Progress has also been made, though more needs to be achieved at the country level, on improving the effectiveness of Global Funds. The Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM) has shown increasing commitment to the Paris Principles. The Global Alliance for Vaccines and Immunisation (GAVI) has increased its commitment to programme based approaches and using country public financial management systems. The GAVI gender policy has been approved, and GFATM's is finalised and will be approved in November 2008.

<b>Indicator</b>	<b>5.1 Improved global performance against Paris Declaration commitments</b>
<b>Progress</b>	<b>Little or no improvement</b>
<p><i>Success measure: Paris Declaration targets met at global level</i></p>	<p>Globally progress towards the Paris Declaration targets has been slow and on current trends most targets will be missed by 2010. However, good progress has been made by DFID and the World Bank in implementing the Paris targets and the EC has also made reasonable headway. The African Development Bank and UN are not on track to meet the priority targets identified. Globally, progress in improving predictability of aid and mutual accountability is slower than required to meet the Paris targets.</p> <p>The Accra High Level Forum in September 2008, in which DFID played a lead negotiating role, agreed an ambitious and politically resonant 'Accra Agenda for Action' that committed donors and partner countries to taking concrete actions with deadlines to accelerate progress. Moreover, the Accra process generated a solid and comprehensive evidence base that clearly identifies the priority areas that need to be tackled if the targets are to be met. We can therefore expect a scaling up of efforts over the coming years.</p> <p>DFID has launched a UK Progress Report on Aid Effectiveness which identifies some of the impacts of better quality aid on the ground and will allow us to act as a model of good practice in influencing other donors. DFID is also leading the development of a new International Aid Transparency Initiative which aims to deliver a step change in worldwide availability of and access to information on aid flows. This greater level of transparency will increase the scrutiny over aid flows making it easier for partner countries and Civil Society Organisations (CSOs) to track progress.</p> <p>Continued high level influencing of other donors will be critical to ensure that the momentum is sustained up to 2010 and that aid effectiveness remains high up the political agenda. We will need to continue our engagement with the US, World Bank, EC, African Development Bank and UN in particular to ensure that they step up efforts to meet the Paris targets. Maintaining our key role in forums such as the Development Assistance Committee (DAC) Working Party on Aid Effectiveness and our leadership role in the International Aid Transparency Initiative will be vital for sustained progress.</p>

<b>Indicator</b>	<b>5.2 2005 Gleneagles commitments delivered (including increased aid volume)</b>
<b>Progress</b>	<b>Little or no improvement</b>
<p><i>Success measure: By 2010, global ODA increased by US\$50 billion from 2004 level.</i></p>	<p>Since the baseline global Official Development Assistance (ODA) (in current prices) has increased to US\$107 billion (2005), falling back slightly to US\$104 billion in 2006. The increase in levels in 2005 and 2006 was mainly due to large amounts of debt relief for Iraq and Nigeria, which have now been completed. The debt relief peak was predicted by the Development Assistance Committee (DAC) in 2005. The provisional ODA figure for 2007 is just below US\$104 billion, indicating a flattening of the recent positive trend. Furthermore, the DAC Secretariat has stated recently that the rate of increase in non-debt ODA is currently not on track to achieve the \$130 billion target, and has estimated that the target may be missed by over \$30 billion if the trend continues.</p> <p>About 90% of the aid increases agreed at Gleneagles in 2005 was from the European Union, which has committed to reach an average ODA/GNI ratio of 0.56% by 2010 and 0.7% by 2015. The UK continues to lobby the European Union (EU) to maintain and deliver the ODA commitments made in 2005, including continued high-level lobbying of key donors, particularly France, Germany and Italy. The 2006 and 2007 falls in global ODA levels and the subsequent credit crisis in financial markets were key issues for the DOHA Conference on Financing for Development in late November. Conclusions from the EU's Development General Affairs and External Relations Council (GAERC), in November reaffirmed the EU's commitments and emphasised that the financial crisis, in addition to recent food and price shocks, made it more urgent to deliver these commitments.</p>

The United Nations building in New York. DFID is working continuously with the United Nations to improve the effectiveness and efficiency of its programmes.

Photograph: Fotolia/Sylumgraphica





Indicator	5.3 Improved effectiveness of the EC
<b>Progress</b>	<b>Too early to tell</b>
<i>Success measure: Increase the commitments for general budget support and sector policy support programmes from the EDF to 40%.</i>	The EC has informed Member States that budget support commitments under the 10th European Development Fund (EDF) (2008-13) will represent 40% of all funds to be committed (27% as general budget support and 13% as sector budget support). We will monitor these commitments annually, with the next report due in mid 2009.
<p><i>Success measure:</i></p> <p>a) 40% of field missions are joint by 2011</p> <p>b) 66% of country analytic work, including diagnostic reviews, are joint by 2011;</p> <p>c) 100% of donor capacity-development support provided through co-ordinated programmes consistent with partners' national development strategies, by 2011</p>	Feedback from the EC shows mixed results against the three indicators. The two harmonisation targets are on track or are likely to be achieved: (a) 40% of the field missions are joint, and (b) 60% of country analytical work is joint. Success measure (c) is off-track. The EC has drafted a new strategy for Technical Cooperation, which is currently being discussed with member states, including with DFID. Implementing this strategy should help improve the performance on success measure (c) and DFID will support the Commission in taking this strategy forward. Building on success of the joint assistance strategy for South Africa, agreed by nine donors last year, DFID Sierra Leone and the EC developed a joint strategy this year.
<i>Success measure: To increase the overall effectiveness and efficiency of European Community external assistance through a more coherent blending in the deployment of European Investment Bank loans and European Commission grants</i>	A key indicator of this success measure, the report on the Fundamental Review is yet to be published. It is therefore too early to assess progress. HM Treasury is taking forward this agenda through discussions with the EC, having agreed DFID's position.
<i>Success measure: To increase by 3% the proportion of EC aid projects with very good or good performance by 2011.</i>	Data on 2008 project performance will be available in the first quarter of 2009.
<i>Success measure: The EC strengthens its capacity to promote policy coherence for development (PCD) by improving all mechanisms, instruments and procedures for PCD, as assessed by biennial PCD report.</i>	It is too early to say as the next EC biennial report on PCD will not issue until 2009. The Commission has improved its processes and mechanisms for inter-service consultation and coherence and the 2008 EC Annual Report (on implementation in 2007) includes a special sub-section describing linkages between development programming and EC policies on trade, agriculture, fisheries, climate change, security and energy. Also the statement in the May GAERC on the impact of EU bio-fuel targets on food prices and the environment demonstrated awareness of PCD and willingness to review important areas of policy in the interests of development



Indicator	5.4 Improved effectiveness of the IFIs.
Progress	Improvement
<p><i>Success measure:</i></p> <p>a) Increase the portfolio quality of projects in the WB to 84%, in the AsDB to 80% and in the AfDB to 81%.</p> <p>b) Increase to 75% the proportion of MDB Country Strategies with strong results frameworks</p>	<p>There has been mixed progress against this indicator across the three banks. In the <b>World Bank</b> the percentage of project outcomes rated satisfactory or better remains high but has fallen to 72% in 2007. Quality of Country Strategies has improved though we await the Bank's Country Assistance Strategy Retrospective (due in 2009) to finalise numbers.</p> <p>In the <b>AfDB</b>, the percentage of project outcomes rated satisfactory or better still remains high at 78%.</p> <p>In the <b>AsDB</b>, figures directly comparable with the baseline are not yet available, but internal data indicates that implementation progress was rated satisfactory or better in 88% of loans, and impact and outcomes were satisfactory for 96% of loans.</p>
<p><i>Success measure:</i></p> <p>a) Increase the percentage of internationally recruited staff based in country offices to 25% in the WB, to 15% in the AsDB and to 7% in the AfDB</p> <p>b) Increase the percentage of portfolio managed by country offices to 35% in the WB, 31% in the AsDB and 15% in the AfDB.</p>	<p>The World Bank has made good progress in this area both in terms of staffing in country and also in terms of institutional change to make further progress on decentralisation. At the time of writing, an update of the <b>World Bank</b> figures for this success measure had not yet been published but we expect the proportions to have increased. The <b>AfDB</b> data for this target will be reported in 2009. A proxy indicator that can be used is "field based professional staff", which was 9% in 2007 and is now at 13%. The <b>AsDB</b> undertook an internal review in 2008 which showed that there are fully operational missions in 23 countries. The missions include 19% of AsDB staff and manage 39% of projects by number. For both AfDB and AsDB reporting against success measure a) is not yet disaggregated by "internationally recruited" and "locally recruited" staff.</p>
<p><i>Success measure:</i></p> <p><i>Implementation of the following Paris Declaration targets:</i></p> <p>(a) % of field missions that are joint;</p> <p>(b) % of country analytic work that is joint;</p> <p>(c) Coordinated donor support for capacity development</p> <p>(d) Number of Project Implementation Units (PIUs) parallel to country structures.</p>	<p>The <b>World Bank</b> continues to make improvements against the Paris Declaration targets though more work is needed to meet all of them. The World Bank performed better in almost all areas between the 2005 and 2007 Paris Declaration survey. Policy changes agreed to in IDA 15 replenishment are starting to deliver change.</p> <p>Both <b>AfDB</b> and <b>AsDB</b> monitor progress against key Paris indicators. AsDB performed well in 2007, with significant progress in joint missions and capacity development coordination although only five countries were covered in the survey. The decline in joint analytic work from 49% to 15% reflects the small sample but will need to be monitored carefully in future.</p>

Indicator	5.5 Improved effectiveness of the UN system
<b>Progress</b>	<b>Little or no improvement</b>
<p><i>Success measure:</i>  a) <i>UN Agencies<sup>6</sup> achieve 2 or better against an annual performance framework by 2011.</i></p> <p><i>b) UN Agencies<sup>6</sup> annual reports are results based and can be used to assess annual performance.</i></p>	<p>It is too early to assess progress, but key agencies are making progress in developing performance frameworks, and the first assessment will take place in June 2009. The Performance Framework for UNDP was approved and we expect that the Performance Framework for UNFPA and UNAIDS will be approved before the end of 2008, and for UNICEF by March 2009. Negotiation of the UNDP Performance Framework was instrumental in influencing the inter-agency agreement on the UNDP Firewall which separates UNDP's system-wide coordination and programmatic roles.</p>
<p><i>Success measure:</i>  <i>UN system meets Paris Declaration:</i></p> <p><i>a) increase in the percentage of aid, excluding humanitarian aid, from the UN in-country reported on national budgets to reach 60% by 2011;</i></p> <p><i>b) increase of the proportion of aid that is directly channelled through country PFM systems to 50% by 2011;</i></p> <p><i>c) The proportion of UN aid that is provided through programme based approaches increases to 66% by 2011.</i></p>	<p>The results of the 2008 Paris monitoring survey shows progress in some areas, but limited progress in the areas that DFID considers to be key for improving the effectiveness of the UN system.</p> <p>a) Aid flows reported on national budgets have increased from 34% to 39% demonstrating some improvement.</p> <p>b) The use of Public Financial Management (PFM) systems has remained at 18%.</p> <p>c) Aid provided through programme based approaches has increased from 29% to 34%.</p>
<p><i>Success measure:</i>  a) <i>By March 2011 all new UNDAF countries planning and taking forward a One UN approach. Central governance and funding reformed agreed and delivered to better support One UN operations in country</i></p> <p><i>b) UNDP establishes firewall between operational and system manager roles.</i></p>	<p>There are 16 countries where action on 'One UN' is underway but progress is patchy. 8 pilot countries have formally adopted the One UN approach and there are 8 self starters. Significant progress has been achieved in reaching an agreement on the Firewall. The Cross-UN G13 agreement on the "Delineation and Accountability Framework" for UN development and the Resident Coordinator system on July 30th was achieved through considerable UK lobbying. An MDG fund for UN agencies has been agreed in partnership with Spain and Norway and the design will be finalised in October.</p> <p>A report on One UN in Tanzania showed that it was producing clearer prioritisation of sectors and lead roles within the UN system. The Government of Tanzania reports lower transaction costs and improved UN coherence.</p>

Indicator	5.6. Improved effectiveness of the Global Funds.
Progress	Improvement
<p><i>Success measure: Increased access to basic treatments/ immunisations.</i></p> <p><i>a) GFATM: increase the number of people receiving treatment for HIV/AIDS, TB and Malaria.</i></p> <p><i>b) GAVI: The number of future deaths prevented.</i></p>	<p>Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM) – Baseline was 50.7m in 2007, with a target of 140m for 2010. Mid-2008 results are 64.65m, against an end-2008 target of 76.3m. GFATM is on track to meet or exceed its 2008 target.</p> <p>The Global Alliance for Vaccines and Immunisation (GAVI) – Good progress is demonstrated by the increase in the number of children immunised from 172m by 2007 to 213m by 2008 and the cumulative number of future deaths prevented has increased from 2.3m (2006), 2.9m (2007) to 3.4m (2008).</p>
<p><i>Success measure: Innovative finance mechanisms taken forward to facilitate increased access to treatments/ immunisations.</i></p> <p><i>Specific targets:</i></p> <p><i>a) IFFIm bond issues launched, contributing to target of IFFIm saving 10m lives.</i></p> <p><i>b) Launch of pilot AMC for pneumococcal vaccines and of successor AMC or similar initiative</i></p>	<p>The International Finance Facility for Immunisation (IFFIm) has raised over \$1.2bn in bond issues to date (\$1bn in 2006 and \$223m in 2008). Further bond issues are expected over 2009/2010 depending on GAVI's demand projections and bond market conditions.</p> <p>The Advance Market Commitment (AMC) pilot for pneumococcal vaccines will be launched early in 2009. The High Level task Force on Innovative Financing for Health Systems is expected to recommend successor innovative financing mechanisms.</p>
<p><i>Success measure: Increased compliance of Global Funds with Paris Declaration Principles.</i></p> <p><i>a) GFATM: composite indicator measuring average gap in achieving Paris targets 2, 5a, 5b, 6, 7, 8, 9, 10a, 10b.</i></p> <p><i>b) GAVI: use of country public financial management systems</i></p>	<p>GFATM has shown increasing commitment to the Paris Principles and has agreed a move to a composite indicator measuring both harmonisation and alignment. The average gap in achieving Paris Declaration Targets, as measured by the composite indicator, is 19% in 2008. The aim is to reduce the average gap to 15% in 2009.</p> <p>GAVI has shown increased commitment to programme based approaches and leadership on the International Health Partnership at HQ level, though more progress is needed at the country level. It is too early to assess progress against the goal that the percentage of GAVI funds using country public financial management systems will increase from a baseline of 75% in 2005 towards a target of 90% in 2010.</p>

Indicator	Progress (continued)
<p><i>Success measure: Ensure that the Global Funds have gender sensitive policies and practices to promote equity in operations and access.</i></p> <p><i>a) GFATM: Actionable findings from GFATM 5 year evaluation translated into gender sensitive performance and impact measures in future GFATM indicators.</i></p> <p><i>b) GAVI: Develop and implement a policy on socio-economic and gender equality in immunisation.</i></p>	<p>GFATM – The Gender Strategy has been developed and was approved in November 2008. A team will be working on the Implementation plan, indicators and a Gender KPI indicator.</p> <p>GAVI – A gender policy has been approved. An implementation plan and specific targets are now being developed and should be approved in June 2009.</p>

## G

**DSO 6:**

Deliver high quality and effective bilateral development assistance

**Progress****Strong progress**

Two of the three indicators show improvement; and one indicator has shown little or no improvement.

DFID is currently on-track to meet the Paris Declaration targets on aid effectiveness. Results from the 2008 Paris Monitoring Survey show that seven of the 10 targets that apply to donors have been met and we are on-track to meet the remaining three targets. At country level, progress was made on the share of aid shown on partner country budgets (up from 45% to 62%) and on predictability of aid (up from 48% to 62%), however a sustained effort will be needed to ensure continued progress to the Paris targets on share of aid shown on partner country budgets.

Improvements have been made to ensure that DFID's programmes in fragile states are consistent with the DAC principles. We are on-track to meet the targets for joint missions and analysis in fragile states, with 60% for joint missions and 54% for joint analysis being recorded in the 2008 Paris Declaration Survey. We are also on track to increase the number of country strategies informed by joint analysis about political change, conflict dynamics and fragility in Africa and South Asia to 11 and five respectively. Currently, six country strategies in Africa and two in South Asia have been informed by joint analysis with other government departments.

At the end of the second quarter of 2008/09, the portfolio quality index of DFID's projects and programmes stood at 72.1% – a small increase above the baseline value.

Children taking part in lessons in an open air classroom in Puythan, Nepal. Education is one of the highest priorities for the poor and excluded in Nepal, who now have rapidly rising expectations for better government delivery following the peace agreement.

Photographer: Sagar Shrestha



<b>Indicator</b>	<b>6.1 Paris Declaration commitments implemented and targets met corporately and in country offices</b>
<b>Progress</b>	<b>Improvement</b>
<i>Success measure: Paris Declaration targets met at corporate level</i>	<p>The 2008 Paris Monitoring Survey showed that at corporate level DFID has now met seven of the 10 targets which apply to donors and is on track to meet the remaining three. Since the last survey in 2006, we have made particularly strong progress in four areas: the share of Technical Assistance (TA) provided through co-ordinated country led capacity building programmes (up from 56% to 66%); use of Programme Based Approaches (up from 61% to 71%), the share of missions conducted jointly with other donors (up from 46% to 61%) and phasing out of parallel project implementation units (PIUs) (reduced from 37 to 18.)</p>
<i>Success measure: Paris Declaration targets met at country level</i>	<p>Progress is also being made in share of aid shown on partner country budgets (up from 45% to 62%) and on predictability of aid (up from 48% to 62%). In both these areas, however, sustained efforts will be required to meet the Paris targets of 85% and 74% respectively.</p> <p>Progress will also need to be sustained at country level in a number of countries where performance is below the DFID average. This includes a number of countries which have only recently entered the Paris Monitoring survey process. DFID's results from Paris Monitoring Survey 2008 were published in the report UK Progress Report on Aid Effectiveness.</p> <p>The impact of effective aid tends to be long term and examples where this approach is working include:</p> <ul style="list-style-type: none"> <li>● Ghana where DFID's support for country led programmes has assisted the removal of primary school fees and increased the level of enrolment.</li> <li>● Nicaragua where harmonised support for civil society is helping local people to engage in democratic processes.</li> <li>● Vietnam where pooled aid for transport means that communities are less cut off – visits to clinics have increased 40%.</li> </ul>



<b>Indicator</b>	<b>6.2. DFID programmes in fragile states are consistent with the DAC principles</b>
<b>Progress</b>	<b>Improvement</b>
<i>Success measure: 55% of bilateral aid delivered as programme based approach (PBA) in fragile states</i>	The low number of countries (7) participating in the 2006 baseline survey has given a misleadingly high result. The 2008 survey figure of 51% of bilateral aid delivered as PBAs, containing 16 countries, is much more representative. The latest survey figure of 51% is close to the target.
<i>Success measure: DFID programmes in fragile states achieve Paris Declaration targets on joint mission (66%) and analysis (66%).</i>	<p>The initial target for joint missions of 50% has already been met with a figure of 60% and the target has been increased to be in line with the target for joint analysis. We also appear to be reasonably on track for the joint analysis target with 54%, leading us to make an assessment of strong progress for this success measure. Examples of joint missions in country include:</p> <ul style="list-style-type: none"> <li>● <b>Afghanistan</b> – the Reconstruction Trust Fund (ARTF) mobilised US\$2.4 billion in the six years to March 2008, coordinating 27 donors’ funds. A joint government-donor management committee approves projects and ARTF meetings are open to all stakeholders. One-third of development assistance is channelled this way: the rest is largely US assistance.</li> <li>● <b>Democratic Republic of Congo</b> – a country Assistance Framework (initiated by UN and WB) enables 17 donors to coordinate 95% of external assistance. It consists of a joint country analysis, high-level objectives across five programme areas, a results matrix and a risk-management strategy.</li> </ul>
<i>Success measure: Further strengthen country strategies with programming decisions informed by joint analysis with other government departments about political change, conflict dynamics or fragility, in 11 African countries and 5 South Asian countries.</i>	Six strategies in Africa have already been further improved by joint analysis with other government departments and two in South Asia. Interim milestones have been met, which show that we are on-track to meet the success measure of 11 improved country strategies in Africa informed by joint analysis and five in South Asia by 2010/11.

<b>Indicator</b>	<b>6.3. Portfolio quality is improved</b>											
<b>Progress</b>	<b>Little or no improvement</b>											
<p><i>Success measure: increase the portfolio quality of DFID's bilateral projects to 75% (2010/11).</i></p>	<p>The latest index of project performance for the second quarter of 2008/09 is 72.1% (for projects scored over the preceding 24 months). This is a small increase above the baseline but a fall from the previous quarter. It is too soon to make an assessment of the trend, given the increase observed in the first quarter followed by the fall in the second quarter.</p> <table border="1" data-bbox="555 591 1406 981"> <thead> <tr> <th data-bbox="555 591 983 665"></th> <th data-bbox="983 591 1406 665">Portfolio Quality Index</th> </tr> </thead> <tbody> <tr> <td data-bbox="555 665 983 768"><b>2007/08 (baseline)</b> (annual average of 4 quarters)</td> <td data-bbox="983 665 1406 768">72%</td> </tr> <tr> <td data-bbox="555 768 983 842">Q1 2008/09</td> <td data-bbox="983 768 1406 842">72.9%</td> </tr> <tr> <td data-bbox="555 842 983 916">Q2 2008/09</td> <td data-bbox="983 842 1406 916">72.1%</td> </tr> <tr> <td data-bbox="555 916 983 981">Average (Q1–Q2 2008/09)</td> <td data-bbox="983 916 1406 981"><b>72.5%</b></td> </tr> </tbody> </table> <p>In total, 907 DFID projects and programmes were included in the index in the second quarter of 2008/09, with total commitment value of £10,542 million.</p> <p>Data used to produce this index come from our performance management system. Details of how the index is calculated are given in the <b>Technical Annex</b>.</p>			Portfolio Quality Index	<b>2007/08 (baseline)</b> (annual average of 4 quarters)	72%	Q1 2008/09	72.9%	Q2 2008/09	72.1%	Average (Q1–Q2 2008/09)	<b>72.5%</b>
	Portfolio Quality Index											
<b>2007/08 (baseline)</b> (annual average of 4 quarters)	72%											
Q1 2008/09	72.9%											
Q2 2008/09	72.1%											
Average (Q1–Q2 2008/09)	<b>72.5%</b>											

## 4 Managing Resources DSO 7

**4.1** This section reports progress against DSO 7, which covers eight indicators about the efficiency and effectiveness of the organisation. A summary of progress is shown in Table 4.1

**Table 4.1: Improve the efficiency and effectiveness of the organisation**

DSO		DSO Indicator
<b>DSO 7:</b> Improve the efficiency and effectiveness of the organisation	<b>Strong progress</b>	<b>7.1:</b> Achievement of Comprehensive Spending Review spending and efficiency targets
		<b>7.2:</b> Financial management, compliance and controls
		<b>7.3:</b> Improved leadership and management of people
		<b>7.4:</b> Healthy, safe and secure workplace
		<b>7.5:</b> Developing and changing the workforce
		<b>7.6:</b> Investing in IT and business change
		<b>7.7:</b> Greater public support for and understanding of development
		<b>7.8:</b> Strengthening effectiveness through learning and better use of evidence

## G

**DSO 7:**

## Improving the efficiency and effectiveness of the organisation

**Progress****Strong progress**

Seven of the eight indicators have shown improvement and one is too early to tell.

Indicator	7.1: Achieving spending and efficiency targets by 2010/11
<b>Progress</b>	<b>Improvement</b>
<p><i>Success measure:</i></p> <p>a) Double spending in Africa from 2005 levels to £3 billion by 2010/11.</p> <p>b) Spend 90% of DFID's bilateral expenditure in Low Income Countries (LICs) by 2010/11.</p> <p>c) Spending on education is increased to £1 billion by 2010/11.</p> <p>d) £200 million is spent on water and sanitation in Sub-Saharan Africa by 2010/11.</p> <p>e) Spend £409 million on "Aid for Trade" activities by 2010/11.</p> <p>f) £220 million is spent on research and development (R&amp;D) by 2010/11.</p>	<p>DFID remains on track to meet all of the spending targets set out in the Comprehensive Spending Review (CSR) 2008/11. In addition DFID plans to spend more than £3 billion in Africa by 2010.</p>

Indicator	Progress (continued)
<p><i>Success measure:</i> DFID has agreed a VfM target of £492 million by the end of the Comprehensive Spending Review period (2008-11) comprising:</p> <p>a) £157 million savings by allocating the multilateral programme more effectively.</p> <p>b) £257 million savings by allocating the bilateral programme more effectively.</p> <p>c) £66 million savings by improving the quality of DFID's portfolio of projects</p> <p>d) £12 million savings by reducing administration costs</p>	<p><b>Final SR04 Efficiency Savings</b></p> <p>DFID has reported final savings of £561 million for the Efficiency Programme for 2005–08. This exceeded our efficiency target of £420 million of sustainable efficiencies in 2007/08.</p> <p>DFID made very good progress on headcount. By the end of quarter 4 2007/8, DFID had reduced its headcount by 15.5% against the revised baseline though we just failed to meet the target by 2 posts. Although we achieved our original efficiency target of 170 posts.</p> <p>DFID met its targets to reduce Staff Appointed In Country (SAIC) posts and to relocate posts from its London office to its East Kilbride office. By March 2006, DFID had already exceeded by 3 posts its Lyons target of relocating 85 posts to its East Kilbride headquarters by the end of 2008.</p> <p><b>Overview of current VfM Programme</b></p> <p>DFID's Value for Money (VfM) programme for 2008–2011 aims to ensure that we deliver maximum impact with our resources. We will deliver £492 million in value for money savings by the end of 2010/11.</p> <p>This will contribute to the cross-Government commitment to drive better value for money from public spending by delivering at least £30 billion of VfM savings over the period 2008–2011.</p> <p>DFID is making value for money savings by allocating the bilateral and multilateral programme to countries and institutions where it will have a greater impact on poverty, by improving project portfolio quality, and by making administrative efficiencies. The majority of the savings (over 80%) will be generated by improving the allocation of our aid over the period.</p> <p><b>Progress Report</b></p> <p>Current forecasts show that we are on track to achieve the Comprehensive Spending Review 2007 VfM target of £492 million by the end of 2010/11.</p> <p>In 2008/09 we expect to generate £118.1m in savings. This is made up of:</p> <ul style="list-style-type: none"> <li>● Bilateral allocative efficiency – £83.4 million;</li> <li>● Multilateral allocative efficiency – £10.7 million;</li> <li>● Portfolio quality – £20 million;</li> <li>● Administrative savings – £4 million.</li> </ul> <p>Supporting evidence is provided in the more detailed sections below.</p> <p>This information reflects the savings we expect to make in 2008/9. Efficiency savings for 2008/9 will only be fully realised when final budget outturn figures have been generated for the financial year. This is because allocative savings are based on a comparison between actual outturn figures for 2008/9 and baseline spend in 2007/08. Similarly Portfolio Quality savings will only be realised at the end of the financial year when the index of portfolio quality has been finalised for the year.</p> <p>A full progress report setting out actual savings made will be provided in DFID's Annual Report 2009.</p>

Indicator	Progress (continued)
	<p><i>Bilateral and Multilateral Allocative Efficiency Savings</i></p> <p>These savings are based on evidence about the efficiency of aid in generating growth and poverty reduction in individual countries. This evidence enables DFID to identify the countries in which aid will be used more effectively to stimulate growth and reduce poverty. DFID makes savings in the bilateral programme by allocating more resources to countries with a higher average efficiency of aid – i.e. where each £ will deliver more poverty reduction. In the multilateral programme, DFID makes savings by allocating more aid to multilateral institutions which in turn deliver more aid to countries where each £ will deliver more poverty reduction.</p> <p>Monitoring information suggests that we will achieve allocative efficiency savings of £83.4 million and £10.7 million in the bilateral and multilateral programmes respectively in 2008/9. We remain on-track to meet the target savings in 2010/11.</p> <p><i>Portfolio Quality</i></p> <p>As at 30 September 2008 DFID's index of bilateral project performance increased by 0.5% to 72.5%. This means we are on track to achieve the target of the index measuring 73% by the end of 2008/9 and achieving £20m savings.</p> <p>This demonstrates that we have made good progress towards improving the quality of DFID's bilateral portfolio over the year so far. It also demonstrates that our programme management procedures are enabling projects to be well managed.</p> <p>DFID scores the performance of all bilateral projects of £1 million or more annually. Projects are all given a rating of 1–5 according to the likelihood that they will achieve their objectives. The portfolio quality index draws all these annual scores together. An improvement in the index generates an increase in operational efficiency because DFID projects are delivering more with the same resources. (A fuller explanation of the methodology is contained in the <b>Technical Annex</b>.)</p> <p>Underlying the overall improvement in the index over the first two quarters is an increase in Q1 and a decrease in Q2. The decrease in the index in the second quarter was driven by:</p> <ul style="list-style-type: none"> <li>● Two large, high performing projects in Afghanistan (£240m) and Rwanda (£82m) not being scored in the past 2 years and no longer being included in the index.</li> <li>● The deterioration in performance of two projects in Nigeria with a combined total of £97m.</li> </ul> <p>This means we will need to focus on improving performance over the next six months to ensure we achieve our target savings at the end of the year. To improve Portfolio Quality further DFID will improve the quality of economic appraisals underpinning project design and funding decisions, and strengthen logframes used to monitor project performance. (The logical framework or <i>logframe</i> is a document which draws together all key components of the planned activity into a clear set of statements and is used to plan, monitor, and evaluate projects)</p> <p>Over the next six months we will issue clear guidance on how to produce good economic appraisals including a set of good practice examples, and an improved format for logframes as well as provide training courses to build skills on appraisals and results measurement.</p> <p>Regional Divisions within DFID are also working to improve their portfolio quality. For example:</p> <ul style="list-style-type: none"> <li>● by introducing improved country level portfolio quality monitoring systems focusing on improving logframes, risk management and identification of poor project performance.</li> <li>● by evaluating projects more rigorously; amending or closing underperforming projects; managing risk and increasing analysis and lesson sharing across the regions.</li> <li>● by building skills to improve the measurement of results.</li> </ul>



Indicator	Progress (continued)
	<p><i>Administrative Costs</i></p> <p>Forecast expenditure for this financial year shows that we are on track to achieve our savings target of £4 million for this financial year.</p> <p>Divisions have made good progress on improving operational efficiency and making savings in their administrative budgets. Highlights so far include:</p> <ul style="list-style-type: none"> <li>● Africa Division's restructuring of its HQ units and the streamlining of their administration processes; All regional division's increasingly co-funding joint-donor programmes and delegating management of other programmes to partner organisations.</li> <li>● Information Systems Department (ISD) has demonstrated that basing some support staff in India for our Activities Reporting and Information Electronic System (ARIES), DFID's new financial and performance management system, is a successful way of driving down costs while maintaining high standards of service.</li> <li>● DFID has continued to focus its expenditure on priority countries – this has led to the closure of several offices across Africa, Latin America, Eastern Europe and South Asia with more planned in the coming years.</li> </ul> <p>Plans to make further administrative savings this year include:</p> <ul style="list-style-type: none"> <li>● Africa Division's plans to withdraw from or reduce the size of certain offices including The Gambia, Cameroon, Niger and Angola in order to fulfil DFID's commitment to scale up in fragile states, ensuring that we focus more on countries where our presence and aid can be transformative</li> <li>● Within Asia Division, DFID Bangladesh plans to cut 11 posts this year in order to achieve operational efficiencies whilst still maintaining a strong aid programme. This is made possible by joint working with the FCO and the introduction of ARIES. A Workforce Planning exercise will also be carried out in Afghanistan. Additionally, further progress will be made in developing locally employed staff to reach senior levels across several country offices.</li> <li>● ISD is currently negotiating contracts on software, hardware and communications that should deliver approximately £800k of savings.</li> </ul>

Indicator	<b>7.2: Financial management, compliance and control</b>
<b>Progress</b>	<b>Improvement</b>
	<p>DFID's financial management, compliance and control procedures remain fundamentally sound. The Internal Audit Department Annual report concluded that systems were strengthening, but that the environment was increasingly challenging. ARIES will provide the foundation for improved assurance of compliance within financial management and procurement procedures.</p> <p>DFID is strengthening its procurement capability and aims to bring stronger commercial management to its procurement processes (including planning and aggregation across DFID of business requirements to the heart of DFID business culture).</p> <p>Progress with implementation and use of ARIES has been good. The system has already led to improvements in generating more frequent finance and performance management reports. We are supporting system changes by also strengthening our analytical capability in interpreting and using financial data (under Making it Happen). We await the result of a CIPFA (The Chartered Institute of Public Finance and Accountancy) review which will inform improvements to DFID's financial management capability.</p>

<b>Indicator</b>	<b>7.3: Improved leadership and management of people</b>
<b>Progress</b>	<b>Too early to tell</b>
<p><i>Success measure: IIP accreditation</i></p> <p><i>Success measure: Improved results from the management Survey</i></p>	<p>The measure for this indicator is not yet available but other evidence suggests that DFID should be on track to deliver improved results. This is an overall assessment based on Divisional returns and centrally provided support. The Management Environment Surveys and Investors in People (IiP) work through the Leadership and Management programmes will provide more evidence on an annual basis.</p> <p>Overall, there is evidence that leadership teams in Divisions are committed to improvements, with a number of Director-led campaigns to raise performance and improve leadership and management.</p> <p>The central support for improving Leadership and Management has been re-shaped in the light of the Permanent Secretary's and feedback earlier in 2008.</p> <p>DFID's earlier emphasis on centrally driven training workshops has been replaced with a menu of support which can be targeted to the needs of individual divisions and departments, using HR Business Partners (HR BPs) to help design tailored support.</p>

<b>Indicator</b>	<b>7.4: Healthy, safe and secure workforce</b>
<b>Progress</b>	<b>Improvement</b>
<p><i>Success measure: Zero fatalities or injuries on active duties.</i></p>	<p>There has been major progress on implementing the recommendations of DFID's 2007 Security Review.</p> <p>DFID's Security Committee has strengthened capacity in the security section and in the regional divisions, and put in place new security monitoring on a quarterly basis.</p> <p>Co-ordination with the Foreign and Commonwealth Office (FCO) has significantly improved, including regular contact at senior operational levels as well as between DFID and FCO security teams; improved access to FCO training for DFID staff for various security issues, and an improved approach to Overseas Security Reviews.</p>
<p><i>Success measure: Improved proportion of staff who feel they have a healthy and safe workplace.</i></p>	<p>The results from the Better Balance Audit were positive and showed an improvement since the 2004 stress audit. Particular strengths were identified as levels of commitment, engagement and sense of purpose. Sources of negative pressure for staff were job security, work load, pay and benefits.</p> <p>Health &amp; Safety and Employee Health &amp; Wellbeing teams have been working closely with HR Business Partners to implement appropriate interventions addressing concerns identified by the Better Balance Audit. DFID now has a pool of TRiM (Trauma Risk Management) assessors, which will also ensure we are able to respond to any major incidents and minimise the negative impact on physical and mental well-being.</p> <p>A recently approved health &amp; safety management software system, is currently being populated with data and will allow staff to view Travel and Work Activity Risk Assessments and will be a central repository for data regarding incidents and accidents in all offices. The Health &amp; Safety Team will then be able to generate graphs which will show at a glance whether offices are in compliance or not. Regional training events for this software will be arranged for next year, once complementary e-learning software, Cardinus, has completed testing and achieved CAB approval.</p>

Indicator	7.5: Developing and changing the workforce
<b>Progress</b>	<b>Improvement</b>
<i>Success measure: Affordable workforce aligned with delivery of corporate objectives through strategic workforce planning.</i>	Currently workforce plans suggest DFID capability will be improved and that more advisory posts than previously planned will be possible within the Economist, Governance and Conflict cadres, in line with the ministerial priorities. Also, the number of posts in the Environment cadre will increase, where a reduction was previously forecast.
<i>Success measure: A sustained or positive trend in equality indicators</i>	<p>DFID is a leader within Whitehall on diversity initiatives and outcomes, and are involved in supporting Cabinet Office in the development of a new Civil Service wide Diversity Strategy. DFID has recently established a shared initiative with FCO on supporting women.</p> <p>A simplified Equality Impact Assessment (EIA) Toolkit was introduced at the beginning of 2008 to ensure all relevant UK policies and processes are assessed for adverse impact on all diversity strands.</p> <p>DFID is participating in a career development programme for aspiring women leaders across the Civil Service to increase the number of women applying for promotion to Director level.</p> <p>Overall, there is an equal split of male and female staff and DFID has met the UK wide target of 37% of women in the Senior Civil Service. The 2008 Equal Pay Audit shows no evidence of any significant gaps in DFID's pay arrangements and there have been improvements since the last audit in 2006. 4% of our staff declared a disability. 11% of DFID's Senior Civil Service are from a black minority ethnic background well in excess of the civil service target of 4%.</p>

<b>Indicator</b>	<b>7.6: Investing in IT and business change</b>
<b>Progress</b>	<b>Improvement</b>
<i>Success measure: Achieving the benefits of programmed IT and business change.</i>	<p>Progress has been made in the implementation of ARIES, which is DFID's new finance, management information and reporting IT system.</p> <p>In June 2008 ARIES software was rolled out in country offices for the first time (in Kenya/Somalia and Uganda), and also in a number of central departments; to date no serious issues have emerged.</p> <p>Knowledge of how best to use ARIES is strengthening within DFID, particularly in using and interpreting financial data. All finance, procurement, programme management and performance reporting is now performed on ARIES.</p> <p>DFID is also seeing efficiency saving as a result of moving to ARIES, such as less time spent on administrative work, and separate accounting and statistical systems have been integrated into a single source.</p>
<i>Success measure: Improvement in Capability Review score.</i>	<p>The 12 month stock take of the previous Capability Review noted that the Department had made good progress during a period of internal change and against a more difficult and riskier external environment. It welcomed the building blocks that were in place – new structures, appointments and the agreement of a major change programme (Making it Happen) – and welcomed the emphasis the Management Board were placing on keeping up the pace of change across the organisation.</p>
<b>Indicator</b>	<b>7.7: Greater public support for and understanding of development</b>
<b>Progress</b>	<b>Improvement</b>
<i>Success measure: Measureable improvement in public support for development</i>	<p>Recent polling suggests a slight increase in awareness of the Department; 19% to 22% of the UK public having some knowledge about DFID. There is also anecdotal evidence that 'hometown' stories are generating local awareness of the governments' development efforts. Due to the geographic nature of such coverage it is difficult to identify its impact through our sample polling.</p> <p>We are actively looking at organising our communications activity around explaining why development is critical in an economic downturn, not just for developing countries but for the UK. While this may not reverse overall figures, we believe it will counter the impact currently being seen in polling.</p> <p>During this period we launched DFID's first ever Communications Strategy, based on this audience research, and which is now informing our activities. Work on refreshing our website has seen a 25% increase in page views. And we received very positive feedback from schools and young people on our new on-line game, 'Race Against Global Poverty'.</p>

<b>Indicator</b>	<b>7.8: Strengthening effectiveness through learning and better use of evidence</b>
<b>Progress</b>	<b>Improvement</b>
<p><i>Success measure: Successful implementation of the priority actions in the Results Action Plan</i></p>	<p>As part of our drive to improve our effectiveness through the <i>Making it Happen</i> change programme, by better use of information, DFID has developed a Results Action Plan<sup>7</sup> (RAP) which was published in January 2008. The RAP aims to produce a step change in the way we use information in our decision making and in our focus on poverty outcomes. This provides a report on how we are progressing with the RAP under three broad areas: <i>within DFID, with partner countries and internationally</i>.</p> <p>It also provides an update on what we are doing to improve the monitoring and evaluation of our projects and programmes.</p> <p><i>Within DFID</i></p> <p>In 2007, we set up an Independent Advisory Committee on Development Impact to strengthen the independence of the evaluation function. Since then, it has met three times and has discussed a range of issues including the independence of the Evaluation Department, evaluation policy and quality assurance processes.</p> <p>We launched a new communication strategy “Communication Matters” in September 2008, which focuses on building trust and support among the public by demonstrating the impact of what we do.</p> <p>We are developing a set of standard indicators which will allow the impact of our work to be more easily communicated to our stakeholders and to help assess the cost effectiveness of our programmes.</p> <p><i>With partner countries</i></p> <p>At the High Level Forum in Accra in September 2008, a new ‘Statistics for Results facility’ was announced which aims to support increased statistical capacity in countries through the implementation of National Strategies for the Development of Statistics. DFID will support this new approach by committing £50 million over 4 years.</p> <p><i>Internationally</i></p> <p>At the High Level Forum in Accra, DFID helped secure an Agenda for Action, which included groundbreaking commitments to strengthen existing accountability mechanisms and to make aid more transparent.</p> <p>We are supporting an international coherent approach to impact evaluation through the new Network of Networks for Impact Evaluation. This met in October 2008 to consider guidance and proposals for sharing ideas on joint impact evaluations including those for programme based aid. DFID is also supporting the new International Initiative for Impact Evaluation, which aims to make the results of impact evaluations more widely available.</p> <p>DFID is working to promote mechanisms for assessing agency effectiveness through the Multilateral Organisation Performance Assessment Network (MOPAN). We are supporting the development of a Common Approach tool which aims to assess multilateral effectiveness through 20 mainly results-focused indicators.</p>

7 Found at <http://www.dfid.gov.uk/Pubs/files/results-action-plan08.pdf>.

# Annex A

## PSA 29: Measurement

### Overall MDG progress

1. Progress towards the MDGs is monitored annually through the collaborative efforts of agencies and organisations within the United Nations and international statistical system. For each MDG there are a number of targets with progress towards these targets monitored with reference to over 60 indicators<sup>8</sup>. Data at a global and regional level is published annually.

### Country level assessment

2. To monitor progress against the MDGs at country level DFID has developed its own assessment methodology based on work carried out in 2007 by Oxford Policy Management<sup>9</sup>. The methodology is based on the same international data described above
3. Very broadly, the methodology fits a linear trend to the most recent data and attempts to predict the likelihood of meeting the relevant MDG target. There are some differences in the methodologies for different types of indicator which are described in more detail in the **Technical annex**<sup>10</sup>.
4. The assessment allocates to countries one of four colours, where:
  - **Countries in green** have either “achieved” the MDG target or are on track to achieve it, i.e. they have a rate of progress above the rate needed to attain the target value by 2015.
  - **Countries in amber** have made progress, but too slowly to reach the goals by 2015. Continuing at the same rate, they would however reach the goal in at most twice the time i.e. by 2040. These are rated “off track” and they need to accelerate progress.
  - **Countries in red**, made still slower progress, or regressed. They are “seriously off track”.
  - **Countries in grey** lack adequate data to measure progress e.g. there are insufficient data to make a reliable trend assessment.

### Assessing short term movements in the MDG indicators

5. As the focus of the above methodology is progress towards 2015 targets it is more difficult to assess progress over a shorter timeframe such as the three year period covered by the PSA. Within the overall Red, Amber, Green (RAG) assessment, the underlying data may well be showing signs of movement towards a different RAG rating.
6. To provide a further insight into each country's progress, the MDG indicator assessment is supplemented with a more detailed trend analysis to show whether progress is accelerating within the RAG rating.
7. In general, this is based on a comparison of the latest trend assessment with the baseline trend assessment where the trend is calculated using the latest data point and a data point at least 3 years prior to the latest data point to ensure robustness of the trend.

8 see <http://unstats.un.org/unsd/mdg/Host.aspx?Content=Indicators/OfficialList.htm>

9 see <http://www.dfid.gov.uk/pubs/files/methodology-review-country-mdg-progress.pdf>

10 see [www.dfid.gov.uk/aboutdfid/performance.asp](http://www.dfid.gov.uk/aboutdfid/performance.asp)



8. We have represented this short term movement in countries' indicator data in the following way:
- ↑ indicates that the latest trend assessment is better than the baseline trend assessment – progress would seem to be accelerating.
  - – indicates that there is no difference between the latest trend assessment and baseline trend assessment i.e. no real change in progress; this assessment would also apply if no new data are available
  - ↓ indicates that the latest trend assessment is worse than the baseline trend assessment – progress would seem to be slowing or there has been regression.

## Baseline assessment

9. The baseline for the 2008-11 PSA was set as 2007 when the PSA was established although in most cases it is based on projections from earlier data. The substantial lag in the availability of data means that it might be as late as 2013 or 2014 before we are able to establish the full picture for 2011. So, although the PSA ostensibly covers a three-year period, measurement of the targets will extend over a longer time frame from 2008 to 2014.

## Success measure

10. In general terms the aim of PSA 29 is to accelerate progress towards the MDGs. Put simply, this could be demonstrated by there being fewer of the 22 PSA countries off-track (red/amber) and more countries on-track (green) at the end of the monitoring period than at the baseline.
11. But while there may be changes in the underlying data, it is unrealistic to expect a large number of changes in the RAG ratings over the three year period. We have therefore considered whether progress is *accelerating* within traffic lights with reference to the assessment of the short-term movement as described above. For each indicator we have established success criteria of form:
- "The number of [y] countries judged to be green in the baseline assessments is maintained and progress is accelerated in the majority [x] remaining countries"*
12. It may not be realistic to expect significant progress in certain countries, for example those that are fragile states. The availability of baseline data must also be considered. We have thus selected x to be "the majority" of those countries with data which are currently off-track. This strikes a balance between the need to demonstrate real progress in off-track countries and the extent to which the UK alone has influence over development outcomes in these countries. These values may be reassessed as more data become available over time.
13. The target thus translates as follows, taking the data for MDG 2 as an example. At baseline there are 12 "on-track" countries with a green rating, 7 "off-track" countries with an amber or red rating and 3 countries where no assessment can be made. The target is therefore:
- "12 countries judged to be on track at baseline maintained and progress accelerated in at least 4 of the remaining countries"*.
14. A summary of each indicator and target is shown in **Table 1** below.

**Table 1: PSA Indicators and Targets**

Indicator	MDG target	Overall baseline assessment	PSA Target
<b>MDG1:</b> Proportion of population below \$1 per day	<i>Halve, between 1990 and 2015, the % of people living on less a dollar a day</i>	To be revised following analysis of new poverty data	To be revised following analysis of new poverty data
<b>MDG 2:</b> Net-enrolment ratio in primary education.	<i>Ensure that, by 2015, children everywhere will be able to complete a full course of primary schooling (Net enrolment ratio=100%)</i>	12 countries are on track, 7 countries are off-track (of which 5 are severely off-track) and 3 countries have insufficient data at baseline.	12 countries judged to be "on-track" at baseline are maintained and progress accelerated in at least 4 of the remaining countries
<b>MDG 3:</b> Ratio of girls to boys in primary education	<i>Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education by 2015</i>	17 of the 21 countries for which assessments have been made are judged to be on-track. 4 countries are off-track and there is insufficient data in one country.	17 countries judged to be "on-track" at baseline maintained and progress accelerated in at least 2 remaining countries.
<b>MDG 4:</b> Under five mortality rate	<i>Between 1990 and 2015, reduce the under-5 mortality by two-thirds</i>	At baseline, 4 countries are on-track and 16 are off-track (amber or red). There is insufficient data in 2 countries.	4 countries judged to be "on-track" at baseline maintained and progress accelerated in at least 8 of the remaining countries.
<b>MDG 5:</b> Maternal mortality ratio	<i>Between 1990 and 2015, reduce the maternal mortality ratio by three quarters</i>	1 country is judged to be on-track, and 21 countries are either off-track or severely off-track.	The country judged to be "on-track" at baseline maintained and progress accelerated in at least 10 of the remaining countries.
<b>MDG 6:</b> HIV prevalence among 15–49 year old people <sup>11</sup>	<i>By 2015 to have halted and begun to reverse the spread of HIV &amp; AIDS</i>	At baseline 4 countries reported reducing prevalence in HIV/AIDS. In 15 countries, the trend is broadly flat. There is insufficient data to monitor trends in 3 PSA countries.	At least 14 of 22 countries report reducing HIV/AIDS prevalence rates among 15–49 year olds.
<b>MDG 7:</b> Proportion of population with sustainable access to an improved water source	<i>By 2015 halve the proportion of people without sustainable access to safe drinking water</i>	7 countries are assessed to be on-track, 13 are off-track (9 of which are severely off track). There is insufficient data in 2 of the PSA countries.	7 countries judged be "on track" at baseline maintained and progress accelerated in at least 7 of the remaining countries.
<b>MDG 8:</b> The value (in nominal terms), and proportion admitted free of duties, of developed country imports (excluding arms and oil) from low income countries	<i>Develop further an open, rule-based, predictable non-discriminatory trading and financial system</i>	This target is based on Low Income countries' access to developed countries' markets. <sup>12</sup> The baseline value, 66 percent, is the average of 3 years data (2004–2006), representing \$US77.3 billion of exports per annum on average.	A positive change in value (expressed in U.S. dollars at current prices) and in % terms of low income countries exports (excluding arms and oil) admitted free of duty into developed countries markets.

11 Note: The HIV/AIDS and access to trade targets are of a different form. The official MDG target for HIV/AIDS is a directional one: to halt and reverse the spread of the disease. We have interpreted this to mean reducing the prevalence of the disease as measured by a reducing rate in adults. For trade, it is not possible to disaggregate the data for the 22 PSA countries. For these reasons, the targets for these indicators are framed on the basis of observing positive trends in the recent data.

12 Income groups have been classified using 2004 GNI per capita thresholds – see Technical Annex.

15. Overall progress towards PSA 29 has been made using a standard assessment rating, as set out in HM Treasury guidance, PES (2008):
- Improvement* – where an improvement has been recorded against the baseline and there is a strong likelihood of meeting the success criteria
  - Little or no improvement* – where no or little change has been recorded against the baseline or progress is insufficient to meet the success criteria
  - Too early to tell* – yet to have even first time data
16. It is important to note that this assessment does **not** represent overall progress towards the MDGs but progress against the specific PSA targets covering the period 2008–11 and outlined in **Table 1**. Further details on the data sources are shown in the **Technical Annex**<sup>13</sup>.
17. The latest assessment of progress in each PSA country for each indicator is laid out in **Table 2**.

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13 see [www.dfid.gov.uk/aboutdfid/performance.asp](http://www.dfid.gov.uk/aboutdfid/performance.asp)

**Table 2: Progress Chart of MDG performance in PSA countries**

		DRC	ETHIOPIA	GHANA	KENYA	MALAWI	MOZAMBIQUE	NIGERIA	RWANDA	SIERRA LEONE	SUDAN	TANZANIA	UGANDA	
MDG 1: Eradicate extreme poverty and hunger <i>Indicator 1: Proportion of population below \$1 (PPP) per day<sup>14</sup></i>	<b>Baseline</b>	Gy	Gy	Gy	Gy	Gy	Gy	Gy	Gy	Gy	Gy	Gy	Gy	
	<b>Current Assessment</b>	Gy	Gy	Gy	Gy	Gy	Gy	Gy	Gy	Gy	Gy	Gy	Gy	
	<b>Trend</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
MDG 2: Achieve universal primary education <i>Indicator 2: Net enrolment ratio in primary education</i>	<b>Baseline</b>	Gy	G	R	G	R	G	R	G	G	Gy	G	R	
	<b>Current Assessment</b>	Gy	G	G	G	R	G	R	G	G	Gy	G	R	
	<b>Trend</b>	-	-	↑	-	-	-	-	-	-	-	-	-	-
MDG 3: Promote gender equality and empower women <i>Indicator 3: Ratio of girls to boys in primary education</i>	<b>Baseline</b>	R	G	G	G	G	G	A	G	R	Gy	G	G	
	<b>Current Assessment</b>	R	G	G	G	G	G	A	G	G	Gy	G	G	
	<b>Trend</b>	-	-	↑	↑	-	-	-	-	↑	-	↑	↑	
MDG 4: Reduce child mortality <i>Indicator 4: Under five mortality rate</i>	<b>Baseline</b>	R	A	R	R	G	A	R	A	R	Gy	A	R	
	<b>Current Assessment</b>	R	A	R	R	G	G	R	G	R	Gy	A	R	
	<b>Trend</b>	-	-	-	-	-	↑	-	↑	-	-	-	-	
MDG 5: Improve maternal health <i>Indicator 5: Maternal mortality ratio</i>	<b>Baseline</b>	R	R	R	R	R	A	R	R	R	R	R	R	
	<b>Current Assessment</b>	R	R	R	R	R	A	R	R	R	R	R	R	
	<b>Trend</b>	-	↑	-	-	-	-	-	-	-	-	-	-	
MDG 6: Combat HIV and AIDS, malaria and other diseases <i>Indicator 6: HIV prevalence among 15-49 year people</i>	<b>Baseline</b>	A	A	A	G	A	A	A	A	A	Gy	A	G	
	<b>Current Assessment</b>	A	A	A	A	A	A	A	A	A	Gy	A	G	
	<b>Direction of Travel</b>	-	-	-	↓	↑	↓	-	↑	-	-	-	↑	
MDG 7: Ensure environmental sustainability <i>Indicator 7: Proportion of population with sustainable access to an improved water source</i>	<b>Baseline</b>	R	A	G	A	G	R	R	R	R	Gy	A	G	
	<b>Current Assessment</b>	R	G	G	A	G	R	R	R	R	Gy	R	G	
	<b>Trend</b>	-	↑	↓	-	-	↓	-	↓	↓	-	↓	-	

14 The World Bank has revised its methodology for estimating the proportion of people in extreme poverty. At the time of going to print DFID is quality assuring the estimates of the proportion of people below \$1 per day for the individual PSA countries.

	ZAMBIA	ZIMBABWE	AFGHANISTAN	BANGLADESH	CAMBODIA	INDIA	NEPAL	PAKISTAN	VIETNAM	YEMEN
	Gy	Gy	Gy	Gy	Gy	Gy	Gy	Gy	Gy	Gy
	Gy	Gy	Gy	Gy	Gy	Gy	Gy	Gy	Gy	Gy
	-	-	-	-	-	-	-	-	-	-
	G	R	Gy	G	G	G	G	A	A	G
	G	G	Gy	G	A	G	G	A	G	G
	-	↑	-	-	↓	-	-	-	↑	-
	G	G	G	G	G	G	G	A	G	G
	G	G	G	G	G	G	G	A	G	G
	↑	-	-	-	↓	-	-	-	-	-
	A	R	Gy	G	A	A	G	R	G	A
	G	R	Gy	G	A	A	G	R	G	A
	↑	-	-	-	-	-	-	-	↓	-
	R	R	R	R	A	A	R	A	G	A
	R	R	R	R	A	A	R	A	G	A
	-	-	-	-	-	-	-	-	-	-
	G	G	Gy	A	A	A	A	A	A	Gy
	G	G	Gy	A	A	A	A	A	A	Gy
	↑	↑	-	-	-	-	-	-	-	-
	R	R	Gy	R	G	G	G	A	G	R
	A	R	Gy	R	G	G	G	G	G	R
	↑	-	-	-	↑	-	-	↑	-	↓

The colours show progress towards the target according to the legend below:

- G** Countries have either “achieved” their target or are on track to achieve their target, i.e. they have a rate of progress above the rate needed to attain the target value by 2015
- A** Countries have made progress, but too slowly to reach the goals by 2015. Continuing at the same rate, they would however reach the goal in at most twice the time, i.e. by 2040. These are rated “off track” and they need to accelerate progress.
- R** Countries made still slower progress, or regressed. They are seriously off track.
- Gy** Countries lack adequate data to measure progress, e.g. there are insufficient data to monitor the trend reliably.

This performance rating is supplemented with a more detailed trend assessment where:

- ↑ improving trend compared with baseline;
- ↓ worsening or slowing trend compared with baseline; – no difference in trend compared with baseline.

## Measuring progress against 2005–08 PSA and earlier PSA targets

- 18.** DFID's 2003–06 and 2005–08 PSA targets use the same international data sources as those used in the 2008–11 PSA. However the targets are set in a different way – many of the targets in 2003–06 and 2005–08 PSAs are based measuring progress against average values, taking a simple arithmetic average of the countries included in Africa and Asia for the specific indicators. In PSA 2008–11 we monitor individual MDG performance of 22 countries, showing countries which are on and off course to the meet the MDG targets.

### DFID's work on improving data quality

- 19.** DFID is working at the country and international level to improve the availability, quality and use of data.
- 20.** At the country level DFID is helping countries to produce and implement their own plans to improve statistical systems, focusing on country ownership and co-ordinated donor support. We are increasing our resources for statistics capacity building and are encouraging other donors to also give predictable, long term financing to support countries' national statistical strategies. For example, in Uganda DFID has helped the Government to monitor its five yearly Poverty Eradication Action Plans by supporting implementation of the Uganda Bureau of Statistics Corporate Plan, and now the wider Plan for National Statistical Development. In Kenya, DFID has supported planning for a National Statistical System, the preparation of a new Statistics Act and building capacity within the Central Statistical Office in advance of World Bank (WB) funds becoming available. In South Sudan, we are currently exploring how to support the development of the statistical system and the agreed Master Plan on Statistics, alongside other donors. In Nigeria, we have been providing funds alongside WB loan money to implement institutional reform of the statistical system and ultimately improve the quality and availability of key monitoring data. We have provided funds and technical assistance to a number of countries to undertake decennial censuses – a key part of any statistical system and also able to provide information for a number of development indicators. It is hoped that these initiatives and other work we do on statistical support will help deliver the information needed by governments to monitor their own development policies and MDG progress.
- 21.** At the international level, DFID is working to improve MDG data availability in a number of ways: DFID provides an essential link between country information and international (often estimated) data whilst exploring more formalised structures for addressing the gaps in the provision of country data; we are working on ways to speed up the flow of information from country to international statistical systems, and we are supporting initiatives to improve the transparency of estimation procedures used by international institutions.
- 22.** DFID is working with other partners to improve countries' ability to collect, report and use data in developing and implementing their policies, which can then be used for reporting and analysis. DFID is currently working with the World Bank and other donors to develop a new mechanism for supporting statistics capacity building based on a system wide approach. DFID has agreed to contribute £50 million over four years and the Netherlands have committed Euros 27.5 million (about £22 million) over seven years. Other donors are expected to contribute both through the central fund and also within specific countries. DFID is also working with the international system to develop simple ways of getting country data to international institutions and having all MDG monitoring information in one place (i.e. country and international estimates side by side).
- 23.** DFID works with the PARIS 21 (Partnerships in Statistics for Development for the 21st Century) consortium of donors, partner countries and multilateral agencies to raise awareness of the problems linked to inadequate statistics as well as through the Marrakech Action Plan for Statistics (MAPS) Advisory Board and the International Household Survey Network (IHSN). Such activities do appear to be producing results – more data is becoming available on the PSA targets but the level is still below the desired level.



## Annex B

# Supporting quicker progress towards the MDGs

This section provides further information on what DFID is doing to accelerate progress towards the MDGs in the 22 PSA countries.

### Income poverty

1. The current economic climate could have a serious negative impact on progress made against poverty reduction since 1990. Between 1990 and 2005 the proportion of people living below \$1.25 a day in South Asia fell from 51 per cent to 40 per cent, and in sub-Saharan Africa it fell from 55 per cent to 50 per cent, according to figures from the World Bank<sup>15</sup>. The PSA countries may have been somewhat insulated from the direct impacts of the financial crisis in advanced countries but they are likely to experience indirect effects and these effects have the potential to be long lasting. As the crisis deepens, it is currently unclear exactly what the impact will be on PSA countries, but it is likely to be highly variable from country to country and recent growth improvements are expected to slowdown. This is reflected in recent reductions of growth forecasts by the International Monetary Fund which has reduced forecasts for Africa by 0.4% since April and is likely to further adjust these figures downwards. For each 1% point fall in World Growth, African growth rates might fall by up to 0.5%.
2. This comes at a time when PSA countries are already struggling to deal with the impact of rising food, fuel and fertiliser prices earlier in 2008. Rising food prices have hit the poor directly. The easing of these earlier rises in food and fuel prices will bring some relief and the effect of better fiscal management, more reliable aid flows and debt relief may mean that several countries are better placed to face this downturn than previous ones. However the prospect of lower export earnings, remittances and capital flows is likely to be bad for all. As investment flows decline, aid will become even more important, and together with stronger economies and sound policies means that aid can do even more to reduce poverty.

### What is DFID doing?

3. There are four key areas where DFID can leverage support to help poor countries through the economic downturn. First, we are working on the international front to ensure that ambitions for aid flows (both grants and concessional funds) are not curtailed as donors' budgets are squeezed. Second, we are helping countries adjust to the new changing environment, and ensuring that good safety nets are in place to protect the poor. Third, we are working to assure that reforms to the international financial system do not discriminate against wise lending to developing countries. Fourth, we will work with other parts of Government to support the agenda that keeps markets for imports and exports open in advanced and developing countries.
4. Accelerating poverty-led growth in Africa is a priority for DFID. In June, the DFID-initiated Africa Enterprise Challenge Fund (AECF) was launched. The AECF recently approved its first grants, to six innovative projects which will promote rural development, four in the agribusiness sector and two to improve rural financial services. DFID's support to the Malawian National Budget of \$40 million per annum since 2004 has helped the **Malawi** Government improve economic stability and fiscal discipline. This, in turn, has created an environment for growth and for investment in poverty reduction. Due to good rains and a fertiliser subsidy, the economy has grown by over 7% since 2006. Production from a new uranium mine in 2008 will increase exports by 60% and the gross domestic product (GDP) by 10%. Inflation had fallen to below 9%. Domestic debt interest repayments by the Government of Malawi fell to 2.4% of GDP in 2007, from 6.6% in 2003. In 2007 and 2008, a total of over 1 million people have been lifted out of poverty on the back of good harvests.

<sup>15</sup> Chen & Ravallion, "The developing world is poorer than we thought" Policy Research Working Paper, World Bank. <http://econ.worldbank.org/docsearch>.

5. Sustained high economic growth in **Cambodia** since 2000 has created jobs and significantly reduced the number of people living below the poverty line, although inequality has increased. DFID Cambodia is working to improve the lives of 1.2m poor rural farmers by providing funding for a joint DFID-DANIDA livelihoods programme (\$60m over 5 years) and budget support for the Government of Cambodia to improve the regulatory environment to facilitate private sector investment and further stimulate economic growth.
6. In **India**, progress has been made towards MDG 1. According to the World Bank's latest data 51% of the population lived on under US\$1.25 a day in 1990 compared with 42% in 2005. But, unless the country maintains recent accelerated growth rates, India is not expected to meet the 2015 target. To help India do so, DFID India supports the Government of India's largest poverty reduction initiative (the National Rural Employment Guarantee Scheme) through its civil society programmes and is designing an inclusive growth programme in the poorest states (Uttar Pradesh, Madhya Pradesh, Bihar and Orissa). A third of India's population and nearly half (46%) of its poor are found in these four states. Nutrition remains a major challenge and priority. With DFID's support, the Government in West Bengal has developed a state nutrition strategy; Madhya Pradesh and Orissa are in the process of developing integrated nutrition strategies which will be completed by March next year; and Andhra Pradesh and Bihar have started specific initiatives to address nutrition.
7. **Yemen** is the only country in the Middle East to be classified as low income status, and is under-aided by the donor community. DFID decided in 2006 to scale up support to Yemen in recognition of the severe poverty and stability challenges the country faces. We are scaling up from £20m (2008/09) to £50m (2010/11). DFID signed a Development Partnership Arrangement (DPA) in August 2007, emphasising our partnership and mutual obligation to poverty reduction. Our programme provides economic opportunities for the poor; helps the Government of Yemen be more capable, accountable and responsive; and improves service delivery, with a focus on education. We have also increased our support for the Social Development Fund (SDF) to £63m. SDF runs health, education, and infrastructure projects that bring services and access to micro-credit for the poor; the Fund has created 3.7 million temporary jobs, trained 1,084 female reproductive health workers and 270 health institute staff.

## Net enrolment in primary education

8. The average Net Enrolment Ratio (NER) in African PSA countries has increased from 55% in 1999 to 70% in 2006 and 4 countries have a NER of 90% or above. This progress overlooks regional disparities within countries, particularly where there are areas of instability (e.g. Northern **Uganda**), and marked variations in terms of the quality of education (e.g. **Malawi**). Fragile states continue to require particular attention, especially those countries in or emerging from conflict where access to primary education, as well as the quality of education, is bound to be affected and the context presents particular and serious challenges.
9. In South Asia, **Pakistan** is currently off track to meet the 2015 target for NER; however some progress has been made. In 2006/07, 56% of 5–9 year olds were in primary school, up from 47% in 2001. Poor quality of education, resulting in poor education outcomes, remains a key constraint to progress in Pakistan.

### What is DFID doing?

10. In **Nigeria**, DFID has recently launched a suite of programmes in education, health, water and sanitation, designed to leverage Federal and State resources to improve access to basic services. Through investing over £105m over the next 6 years, DFID anticipates that its Education Sector Support Programme in Nigeria (ESSPIN) will improve the planning, financing and delivery of basic education services in terms of access, equity and quality in up to 6 states, starting with Kaduna and Kano. DFID has extended its support for Girls' Education from £25m (2005–2008) to £38m by 2011. This will enable UNICEF to continue to advocate for better opportunities for girls' participation in education through concentrating its efforts in four Northern states (Sokoto, Niger, Katsina and Bauchi), where girls have been traditionally disadvantaged.
11. DFID **Malawi** has not only been at the forefront of encouraging other Development Partners to support education (\$397m committed 1999–2008, of which DFID's contribution had been \$110m). It has also supported a number of interventions designed to improve the quality of education (e.g. 3,500 classrooms built since 1996 with another 400 underway; 10.4m textbooks provided 2006–2007). DFID plans to invest over £50m over the next three years in order to continue to support the Government's efforts to get all children into school.

12. DFID supports education in **Uganda** through budget support, which has helped the Government to double the number of children in primary school to over 7 million over the last 10 years. In response to the increasing demand for free primary education, the Government has recruited an additional 70,000 teachers, built 50,000 classrooms and supplied 20m new textbooks. In order to help the Government meet the challenge of ensuring good quality education for all, while simultaneously improving access to education; DFID will be continuing to support education through budget support with an estimated share of £27m in 2008-2010.
13. In **Pakistan**, the new Government (elected in February 2008) has made education a priority but, because of the worsening economic situation, is unable to significantly increase budget allocations for the sector. DFID is in the process of designing a £250 million, five year education programme from 2009/10 focused on increasing access and quality of basic education and skills development.

## Ratio of girls to boys in primary education

14. The overall target relating to gender parity is on track in the majority of PSA countries. Notable progress can be detected at primary level in **Ethiopia** and **Sierra Leone** (though cultural barriers tend to become more evident as girls progress up the education ladder). In fragile states emerging from conflict, girls continue to be particularly disadvantaged, which calls for more joined-up efforts by all Development Partners (e.g. in **Democratic Republic of Congo (DRC)**, **Sudan**) to work together to keep girls' education on the agenda at community, state and national levels.
15. The regional average for the Gender Parity Index (GPI) in Sub-Saharan Africa increased from 0.85 in 1999 to 0.89 in 2006. **DRC** and **Nigeria** are off track to meet the MDG GPI target, and 8 countries have a GPI between 0.96 and 1.04. In South Asia, only **Pakistan** is off track to meet the MDG GPI target, but progress has been made over the last few years: the ratio of female to male primary enrolment rates increased from under 0.68 in 1991 to 0.82 in 2005/06.

### What is DFID doing?

16. DFID continues to encourage countries to mainstream gender as an integral part of the ten year plans that most PSA countries have developed to accelerate progress towards the Education & Gender MDGs. All programmes with DFID support in countries most at risk in not reaching this target (e.g. **Sudan, DRC**) prioritise gender, and are seeking to work with similar multilateral (e.g. UNICEF), bilateral (e.g. USAID) and Pan African (e.g. FAWE- the Forum for African Womens' Education) development partners to achieve better synergy.
17. In **Pakistan**, the promotion of gender equality and the empowerment of women are central to the whole of DFID programme. DFID Pakistan's new £250 million education programme from 2009/10 will include support for government reforms to increase participation of girls in education. This will include the border areas where there is very low female enrolment.

## Under-five mortality

18. MDG 4 is off track in 13 PSA countries, and although there has been a 20% decline in child mortality since 1990 there were still an estimated 9.7 million deaths of children under-five worldwide in 2006. Many countries in sub-Saharan Africa and South Asia have seen little or no decline in child mortality (and in some cases it has increased), but there have been some notable success stories, including **Malawi, Mozambique** and, more recently **Rwanda** and **Zambia**. The MDG can still be achieved, but accelerated progress is needed: under current trends it will not be reached until 2045.
19. Most under-five deaths are attributable to acute respiratory infections, diarrhoea, malaria, measles, HIV/AIDS and neo-natal conditions. These are all avoidable through existing interventions – for example, countries that adopted well-known and effective anti-measles strategies, such as **Malawi**, reduced measles deaths to near zero since 2000. However, one in seven of the world's children have no access to healthcare and weak health systems are a particular challenge in many countries. Improving health systems is particularly important and MDG 4 will not be reached without also improving maternal health: deaths of newborn babies account for nearly 40% of total under-five deaths.

## What is DFID doing?

20. DFID is addressing child mortality through a variety of channels, including bilateral health sector support, support through health multilaterals and Global Funds and support to other relevant sectors such as education and water and sanitation. DFID is working to secure more and better-integrated investment in countries' health systems, including trained health workers, infrastructure, and reliable supplies of drugs. In 2007, DFID led and negotiated an international agreement, the International Health Partnership (IHP), with key donors, international agencies and country governments. This aims to better support and strengthen country health systems and focuses specifically on addressing the off-track health MDGs, and 2008 has seen initial progress in a 'first planned' of ten countries (including five PSA countries in Africa). DFID has also doubled its planned spending on water and sanitation activities from £95 million in 2007/2008 to £200 million in 2010/11.
21. In **Malawi**, we are helping fund the delivery of basic services by contributing £100 million over six years to the Government's essential health and human resource programme. Similarly, in **Zambia**, we are major donors to the National Strategic Health Plan, which includes a focus on improving child health through expanded vaccination services, curative care and improving access to services. In **Tanzania**, DFID support has helped increase the Government's health budget by 44% and improvements in vaccination rates (the 2010 target of 85% has already been exceeded), child nutrition and malaria prevention and treatment have led to declining child mortality rates. In **Sierra Leone** we are designing a new long term Child Survival and Maternal Health Programme with the Ministry of Health and Sanitation, the World Bank and other national and international partners; the national Sexual, Reproductive and Child Health Strategic Plan was launched in February 2008. In **DRC** DFID-funded programmes have provided over 500,000 children with access to health and nutrition services and in 2007/08 we supported the vaccination of over 3.7 million children through the Humanitarian Pooled Fund (increasing overall child vaccination rates to 83%).
22. Evidence has shown a 44% reduction in child mortality among those who use of insecticide treated bed nets (ITNs) in malaria endemic countries such as **Kenya**, where DFID will have supported the delivery of 12.8 million new ITNs by March 2009. In **Ghana** DFID provided £2m support to a 2007 ITN distribution campaign that reached about 1.1 million infants and 350,000 pregnant women. In April 2008 Gordon Brown pledged the provision of 20 million insecticide treated nets. DFID also played a central role in the International Finance Facility for Immunisation (IFFIm), launched in 2005, which aims to raise \$4 billion by 2015, provide frontloaded predictable financing for the GAVI Alliance (formerly the Global Alliance for Vaccines and Immunisation), and protect more than 500 million children through immunisation campaigns against measles, tetanus, and yellow fever.
23. Child and infant mortality rates are declining in **India** but the pace of progress needs to double in order to meet the 2015 target. DFID India supports the Government of India's Reproductive and Child Health Programme and state-level health sector support programmes in West Bengal, Orissa, Madhya Pradesh and Andhra Pradesh (these states account for over 80% of maternal and child deaths in India). In the last two years, DFID's support has helped: strengthen nearly 2000 health facilities; ensured that over 11,000 public health facilities are functional around the clock; and that helped to recruit and train more than 540,000 community-based health workers. These workers are playing a crucial role in saving the lives of millions of women and children by promoting safer delivery, child immunisation and evidence-based nutrition and health interventions.
24. In **Cambodia** immunisation programmes have been successful in reducing child mortality, but nutrition and neo-natal health have not received sufficient attention: poor nutrition for both mothers and children impacts on child mortality. DFID Cambodia will commit £35 million to a new five-year multi-donor programme to the health sector in Cambodia which will include nutrition and maternal and neo-natal health as priorities.
25. The under five mortality rate in **Pakistan** has improved from 130 deaths per 1,000 live births in 1990 to 94 per 1,000 in 2006/07 but despite some progress Pakistan remains off track towards the 2015 target. DFID Pakistan is helping to increase the coverage of primary health care services through funding for seven National Health Programmes (£83.5 million over the last five years). DFID Pakistan's support for the Expanded Immunisation Programme has also helped to increase the proportion of one year olds receiving vaccinations from 53% in 2001 to 76% in 2006/07 saving the lives of around 240,000 children under five during the last five years.
26. **Yemen** has one of the highest maternal and newborn mortality rates in the region. DFID and the Netherlands therefore formally agreed to work together on both neo-natal and maternal health from January 2008; contributing £4.5m over seven years to the sector. The programme aims to accelerate progress towards MDG 4 on child mortality and MDG 5 on maternal mortality by sustainably increasing the utilisation of quality midwifery, obstetric and family planning services by poor and marginalised women in target areas.

## Maternal mortality

27. Maternal mortality remains unacceptably high in our PSA countries. This MDG and PSA target remains one of the hardest to achieve (and are also one of the most difficult to measure progress against), and while skilled birth attendance varies widely between countries it is, on the whole, very low.
28. Health workers are a priority to increase skilled birth attendance and deliver improved maternal health outcomes. Good sexual and reproductive health is also key, in particular family planning services and preventing unsafe abortion. It remains important to find ways of increasing focus on maternal health outcomes as there is evidence that, despite DFID advocacy and increasing budget support, governments – short of financial and human resources – are not managing to give maternal health the priority it needs.

### What is DFID doing?

29. DFID has made a global commitment to spend £6 billion on health systems and services between 2008 and 2015; a significant proportion of these resources will go to Africa. Increasingly, DFID's support to reduce maternal mortality is delivered through general budget support or health sector budget support.
30. DFID is working with international partners to support countries with health worker shortages – in **Ethiopia**, **Kenya**, **Mozambique** and **Zambia** work is underway in the context of the International Health Partnership. In **Sierra Leone**, where the MMR is the highest out of all the PSA countries, DFID will invest £50 million over 10 years into the health sector to improve sexual, reproductive and child health. The programme will strengthen the health system as a whole and address human resources for health, supplies of commodities, policy planning and financing, as well as contribute towards reducing key social, cultural and economic barriers to accessing basic health services. Financial barriers including user fees are often a key constraint on access to health services. DFID's support has helped the government abolish fees in countries such as **Uganda** and **Zambia**, and in **Ghana** fees for pregnant women were abolished in May 2008, with DFID providing £42.5 million over 5 years to help make this possible.
31. There are a range of examples of specific funding for maternal health to supplement other, broader health sector support. In **Zimbabwe**, DFID will invest £25 million over 5 years to improve maternal and newborn health. The project will reduce the number of maternal deaths and reduce the number of children becoming infected or dying from HIV infection. A number of malaria investments (for example in **Mozambique**, **Nigeria**, **Uganda** and **Malawi**) target pregnant women through providing insecticide treated bed nets or appropriate prophylactic malarial drugs for pregnancy.
32. In **Bangladesh** maternal mortality is decreasing (largely through long term efforts on increasing access to contraceptives and preventing unsafe abortion) but not rapidly enough to be on-track to reach MDG 5. DFID is supporting the government's Health, Nutrition and Population Sector Programme (HNPS) (£100m over 5 years) as well as a targeted and decentralised maternal and new born health programme through a UN reform approach which brings together UNFPA-WHO and UNICEF (£10m over 5 years). A key innovation in these two programmes is the use of vouchers through which pregnant women are provided funds to cover the costs of transport and drugs, and skilled birth attendants are provided with additional funds. Evidence is demonstrating significant increases in access to skilled care with this approach. DFID is also funding the Asian Development Bank's Urban Primary Health Programme (£15.4m) through which access to obstetric care for the poorest women during pregnancy and childbirth is increasing. One third of maternal mortality in **Cambodia** is estimated to be due to unsafe abortions. DFID supports a project to increase access to safe abortion through an information and advocacy campaign combined with training for doctors and midwives in safe abortion techniques and post-abortion care and counselling. The Government of Cambodia has identified maternal health as a priority for action and DFID will support a multi-donor programme to the health sector where maternal health will be prioritised.
33. In **India**, provisional estimates for deliveries in health institutions (which can help reduce deaths during childbirth) have increased. At the national level deliveries in health institutions have increased by 30% to 14.2 million deliveries in 2007/08 compared with 10.8 million in 2005/06. DFID contributes to reduction in maternal mortality through the key national and state health programmes including the Reproductive and Child Health programme, which are also helping to reduce child mortality. The community-based health workers, trained under the programmes supported by DFID, are playing a crucial role in saving the lives of millions of women by promoting safer delivery in health institutions under the new safe motherhood scheme (Janani Surakya Yojana). Janani Surakya Yojana is being funded under the Reproductive and Child Health programme and has reached over five million women in the last two years. DFID supports the Support to Safe Motherhood Programme (SSMP) in **Nepal** which helps increase

local communities' access to and demand for maternity services, especially amongst the poor and socially excluded. DFID Nepal also supports the Government of Nepal in the development and implementation of improved maternal health policies.

34. The percentage of births attended by skilled health professionals has increased in **Pakistan** from around 20% in 2000 to about 36% in 2006/07, as has antenatal care (from 35% to 61%) and post natal care (from 9% to 22%) in the last five years. DFID Pakistan's support of £89 million over 5 years for the Government of Pakistan's Maternal, Neonatal and Child Health (MNCH) Programme has contributed to over 2,700 women starting a new midwifery course. Initiatives under DFID's Maternal and Newborn Health Programme which supports the Government's MNCH Programme are expected to save the lives of around 350,000 children and 12,000 pregnant women over the next five years.
35. In **Yemen**, a joint programme with the Netherlands on neo-natal and maternal health aims to increase the proportion of deliveries assisted by skilled birth attendants from 25% to 50% and to reduce the case fatality rate in referral centres to less than 1% over the next seven years.

## HIV and AIDS

36. In 2007, 22 million people in sub-Saharan Africa were living with HIV and an estimated 1.5 million adults and children died. More than two-thirds of all people living with HIV/AIDS and nearly 90% of all HIV-positive children live in sub-Saharan Africa, and all African PSA countries have generalised epidemics (i.e. HIV prevalence greater than 1%). While the percentage of the world's adult population living with HIV has levelled off and there is evidence of reducing HIV prevalence in several African PSA countries (including **Malawi**, **Rwanda**, **Zambia** and **Zimbabwe**), there are also concerns about stagnating declines in some countries. In South Asia, HIV prevalence rates are low in the general adult population compared with sub-Saharan Africa, but rates among 'high risk' groups are high. In most countries access to AIDS services remains unacceptably low.
37. The long term nature of the epidemic, particularly for treatment over decades, requires long-term and predictable financing. However, the current volume of vertical/off budget funding for HIV/AIDS is detracting from efforts to strengthen national systems. In addition, more thought is needed into how best to tackle the HIV/AIDS epidemic in fragile states and programmes need to be designed accordingly. In all contexts, HIV prevention is critical.

### What is DFID doing?

38. DFID has made an unprecedented long-term commitment to the Global Fund of up to £1 billion between 2008 and 2015. In **Malawi** DFID is funding a £14 million four-year programme to support the national response to HIV and AIDS which emphasises prevention as well as treatment. Similarly, in **Uganda** DFID's programme and policy support helped develop a new national strategic plan to tackle HIV and AIDS, and in **Kenya** DFID provided £45 million which included support to the implementation of a National HIV and AIDS strategy that seeks to deliver universal access to prevention, treatment and care. DFID is one of the lead donors for HIV and AIDS in **Zambia**; by the end of 2007, Zambia was providing 130,000 people with life-saving anti-retroviral treatment (up from 3,000 in 2003).
39. The epidemic disproportionately affects young women and, in addition, the increasing number of orphans and vulnerable children (OVC) is a major issue (though it is important to not focus only on AIDS-affected children rather than vulnerable children more generally). In **Zimbabwe**, where one in three children are now orphans, DFID is providing a £25 million programme through UNICEF to increase access by OVC to basic social services and improve their protection from all forms of abuse.
40. Overall rates of HIV prevalence in the adult population of South Asia are low in comparison to sub-Saharan Africa, but among "at risk groups" they remain unacceptably high. In Bangladesh, DFID supports a Government-led health sector programme, which includes HIV prevention work with high risk groups including sex workers and injecting drug users. In **Cambodia**, we work with USAID in a joint project joint project using social marketing techniques to make condoms available and reduce high-risk behaviour among entertainment workers in bars and their clients. This approach targets the groups who are currently a focus of HIV transmission. In **India**, it is estimated that HIV prevalence is between 5 to 7% in groups such as female sex workers, men having sex with men and injecting drug users. DFID supports the national AIDS control programme of the Government of India to implement HIV prevention, care and treatment strategies, particularly in high risk groups.



41. DFID **Nepal** has provided £15 million for the National HIV/AIDS Programme in 2008/09, which is mostly managed by UNDP. This contribution funds 47 NGOs to run activities in 28 districts focussed on most of the high risk groups including 70% of HIV/AIDS services for injecting drug users (IDUs) and the only funder of services to men who have sex with men (MSM). This support, and the efforts of our implementing partners, has been largely responsible for the decline in HIV levels amongst IDUs from 51% in 2005 to 34% in 2007 and the recent reduction in infections amongst MSMs. In **Vietnam**, DFID has pioneered work with the Government to introduce clean needle programmes and promote widespread access to condoms. This has helped improve Government capacity to deliver effective services to injecting drug users, sex workers and other vulnerable groups and had a positive impact on condom use with 60% of sex workers reporting regular use of condoms with clients. Our support also contributed to the adoption of a legal framework by the Government of Vietnam to support harm reduction activities that were previously outside the law. In response to the new law, there has been a dramatic increase in access to clean needle and syringes from 1 million in 2006 to 10 million in 2007. DFID **Pakistan** has provided technical assistance to the Government of Pakistan to help draft the recently approved National HIV and AIDS Strategic Plan and Monitoring and Evaluation Framework; which aims to reverse the rising prevalence of HIV in some high risk groups. In 2008 we will provide £3 million to support this plan, with a focus on scaling up HIV and AIDS control and treatment services for those populations most at risk.

## Water and sanitation

42. Water use has grown at more than twice the rate of the population for the past century. Yet about 2.8 billion people representing more than 40 per cent of the world's population live in river basins with some form of water scarcity. More than 1.2 billion of them live under conditions of physical water scarcity, which occurs when river flows diminish, and about 1.6 billion people live in areas of water economic scarcity, where human, institutional and financial resources limit access to water, even though water in nature is available locally to meet human demands. These conditions are prevalent in much of South Asia and sub-Saharan Africa and symptoms include lack of or underdeveloped water infrastructure, high vulnerability to short and long-term drought and difficult access to reliable water supplies, especially for rural people.
43. Since 1990, it is estimated that the number of people in developing regions using improved sanitation facilities increased by 1.1 billion. However, in order to meet the target, the number of people using improved sanitation facilities must increase by about 1.6 billion in the next seven years.

### What is DFID doing?

44. DFID is more than doubling its funding on water and sanitation in Africa from £95 million per year in 2007 to £200 million per year by 2010. 2007 saw the launch of two major programmes: a £75 million project in support of the **Ethiopian** Government's water, sanitation and hygiene programme, which will provide water and sanitation to 3.2 million people and schools in small towns and rural areas, and a £32 million initiative for **Sierra Leone**, which will reach 1.5 million people over 5 years with strong links to achieving improved health outcomes. In the **DRC**, DFID is supporting a national rural water and sanitation programme managed by UNICEF which will help improve the health of 3.7 million people through water, sanitation and hygiene interventions in rural communities and schools over the next four years.
45. DFID funding for the WaterAid Bangladesh Advancing Sustainable Environmental Health Project (£15.75 million) and the UNICEF-Government of Bangladesh Sanitation Hygiene Education and Water Supply Programme (£36 million) have helped 1.3 million more **Bangladesh** people have access to safe, reliable water supply and 3.8 million more people have access to improved sanitation since 2006. UNICEF-Government of Bangladesh aims to improve access to improved sanitation for nearly 30 million people by 2011. In **India**, DFID is working in partnership with UNICEF on the Child Environment Programme which aims to reach 213 million people in 14 states.
46. One of the biggest challenges in **Yemen** is water scarcity. Yemen has 2% of an average country's water endowment. DFID has recently agreed a partnership with the Islamic Development Bank (IDB) on Water and Sanitation (£1.2m over 2008–2009) in Al Howta City, Lahej Governorate. The project will provide clean water and sanitation for 36,000 people by 2015, with secondary benefits for people's health, productivity and income. It is also the first DFID partnership with the IDB. The initiative complements wider work with the World Bank, Germans and Dutch to help the Government of Yemen update the National Water Policy and design a new sector wide programme. In addition our support, through the Social Development Fund, ensured that in 2007 they were able to construct six



small reservoirs including five multipurpose reservoirs with a total capacity of 156,300 cubic meters that provide water to 39,113 people.

## Develop a global partnership for development

### Millennium Development Goals (MDG) Call to Action

47. In July 2007 the Prime Minister launched the Call to Action (CtA), alongside the UN Secretary General (UN SG) in New York, to encourage the international community to accelerate progress to reach the MDGs. Since the CtA was launched more than 50 countries, representing over two thirds of the world's population and 86% of the world's economy, have joined the CtA. Business, NGOs, faith groups, cities and professional groups have declared their support for the MDGs and their desire to do more to help achieve them. In May international business leaders gathered at an event in London co-hosted by UNDP and the UK Government and made pledges of action using their core business skills. In June EU leaders agreed an Agenda for Action, to deliver EU aid pledges. In July the G8 reaffirmed their aid commitments, while in London the Archbishop of Canterbury led a "walk of witness" – the largest ever demonstration of faith groups in this country in support of tackling global poverty. In early September the UK played a leading role in securing an ambitious international agreement (the 'Accra Agenda for Action'), and launching the International Aid Transparency Initiative (IATI).
48. The year of action on the MDGs culminated in the UN High Level Event (HLE) on September 25th hosted by the UN SG and President of the General Assembly (PGA). This brought together the broadest ever alliance assembled to accelerate progress on the MDGs which included over 140 country representatives and leaders of NGOs, business, faith groups, philanthropic organisations and cities. At the conclusion of the event the UN Secretary General said \$16 billion of announcements were made including \$4.5 billion for education and \$3 billion for malaria.

### Next Steps

49. The next major international meeting will be in Doha where the international community will come together to review progress on financing for development. This meeting must reinforce promises and explore the impact of emerging development issues such as food security. Going forward we must continue to improve international tracking and analysis of the MDGs and ensure the commitments made at the UN High Level Event are delivered. In order to maintain efforts to deliver the MDGs by 2015 we intend to support the PGA and UN SG proposal for a 2010 MDG Review Summit.

### Trade

50. Improving trade opportunities for developing countries has the potential to greatly assist in poverty reduction. MDG8 requires the development of an open, rule-based, predictable, non-discriminatory trading and financial system.
51. The Doha Development Agenda (DDA) remains key to increasing duty-free Low Income Countries exports to developed countries. The Doha mandate includes a commitment to 97% duty-free, quota-free access for Least Developed Countries. It remains a top trade priority for the UK government. The UK (through the joint DfID and BERR Trade Policy Unit) is undertaking a number of key activities to increase developed country imports of duty-free goods from Low Income Countries (LICs).
52. The DDA meeting of Ministers in July broke down without reaching a final agreement, although progress was made on a number of difficult issues, and there was broad willingness to maintain the momentum. Discussions are continuing at an official level. The UK is engaging with key players (including developing country constituencies) to try to resolve the remaining issues. We continue, as a priority, to seek Ministerial agreement on agricultural and Non-Agricultural Market Access modalities this year, to allow conclusion of the round in 2009.
53. Economic Partnership Agreements (EPAs) between the EU and African, Caribbean and Pacific countries (ACPs) provide duty and quota free access to the EU and promote trade reforms in ACPs which should increase their ability to take advantage of duty-free import opportunities into the EU.
54. The first regional EPA (Caribbean) was signed on 15 October. Ghana, Cameroon and SADC interim EPAs have also been submitted to UK Parliamentary scrutiny in the past few months. The first of these has now been cleared by

Parliament. Preparations to ratify the Caribbean and Ghanaian EPAs are underway. Negotiations for regional EPAs are progressing, particularly in Africa. We are maintaining close contact with ACP countries on any negotiation and/or implementation issues. We are working with other Member States the European Commission to ensure we continue to make progress in negotiations.

- 55.** The UK's work on Aid for Trade (AfT) assists developing countries to better take advantage of opportunities created by reductions in developed country duties on their products. There has been good progress on establishing a global monitoring framework – it will be in place by the beginning of 2009. Monitoring shows that AfT is increasing; we are launching various new ambitious AfT projects at regional level, especially in Africa as set out in the UK Aid for Trade Strategy<sup>16</sup> which was announced at Doha in December 2008. We continue efforts to ensure we meet collective G8 and EU AfT commitments.
- 56.** The UK is fully engaged in the review and creation of new Generalised System of Preferences (GSP), through which the EU grants preferential access for products from developing countries. GSP offers duty free treatment on a significant proportion of otherwise dutiable EU imports of LICs. We also continue to work towards improved Rules Of Origin to enable LICs to make better use of the duty-free import opportunities that exist through GSP.
- 57.** The UK is leading and co-ordinating like-minded Member States lobbying of the European Commission (DG Trade, TAXUD and Development as well as the Mandelson (now Ashton) and Kovak cabinets). However progress has been slower than anticipated and we still await a revised proposal from the Commission.

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<sup>16</sup> <http://www.dfid.gov.uk/news/files/aid-for-trade-strategy.asp>

# Annex C

## Progress towards the Public Service Agreements 2005–08 & 2003–06

1. This annex details assessment of performance against outstanding targets 1 to 3 and 6 of the 6 targets in DFID's 2005–08 PSA and targets 1 and 2 from our 2003–06 PSA. Final assessments for targets 4 and 5 of the 2005-08 PSA appear in DFID's Annual Report 2008.

### Guide to 'traffic light' assessment

<b>Green</b>	<p><b>Met/Ahead/On course</b></p> <p>Means that progress on the target/sub-target/indicator is either exceeding or in line with plans and expectations.</p> <p><b>OR</b></p> <p>Means that the target/sub-target/indicator has been achieved by the target date if we are providing the final assessment.</p>
<b>Amber</b>	<p><b>Partly met/Broadly on course – minor slippage</b></p> <p>Means that progress on the target/sub-target/indicator is broadly on course but there has been minor slippage. Alternatively progress may have been made in some areas but not in others.</p> <p><b>OR</b></p> <p>Means that the target/sub-target/indicator has been partly met, i.e. some, but not all, elements have been achieved by the target date, or we were very close to achieving the target.</p>
<b>Red</b>	<p><b>Not met/Not on course – major slippage</b></p> <p>Means that progress on the target/sub-target/indicator is not on course and there has been major slippage.</p> <p><b>OR</b></p> <p>Means that the target/sub-target/indicator was not met, or was met late.</p>

## 2005–08 PSA

<p>In line with HM Treasury guidance on Spring 2008 Departmental Reports, a final assessment on DFID's PSA 2005–08 targets is provided wherever possible. Where we make the final assessment of the Department's performance on a target/sub-target/indicator, only one traffic light is shown for the final outcome (Met, partly met, not met).</p>		A
<p>We are still collecting relevant data on PSA targets 1, 2 and 3 of our 2005–08 PSA. On these progress assessments, the first box of each gives an indication of current progress, while the second shows <i>likely</i> or <i>anticipated</i> progress against the target. So, for example, if we consider that progress on a particular target is currently broadly on course but with some slippage, but we estimate that progress is likely to be on track in the future, an amber box will be followed by a green one.</p>	A	G

## 2003–06 PSA

<p>Due to time lags in the available data, we are also still collecting relevant data on PSA targets 1 and 2 of our 2003–06 PSA. On these progress assessments, the first box of each gives an indication of current progress, while the second shows <i>likely</i> or <i>anticipated</i> progress against the target. So, for example, if we consider that progress on a particular target is currently broadly on course but with some slippage, but we estimate that progress is likely to be on track in the future, an amber box will be followed by a green one.</p>	A	G
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## 2005–08 PUBLIC SERVICE AGREEMENT

**A****Target 1:**

Progress towards the Millennium Development Goals in 16 key countries in Africa

(Democratic Republic of Congo, Ethiopia, Ghana, Kenya, Lesotho, Malawi, Mozambique, Nigeria, Rwanda, Sierra Leone, South Africa, Sudan, Tanzania, Uganda, Zambia, Zimbabwe)

**Progress**

<b>Broadly on course – minor slippage</b>		<b>A</b>	<b>A</b>
<p>Good progress has been made towards several of the Millennium Development Goals. We are ahead of our sub-targets on poverty, under-five mortality and the ratio of girls to boys in primary education. However, we are unlikely to meet the sub-target on skilled birth attendance and there has been some slippage towards meeting the primary school enrolment sub-target, although several countries have made good individual progress in these areas. The data available for HIV and AIDS remains incomplete, but there is evidence of decreasing prevalence amongst young, pregnant women in some countries at the same time as small increases in prevalence in others. 2008 has seen a lot of activity to enhance the global partnership to support Africa's development, with countries reaffirming past commitments and setting new milestones at the European Council, G8, Accra High Level Forum and UN meetings in New York.</p>			
<p><b>1:</b> a reduction of 4 percentage points in the proportion of people living in poverty across the entire region.</p> <p><i>Revised baseline 56.4% (1999)</i></p>	<p><b>Ahead</b></p> <p>The baseline for this target has been revised upward in line with new data released by the World Bank (based on a revised international poverty line of \$1.25 a day in 2005 and on new Purchasing Power Parity data). The figures show a higher global poverty rate in the developing world than had earlier been thought, but the declining trend in the proportion of poor people since the 1980s remains the same.</p> <p>The new trend shows that poverty in Sub-Saharan Africa has fallen by 6 percentage points to 50.4% between 1999 and 2005, ahead of the target.</p>	<b>G</b>	<b>G</b>
<p><b>2:</b> an increase in primary school enrolment by 18 percentage points.</p> <p><i>Revised baseline 68.0% (2000)</i></p>	<p><b>Slippage</b></p> <p>Average primary school net enrolment across African PSA countries in 2006 was 79.8%, an increase of just under 12 percentage points, off course for this target and with no change since 2005. However some individual countries have made good progress since 2000. For example, Tanzania, Ethiopia and Zambia have each seen at least a 25 percentage point increase in this period. Data was unavailable for DRC, Sierra Leone and Zimbabwe which could affect overall progress in the future.</p>	<b>R</b>	<b>A</b>

Sub-target	Progress	
<p><b>3:</b> an increase in the ratio of girls to boys enrolled in primary school by 5 percentage points.</p> <p><i>Revised baseline 89% (2000)</i></p>	<p><b>On course</b></p> <p>In 2006, data was available for 14 of the PSA countries (insufficient information was available for DRC and Zimbabwe). The average ratio, across these 14 PSA countries, of girls to boys enrolled in primary school was 95%, achieving a 5 percentage point increase since 2000 and on course to maintain this for 2008. Progress has been greatest in Ethiopia, Sierra Leone and Mozambique, each having at least a 10 percentage point increase in this period, although Ethiopia and Mozambique still have amongst the lowest rates. There have been very small decreases in Kenya and Tanzania, whilst Malawi and Rwanda have gone beyond gender parity and now have a greater number of girls than boys in school.</p>	<p>G G</p>
<p><b>4:</b> a reduction in under-five mortality rates for girls and boys by 8 per 1000 live births.</p> <p><i>Revised baseline 156 deaths/1000 (2000)</i></p>	<p><b>Ahead</b></p> <p>Data was available for 15 of the 16 PSA countries (representative information was unavailable for Sudan). The average under-five mortality rate in these 15 PSA countries in 2006 was 143 deaths per 1000 live births, a decrease of 13 per 1000 live births and ahead of the target decrease by 8.</p> <p>South Africa had the lowest under-five mortality rate at 69 and the biggest decreases since 2000 were seen in Zambia, Mozambique and Malawi with decreases of between 30/1000 and 50/1000.</p> <p>Although ahead of this target, under-five mortality rates remain very high and 12 of the 15 PSA countries with data remain off-track to meet the associated MDG target to reduce under five mortality by two thirds, between 1990 and 2015.</p>	<p>G G</p>
<p><b>5:</b> an increase in the proportion of births assisted by skilled birth attendants by 11 percentage points.</p> <p><i>Revised baseline 45.5% (2000)</i></p>	<p><b>Not on course – slippage</b></p> <p>For the 11 PSA countries in which data was available for 2006, an average of 48.4% of births were assisted by skilled health workers. This represents an increase of only 3 percentage points on the 2000 baseline and it is unlikely that the 2008 target will be met on this current trend.</p> <p>There have been some improvements in individual countries, with the rate in DRC, Rwanda and Zimbabwe each estimated to have increased by over 5 percentage points. However, Lesotho and Malawi have shown some small decreases and there remains a very low rate of skilled birth attendance in Ethiopia at under 10 per cent.</p>	<p>R R</p>
<p><b>6:</b> a reduction in the proportion of 15–24 year old pregnant women with HIV.</p>	<p><b>Some progress</b></p> <p>Limited data is available to monitor this indicator, making it difficult to determine trends. Of the 11 PSA countries with data at two time points, 6 have seen decreases in HIV prevalence in young pregnant women. The greatest decrease was in Zimbabwe, from 29.8% in 2001 to 18.6% in 2004. The remaining 5 countries with data have maintained fairly steady rates or seen small increases. The amber traffic light reflects the lack of information on which to determine potential future trends.</p>	<p>A A</p>

Sub-target	Progress	
<p><b>7:</b> enhanced partnership at the country and regional level, especially through the G8, to increase the effectiveness of aid and ensure that international policies support African development.</p>	<p><b>On course</b></p> <p>As the midpoint to the MDG target date of 2015, 2008 has seen a great deal of activity to build a global partnership to increase the effectiveness of aid and focus international policies to support African development. The Call to Action was signed by over 50 countries worldwide, and a number of events and announcements throughout 2008 culminated in two UN High Level Events in September, on Africa's Development Needs and the MDGs globally. World leaders from governments, private sector and civil society re-affirmed their commitment to Africa's development and to accelerating the MDGs worldwide, and made new commitments including on malaria, education, health and food. Earlier in the year, the European Council adopted the Agenda for Action, an offer by the EU to the developing world to work to achieve development milestones by 2010. This included specific targets for Africa. The Japan G8 Summit in July re-affirmed commitments to Africa made at Gleneagles in 2005. The Accra High Level Forum on Aid Effectiveness in September agreed an Agenda for Action, including commitments to more use of partner country systems, greater accountability, better division of labour, and more predictability. Accra also saw the launch of the International Aid Transparency Initiative. Progress has been made in taking forward the EU Africa Strategic Partnership, with joint EU Africa discussions expected later in 2008.</p>	<p>G</p> <p>G</p>



A

**Target 2:**

Progress towards the Millennium Development Goals in nine key countries in Asia

(Afghanistan, Bangladesh, Cambodia, China, India, Indonesia, Nepal, Pakistan, Vietnam)

**Progress**

<b>Broadly on course – minor slippage</b>		A	A
<p>Progress in Asia's nine PSA countries for the 2005–08 period is broadly on course – although there has been some minor slippage. Good progress has been made towards seven of the nine sub-targets across the region. We are ahead of targets on the ratio of girls to boys enrolled in primary school and tuberculosis cure rates. We are also on course to reduce under-five mortality rates and increase tuberculosis detection rates above 70%. Some progress has been made in reducing HIV prevalence rates and we are broadly on course to increase net primary enrolment by eight percentage points.</p> <p>New poverty data shows that we are ahead of targets on reducing poverty in East Asia and the Pacific but not on course in South Asia. It is also unlikely that the target on increasing the proportion of births assisted by skilled birth attendants will be met. However, the number of births assisted has not decreased in any country and significant progress has been made in a number of countries.</p>			
<p><b>1:</b> a reduction in the proportion of people living in poverty of five percentage points in East Asia and the Pacific.</p> <p><i>Revised baseline 35.6% (1999)</i></p>	<p><b>Ahead</b></p> <p>New poverty data has recently released by the World Bank based on a revised international poverty line of \$1.25 a day in 2005 and on new Purchasing Power Parity (PPP) data. The poverty line has therefore been revised upwards because of marked upward revisions to the PPPs, particularly for many of the poorest countries in the world. Overall poverty numbers have risen significantly, but the trend of poverty reduction remains the same.</p> <p>Data for 2005 shows that poverty in East Asia and the Pacific is at 17.9% – down from 35.6% in 1999. Assuming the reduction follows a linear trend predictions are that poverty will fall by 23 percentage points by the end of 2008.</p> <p>Based on current progress, the sub-target for 2005–08 is ahead.</p>	G	G
<p><b>2:</b> a reduction in the proportion of people living in poverty of eight percentage points in South Asia.</p> <p><i>Revised baseline 44.1% (1999)</i></p>	<p><b>Not on course</b></p> <p>In the year 2005, the World Bank estimates that poverty in South Asia was 40.4% – a reduction of 3.7 percentage points. Based on a projection of new World Bank data, poverty is estimated to be 39.5% in 2008. Therefore is unlikely that this target will be met.</p>	R	R

Sub-target	Progress	
<p><b>3:</b> an increase in net primary school enrolment by eight percentage points.</p> <p><i>Revised baseline 83.7% (2000)</i></p>	<p><b>Broadly on course – minor slippage</b></p> <p>Data are available for eight of our nine PSA countries in Asia (not Afghanistan).</p> <p>The latest outturn data for 2006 shows an enrolment rate of 89.5% – a 5.8 percentage point improvement on the baseline in 2000.</p> <p>In 2006, Bangladesh, China, Cambodia, India and Indonesia all had net enrolment rates of at least 90%. The lowest rate was found in Pakistan at 66%. Since 2000, India, Nepal and Pakistan have all increased enrolment rates above 10 percentage points. Vietnam has also seen a slight increase in enrolment over the period. Predictions suggest an overall increase of 7.5 percentage points by 2008 – suggesting a rating of on course to meet the target with minor slippage.</p>	<p>G G</p>
<p><b>4:</b> an increase in the ratio of girls to boys enrolled in primary school by five percentage points.</p> <p><i>Baseline 84% (2000)</i></p>	<p><b>Ahead</b></p> <p>Data have been included for all 9 PSA countries in Asia, with locally available data used for Afghanistan and Pakistan. These figures may not be strictly comparable with international data; however the trend using local data is considered to reflect the true pattern of change – where as the international data does not.</p> <p>Overall, the average ratio of girls to boys has increased from 84% in 2000 to 92% in 2006 – an increase of 8 percentage points. This target is therefore assessed as “ahead”.</p> <p>The data shows that gender equality in primary school has been reached in Bangladesh and very nearly in China (99%). Gender equality is furthest from being reached in Afghanistan, which was 59% in 2005 – although the biggest improvement since 2000 has been seen in Afghanistan and Nepal (both increased by 16 percentage points). India and Pakistan also had notable improvements of 13 percentage points.</p>	<p>G G</p>
<p><b>5:</b> a reduction in under-five mortality rates for girls and boys by 24 per 1000 live births.</p> <p><i>Revised baseline: 76 deaths/1000 (2000)</i></p>	<p><b>On course</b></p> <p>These figures are from a modelled series produced by UNICEF and include 8 of the 9 PSA countries. Afghanistan has been excluded because there are no data. UNICEF have revised their estimates, which has changed the baseline since the last assessment.</p> <p>Overall, the average death rate across the 8 countries was 58 per 1000 live births in 2006, down from 76 per 1000 live births in 2000; this is a reduction of 18, on track to meet the target.</p> <p>The lowest rates of under 5 mortality are found in China, Vietnam and Indonesia. Pakistan and Cambodia have the highest infant mortality rates however all countries have made progress since 2000, with Bangladesh, Cambodia and Nepal showing the greatest progress.</p>	<p>G G</p>

Sub-target	Progress
<p><b>6:</b> an increase of 15 percentage points in the proportion of births assisted by skilled birth attendants.</p> <p><i>Baseline 43% (2000)</i></p>	<p><b>Not on course</b></p> <p>The assessment is based on 8 of the 9 PSA countries with Afghanistan excluded due to insufficient data.</p> <p>Overall, an average of 53% of births were assisted by skilled birth attendants in 2006. This is an increase of 10 percentage points since 2000. The projected figure for 2008 is 56% (13 percentage point increase). This means we do not expect to meet the target by the end of the period.</p> <p>However, the number of births assisted has not decreased in any country. China, Indonesia and Vietnam have the highest rates of births assisted: all above 70% in 2006. Progress had been slow in India until 2005, but significant progress has been seen over the last two years; early estimates for data likely to be available by the end of 2008 point to impressive improvements. The lowest rates of progress have been seen in Bangladesh.</p>
<p><b>7:</b> prevalence rates of HIV infection in vulnerable groups being below 5%.</p>	<p><b>Some progress</b></p> <p>It is difficult to assess progress on this target because available data has poor coverage and is unlikely to represent vulnerable groups accurately. More data is available than last year, thanks to the UNAIDS Report on the Global AIDS Epidemic (2008), but it is difficult to determine trends.</p> <p>The latest data shows that the average HIV prevalence rate is below 5% in two of the three vulnerable groups. In 2006-07 the average for the 8 countries where data was available for HIV prevalence amongst female sex workers was 3.8%, which has decreased from 10.5% in 2000 (6 countries). In 2006-07 the average (across 4 countries) amongst men who have sex with men was 4.5%. The average rate (based on 7 countries) amongst injecting drug users was 19.3% in 2006-07, which is a decrease from 23% in 2000-01 (7 countries).</p> <p>The latest data shows that China, Afghanistan, Bangladesh and Nepal all have rates of below 5% in 2 or more vulnerable groups. However, there are big differences between the groups e.g. Nepal is far from being on track in the injecting drug users category (35% in 2007). The highest rates of HIV prevalence were found amongst injecting drug users in Indonesia (52% in 2007), Nepal and Vietnam (23%). The lowest prevalence rates across vulnerable groups were found in Bangladesh and India. The biggest decreases in HIV prevalence rates were in drug users in Nepal and Indonesia, and female sex workers in Nepal and Cambodia.</p>

Sub-target	Progress		
<p><b>8:</b> a tuberculosis case detection rate above 70%.</p> <p><i>Baseline 33% (2000)</i></p>	<p><b>On course</b></p> <p>Data are available for all 9 PSA countries in Asia from the World Bank. The average TB case detection rate has increased from 33% in 2000 to 68% in 2006. If current strong progress continues, this target will be reached by 2008.</p> <p>Latest figures for 2006 show that China (79%), Indonesia (73%) and Vietnam (85%) all have detection rates over 70%. Afghanistan (66%) and Bangladesh (65%) are close to meeting the target. New data available for 2007 shows that Pakistan is very close to target at 69%. Since 2000, Afghanistan, India, Indonesia and Pakistan have made the biggest improvements – all increasing by over 50 percentage points.</p>	G	G
<p><b>9:</b> a tuberculosis cure treatment rate greater than 85%.</p> <p><i>Baseline 86% (2000)</i></p>	<p><b>Ahead</b></p> <p>Data are available from the World Bank for all 9 PSA countries for this indicator. The target for TB cure rate has already been met in all 9 countries. Overall the cure rate has increased to 90% in 2005. Projections show that the cure rate is set to increase further to 94% by the end of the period. This target is therefore assessed as "ahead".</p> <p>China (94%), Cambodia (93%) and Vietnam (92%) have the highest TB treatment success rates followed by Afghanistan and Indonesia (both at least 90%). There was notable progress between 1995 and 2000, but since then rate of progress has slowed across all countries. This is not surprising, as over the same period, coverage of DOTS increased dramatically in many countries and the challenge of retaining high rates of cure while covering a wider population will remain throughout the PSA period.</p>	G	G

A

## Target 3: Improved effectiveness of the multilateral system

### Progress

#### Broadly on course – minor slippage

A

A

UK Government has continued to make good progress towards achieving the PSA target for improving the effectiveness of the multilateral system. Of the four sub-targets, one has been met, one is broadly on course with minor slippage, one partly met, and one was not met.

Sub-target three, to improve the way international partners are supporting poor countries to reach the MDGs, has been met. Good progress has been made on implementing reform initiatives in the International Financial Institutions (IFIs). The Poverty Reduction Strategy (PRS) approach has been widely adopted by countries accessing International Development Association (IDA) resources. Of the countries reviewed, 80% had strategies assessed as either largely developed (13%) or with actions that had been taken (67%). The European Commission has made good progress in rationalising its aid instruments and pushing for more effective aid; for example, it is beginning to provide predictable long term financing for selected African, Caribbean and Pacific (ACP) countries over six years rather than the normal three.

While it seems unlikely that sub-target two, to ensure that 90% of eligible Heavily Indebted Poor Countries (HIPC) will receive debt relief by the end of 2008 will be met within this timeframe, good progress has been made. The two remaining countries needed to reach the 90% target, Burundi and Guinea, are expected to reach completion point by the end of 2008 or early 2009.

Sub-target four, to improve the effectiveness of UN agencies and the humanitarian aid system, was partly met. DFID increased its share of un-earmarked humanitarian financing and more countries used the UN Needs Assessment Methodology, but the financing for and quality of UN appeals continues to be off-target. Progress was made in improving the institutional effectiveness of four of the nine institutions selected, but the target of six was missed.

Despite strong lobbying from the UK, insufficient support from other member states meant that sub-target one, to increase the proportion of EC ODA to Low Income Countries (LICs) was missed, although the European Development Fund (EDF) will retain its Low Income Country focus.

Sub-target	Progress
<p><b>1.</b> A greater impact of EC external programmes on poverty reduction and working for agreement to increase the proportion of EC Official Development Assistance (ODA) to Low Income Countries (LICs) from its 2000 baseline figure of 38% to 70%.</p> <p><i>The EC revised its ODA reporting in 2002, so direct comparisons with figures for 2000 and 2001 cannot be made.</i></p>	<p><b>Not met</b></p> <p>The European Consensus on Development, agreed in 2005, made clear that the primary objective of European aid was eradicating poverty and that the poorest countries should be given priority. These sentiments have been included in the development section of the Lisbon Treaty. However, the outcome of negotiations on the current European seven-year budget (2007–13) means that the specific target of increasing the proportion of EC ODA to Low Income Countries (LICs) will not be achieved in this period, as the LIC spend will average 56% over this time.<sup>17</sup> It was, however, an important goal for the UK negotiators to ensure that the EC poverty focus for Africa was maintained. They were successful in ensuring that the European Development Fund (EDF), which finances EC assistance to African, Caribbean and Pacific countries and of which 90% is allocated to LICs, remained off-budget. The EDF is relatively well managed by the Commission and the UK will work with other Member States to press that it remains off-budget until the Commission radically improves its overall aid efficiency. DFID strategy for continuing to address the level of the EC's ODA to LICs is set out in the Institutional Strategy for the EU, 2008–2010.</p> <p><b>This final assessment of the sub-target appeared in DFID's Annual Report 2008. It is reproduced here to explicate our judgement on our overall progress towards Target 3.</b></p>

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17 While the EC's overall LIC spend is likely to average 56% on the current LIC definition, this definition will be updated in the new PSA period; a number of former LICs will graduate to Middle Income status and on paper, therefore, the average percentage is expected to be adjusted to around 52%. The EDF, however, will retain its high LIC status.

Sub-target	Progress	
<p><b>2.</b> Ensuring that 90% of all eligible Heavily Indebted Poor Countries (HIPC) countries committed to poverty reduction that have reached Decision Point by end 2005, receive irrevocable debt relief by end 2008" [<i>joint target with HMT</i>].</p> <p><i>The baseline is set by the 28 countries that had reached Decision Point by the end of 2005. The 90% target applied to this baseline requires that at least 25 countries complete HIPC before the end of 2008.</i></p>	<p><b>Broadly on course – minor slippage</b></p> <p>There has been minor slippage in the prospects for reaching this sub-target.</p> <p>At the end of 2005, 28 countries had reached HIPC Decision Point, thereby demonstrating their commitment to poverty reduction and qualifying for interim debt relief. These countries are the baseline for the 90% target. Although not included in the target, five further countries (Republic of Congo, Haiti, Afghanistan, Central African Republic and Liberia) have reached Decision Point since the beginning of 2006. It is expected that Togo will reach Decision Point before the end of 2008.</p> <p>Of the 28 countries that had reached Decision Point, by the end of 2005, 23 (or 82%) have now completed the HIPC process and received irrevocable debt cancellation under HIPC and the Multilateral Debt Relief Initiative (MDRI). Of the five other baseline countries that have yet to reach Completion Point, Guinea-Bissau, Chad and the Democratic Republic of Congo are not expected to achieve Completion Point by the end of 2008.</p> <p>The two remaining countries – Burundi and Guinea – providing they continue with their good progress are expected to reach Completion Point by the end of 2008 or shortly thereafter and we now expect to meet our target with minor slippage. Burundi is now expected to reach Completion Point in January or early February 2009 following the next Poverty Reduction and Growth Facility (PRGF) review in October/November. It is expected Guinea will reach Completion Point by the end of 2008, or shortly thereafter, at the time of the second PRGF review. Both have made good progress despite the problems associated with food and fuel increases which has seen additional resources from the IMF and World Bank to help address this. The UK continues to support any flexibility that will allow countries to reach HIPC Completion Point as soon as possible.</p>	<p>A</p> <p>A</p>
<p><b>3.</b> International partners are working effectively with poor countries to make progress towards the United Nations 2015 Millennium Development Goals [<i>joint target with HMT</i>].</p>	<p><b>Met</b></p> <p>Significant progress was made against this sub-target, with good progress on implementing reform initiatives in the International Financial Institutions (IFIs) and in improving the effectiveness of EC development assistance. The Poverty Reduction Strategy (PRS) approach has been widely adopted by countries accessing International Development Association (IDA) resources; 55 countries have Poverty Reduction Strategy Papers (PRSPs) and 10 have interim PRSPs. Of the countries reviewed, 80% had strategies assessed as either largely developed (13%) or with actions that had been taken (67%). Total global net ODA in 2006 was \$104.4 billion (£56.7 million), nearly double the baseline level.</p> <p><b>This final assessment of the sub-target appeared in DFID's Annual Report 2008. It is reproduced here to explicate our judgement on our overall progress towards Target 3.</b></p>	<p>G</p>



Sub-target	Progress
<p><b>Indicator (i):</b> poor countries and development partners are committed to and supporting effective and sustainable Poverty Reduction Strategies (75% of all countries implementing Poverty Reduction Strategies (PRSs) to present satisfactory reports to the Boards).</p> <p><i>(Nb: It is no longer a requirement for WB/IMF Boards to sign off PRS reports).</i></p>	<p><b>Met</b></p> <p>The PRS approach has been widely adopted in countries accessing International Development Association (IDA) resources. The latest figures indicate that 55 countries have Poverty Reduction Strategy Papers (PRSPs) and 10 have interim PRSPs.</p> <p>The World Bank and IMF no longer approve PRSs or PRS Progress Reports, and therefore no longer produce aggregate reports of progress in preparing PRSs which were the previous source of data on this indicator.</p> <p>The assessment has therefore been made using the World Bank's Aid Effectiveness Review (AER) 'Results Based National Development Strategies: Assessment and Challenges Ahead', which is the data source for measuring ownership in the 2008 Monitoring Survey under the Paris Declaration on Aid Effectiveness<sup>18</sup>.</p> <p>The AER uses 3 criteria to assess whether a country has an operational development strategy: a unified strategic framework; prioritisation within that framework; and a strategic link to the budget.</p> <p>According to the latest AER, in 2007 80% of the 62 countries covered by the review had strategies assessed as either largely developed (13%) or with actions that had been taken (67%). This was an increase from 64% in 2005 (with 8% assessed as largely developed, and 56% as having actions taken<sup>19</sup>). It also exceeds the 75% threshold required by this indicator. <b>This is the final assessment for this indicator.</b></p>
<p><b>Indicator (ii):</b> a sustained increase over time in the total net Official Development Assistance (ODA) from Development Assistance Committee (DAC) member countries and multilateral agencies to aid recipients.</p> <p><i>Baseline: \$58.3 billion (2002)</i></p>	<p><b>Met</b></p> <p>Total global net ODA in 2006 was \$104.4 billion – nearly double the baseline level – mainly as a result of agreements reached at the European and G8 Summits to increase ODA, including debt relief. While the 2006 and 2007 ODA levels represent a fall of 4.5% from the level in 2005 caused by exceptionally high debt relief in 2005, it is still a significant increase over the baseline and includes a non-debt increase. The challenge remains to ensure that ODA continues to rise to deliver on the aid volume commitments agreed in 2005 (to reach \$130 billion of ODA by 2010) and this is addressed by the new DSO sub-objective 5.2<sup>20</sup>. <b>This is the final assessment for this indicator.</b></p>

18 This does not provide a strict measurement of progress towards the indicator, because (a) the AER measures all national development strategies, not just PRSPs; (b) the AER measures strategies rather than progress reports, and (c) the AER measures progress in developing operational strategies, rather than providing a one-off assessment of quality. However, it is the best available and is consistent with the monitoring of the Paris Declaration on Aid Effectiveness.

19 Note that the baseline figure has changed since the previous Quarterly Management Report and Autumn Performance Report because the World Bank has slightly revised the methodology for assessing the quality of national development strategies.

20 Five commitments delivered (including increased aid volumes)

Sub-target	Progress
<p><b>Indicator (iii):</b> Improved effectiveness of EC Development Assistance (as demonstrated by 2 out of 3 of the following being achieved):</p> <ul style="list-style-type: none"> <li>• a clear policy framework that puts poverty reduction as its central aim for development cooperation and promotes coherence among EU's policies that affect developing countries;</li> <li>• agreement in Council, Commission and European Parliament to implement these objectives, including by increasing the share of EC ODA going to LICs;</li> <li>• continued reforms and adoption of best development practices during the 2005-2009 Commission.</li> </ul>	<div style="text-align: right; background-color: #4F81BD; color: white; padding: 5px; font-weight: bold; font-size: 1.2em;">G</div> <p><b>Met</b></p> <p>A final assessment was made in DFID's Annual Report 2008 for the first two sub-indicators, both of which were met:</p> <ol style="list-style-type: none"> <li>1) a clear policy framework that puts poverty reduction as its central aim for development cooperation and promotes coherence among EU's policies that affect developing countries, and</li> <li>2) agreement in Council, Commission and European Parliament to implement these objectives, including by increasing the share of EC ODA going to LICs.</li> </ol> <p>There has been good progress towards meeting the third outstanding sub-indicator: continued reforms and adoption of best development practices during the 2005–2009 Commission. The European Commission has rationalised its aid instruments and is taking a pro active stance on encouraging aid effectiveness, as emphasised in the Consensus on Development. For example, the Commission has developed and is beginning to implement the innovative concept of MDG contracts, an enhanced version of budget support, which would provide more predictable long term financing (over 6 years rather than the normal 3 years) for selected ACP countries. Other enhancements of EC practice include: the introduction of co-financing; the extension of a results oriented monitoring system to ex-post assessments of programmes; the piloting of quality and impact indicators; and the commencement of work on the mainstreaming of cross cutting issues. <i>Assessment of progress will continue under DSO 5.3, with a particular focus on the European Commission's approach to Policy Coherence for Development (PCD).</i></p> <p><b>This is the final assessment for this indicator.</b></p>

Sub-target	Progress
<p><b>Indicator (iv):</b> Improved institutional effectiveness of 4 IFIs (EBRD, WB, AsDB, AfDB). Effectiveness will be measured against 3 criteria identified through DFID's multilateral effectiveness assessment and institutional strategies. The target is for 3 out of 4 of the agencies to be achieving progress in all 3 indicators<sup>21</sup>.</p>	<p><b>Met</b></p> <p>Good progress has been made within all four International Financial Institutions (IFIs) on the implementation of reform initiatives. WB, AfDB and AsDB have met the three criteria therefore the target is judged to have been met. DFID has developed a new tool, the Multilateral Development Effectiveness Summaries (MDES)<sup>22</sup>, to assess organisational performance of the agencies concerned. The MDES have been shared with the agencies concerned and are being actively used to inform our policy dialogue and address areas of weakness.</p> <p>Highlights for the four IFIs over 2007 are as follows:</p> <ul style="list-style-type: none"> <li>• <i>Donors secured significant policy reforms including during the IDA 15 replenishment negotiations to improve the way the World Bank works with others in Fragile States and other poor countries on issues such as climate change, gender, aid effectiveness and the use of policy conditions. Donors pledged a record £12.6bn over three years for the World Bank. The UK's contribution to IDA 15 is £2.13bn, a 49% increase over IDA 14. In 2007 the UK also secured changes to ensure the World Bank plays a key role in climate change including through the Clean Energy Investment Framework to help countries access clean energy and assist them in dealing with the effects of climate change.</i></li> <li>• <i>At the African Development Bank, President Kaberuka has shown a strong commitment to the internal reform programme and the Bank continues to make steady progress. An increase in the number of field offices, more staff and a new structure which enables a clearer country focus are amongst the most important reforms. In December 2007, donors committed US\$ 8.9 billion over the next 3 years (2008–10) for the African Development Fund (AfDF), an increase of 52% over the 2005–2007 period. The UK will provide £417 million to AfDF 11, making us the largest AfDF donor. In 2007, the UK also secured increased contribution to critical cross-cutting objectives, promoting gender equity, environmental sustainability, climate change adaptation and private sector development.</i></li> </ul>

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21 The 3 indicators are: "internal performance", "country-level results" and "partnerships"

22 <http://www.dfid.gov.uk/aboutdfid/dfidwork/maf.asp#Summaries>

Sub-target	Progress (continued)
	<ul style="list-style-type: none"> <li>● <i>The Asian Development Bank has agreed a number of initiatives on human resources and through its Management for Development Results programme. Progress has been slower than expected and many of the tougher reforms remain to be tackled. The UK is working to influence the Bank further through the current replenishment round of the Asian Development Fund, which concludes in May.</i></li> <li>● <i>The European Bank for Reconstruction and Development continues to deliver well on its transition mandate with 89% of operations in 2007 rated as “excellent – good”. Commitments are rising to record levels in the Early Transition Countries – the poorest and least reformed. EBRD is on track to exceed investment targets under its Sustainable Energy Initiative by nearly 50%. The Bank has an independent and well respected Evaluation Department which produces credible reports and lessons. The Office of the Chief Economist has a programme of rigorous impact assessments on various operations in the poorer countries of the region, but there is scope for more work on EBRD’s impact on outcomes. EBRD continues to manage its partnerships well. The number of joint projects with the European Investment Bank has increased since the signing of an MOU at the end of 2006.</i></li> </ul> <p><b>This final assessment of the sub-target appeared in DFID’s Annual Report 2008. It is reproduced here to explicate our judgement on our overall progress towards Target 3</b></p>
<p><b>4.</b> Improved effectiveness of United Nations agencies and the humanitarian aid system.</p>	<p><b>Partly met</b></p> <p>Some significant progress was made against this sub-target, with improvements in the effectiveness of the humanitarian system and solid performance gains across the priority agencies. We judge the sub-target to be partly met as financing of humanitarian appeals and consistent performance gains across all 9 agencies did not meet our full ambitions. As such, improving the effectiveness of the UN agencies and humanitarian aid system will remain part of DFID core business and will be carried over to the next DSO under Indicators 3.4 and 5.5<sup>23</sup>.</p> <p><b>This final assessment of the sub-target appeared in DFID’s Annual Report 2008. It is reproduced here to explicate our judgement on our overall progress towards Target 3.</b></p>

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<sup>23</sup> Indicator 11: Improved international system for humanitarian assistance  
Indicator 20: Improved effectiveness of the UN system

Sub-target	Progress
<p><b>Indicator (i):</b> Progress on 2 of 3 indicators in relation to the Good Humanitarian Donorship (GHD) principles:</p> <p><b>(a)</b> Flexible financing to agencies.</p> <p>% of un-earmarked DFID humanitarian financing greater than previous year.</p> <p><i>Baseline 25% (2002/03)</i></p> <p><b>(b)</b> More equitable and complete financing appeals.</p> <p>% of un-financed UN consolidated appeals less than previous year</p> <p><i>Baseline 25% (2003)</i></p> <p>% gap between 5 most funded and least funded appeals less than previous year.</p> <p><i>Baseline 52% (2004)</i></p> <p><b>(c)</b> Improved Needs Assessment and Evaluation</p> <p>(greater number of countries using the new UN Needs Assessment Methodology than in previous year and 100% evaluation coverage (either by DFID or a partner) of all major humanitarian crises).</p> <p><i>Baseline zero (2003)</i></p>	<p><b>On Course</b></p> <p>Progress has exceeded expectations in two of three Good Humanitarian Donorship targets: increasing DFID's un-earmarked humanitarian financing, and improved needs assessment and evaluation. However, more equitable and complete financing of UN appeals continues to be off-target. Challenges remain to improve the quality of UN appeals, for example, to ensure they are not over inflated, are prioritised and are underpinned by strong evidence. We will continue to engage with donors and the UN to ensure recommendations agreed at a joint donor/Inter-Agency Standing Committee (UN, NGOs and Red Cross) in February 2008 are implemented.</p> <p>On (a), DFID has exceeded the 45% target of un-earmarked humanitarian funding. In 2006/07, 55% of DFID humanitarian funding was un-earmarked compared to 37% in 2005/06. In February 2008, the UN and donors agreed to replicate Common Humanitarian Funds in Central African Republic and Ethiopia, which will result in further progress towards this target in 2008/09.</p> <p>On (b), the targets on financing of UN appeals have not been met. In 2007, the percentage of un-financed UN appeals was 37% against the 15% target. There was also some slippage from 2006 when 31% UN appeals were un-financed. The percentage gap between the five most funded and the five least funded UN appeals in 2007 was 55% against a target of 35%. Again, there was some slippage over 2006, when the gap was 52%.</p> <p>On (c), the target of 10 countries using the UN Needs Assessment Methodology in 2007 has been exceeded. 11 countries used the methodology for 2007 work plans<sup>24</sup>. Since 2005, the Inter-Agency Standing Committee has evaluated all major humanitarian crises, including: the response to the floods and cyclones in Mozambique (May 2007), Pakistan (October 2007), the drought response in the Horn of Africa (December 2006), the humanitarian crises in Darfur (March 2006), and the Pakistan Earthquake (February 2006). The Tsunami Evaluations Coalition reported in July 2006 on the response to the Indian Ocean Tsunami. In December 2006, the UN Office for the Coordination for Humanitarian Affairs reviewed the UN's response to the Lebanon crisis.</p>

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Sub-target	Progress
<p><b>Indicator (ii):</b> Improved institutional effectiveness of 9 UN and humanitarian agencies (ICRC, UNDP, UNAIDS, UNICEF, UNFPA, WHO, FAO, UNHCR, UNESCO). The target is for 6 out of the 9 agencies to be achieving progress in all 3 indicators<sup>25</sup>.</p>	<p><b>Partly met</b></p> <p>4 out of 9 agencies (UNDP, UNAIDS, UNHCR and ICRC) have made robust progress across all three indicators, according to 2008 Multilateral Development Effectiveness Summaries (MDES)<sup>26</sup>. Furthermore, UNICEF, UNFPA and WHO achieved progress on 2 out of 3 targets, aided by the adoption of stronger corporate performance frameworks. UNESCO and FAO, according to the MDES assessments had the weakest evidence of improved performance against the 3 criteria although remedial actions are being put in place in 2008 by the Executive Boards.</p> <p>During the PSA period, most UN agencies have made good progress with introducing results-based management (RBM), according to the 2004 and 2006 reviews by the UN's Joint Inspection Unit<sup>27</sup>. The DAC Evaluation Review of Evaluation Functions as well as the Denmark-led studies of results-based management confirm improvements in the management information and results-reporting systems of the agencies<sup>28,29,30,31,32</sup>.</p> <p>The ExCom agencies agreed a standardised cost recovery rate of 7%, eliminating the previous wide variations in rate (Joint Executive Board) and 5 out of 9 agencies (UNHCR, ICRC, UNICEF, UNDP, WHO) reduced their proportionate spend on admin related expenditures. In 2004, for example, UNICEF admin rate was 19.7% of spend and had fallen to 14.3% in 2006 (with a target of 12.2% for 2009). The commitment and practice of setting efficiency targets began in 2006 (with UNICEF), and with UNDP, UNHCR, UNFPA agreeing to introduce them from 2008 onwards.</p> <p>The new Strategic Plans for ICRC, UNICEF, UNDP, UNFPA and WHO demonstrate clearer definition of roles, comparative advantages and expected results. All UN Development and Specialised agencies began participating in 'One UN' initiatives in 2007 in 8 countries. Vietnam and Cape Verde are already demonstrating efficiency savings. Agencies are also taking forward the recommendation of the High-Level on System Wide Coherence, with 16 countries identified for country-level coherence and effectiveness efforts in 2008.</p>

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25 The 3 indicators are: "internal performance", "country-level results" and "partnerships"

26 <http://www.dfid.gov.uk/aboutdfid/dfidwork/maf.asp#Summaries>

27 [http://www.unjiu.org/data/reports/2004/en2004\\_6.pdf](http://www.unjiu.org/data/reports/2004/en2004_6.pdf)

[http://www.unjiu.org/data/reports/2006/en2006\\_06.PDF](http://www.unjiu.org/data/reports/2006/en2006_06.PDF)

28 Results-based Management in UNICEF, Dahlberg Global Development Advisers, commissioned by the Danish Ministry of Foreign Affairs in association with CIDA, DFID, Dutch Foreign Ministry and SIDA, 2007

29 Peer Review of Evaluation Functions in UNICEF, Evaluation Network, Development Assistance Committee, Paris 2007

30 Results-based Management in UNDP, Dahlberg Global Development Advisers, commissioned by the Danish Ministry of Foreign Affairs, 2006

31 Results-based Management in UNFPA, Dahlberg Global Development Advisers, commissioned by the Danish Ministry of Foreign Affairs in association with CIDA, DFID, Dutch Foreign Ministry and SIDA, 2006

32 Peer Review of Evaluation Functions in UNDP, Evaluation Network, Development Assistance Committee, Paris, 2006

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**Target 6:**

Ensure that the proportion of DFID's bilateral programme going to low income countries is at least 90%, and achieve a sustained increase in the index of DFID's bilateral projects evaluated as successful

**Progress – Met**

Sub-target		
<p><b>1:</b> Ensure that the proportion of DFID's bilateral programme going to low income countries is at least 90%</p>	<p><b>Met</b></p> <p>Final outturn data on the proportion of DFID's aid that goes to low income countries was reported in DFID's Annual Report 2008. The target is assessed as met on the basis of final outturn data for 2007/08. <b>This is a final assessment.</b></p>	G
<p><b>2:</b> Increase in the index of DFID's bilateral projects evaluated as successful</p>	<p><b>Met</b></p> <p>Detailed final outturn data was reported in DFID's Annual Report 2008. In total 984 DFID projects and programmes were included in the measure at end March 2008, with a commitment value of £10,148 million. Of these, 762, or 77% by number and 83% by value, were scored as successful. The target is assessed as met. The target was underpinned by 3 indicators which assessed project and programme performance by risk category: High, Medium and Low. The targets for all three risk categories were also met. <b>This is a final assessment.</b></p>	G



## 2003–06 PUBLIC SERVICE AGREEMENT

**A****Target 1:**

Progress towards the Millennium Development Goals in 16 key countries in Africa

(Democratic Republic of Congo, Ethiopia, Ghana, Kenya, Lesotho, Malawi, Mozambique, Nigeria, Rwanda, Sierra Leone, South Africa, Sudan, Tanzania, Uganda, Zambia, Zimbabwe)

**Progress**

<p><b>Broadly on course – minor slippage</b></p> <p>Despite time lags in data availability, it is now possible to report on 6 of the 8 sub-targets. The picture is mixed: the sub-targets on primary school enrolment and effective implementation of the G8 Action Plan for Africa were met; the sub-target for the ratio of girls to boys in primary education was missed by just 1 percentage point; and the target on improved effectiveness of the UK contribution to conflict prevention and management was partly met. The sub-targets on under-five mortality and skilled birth attendance were not. Despite this, there has been good progress by several individual countries in these areas.</p> <p>It is not yet possible to make a final assessment of the sub-targets on poverty and HIV/AIDS. However, we are ahead on the poverty sub-target and broadly on course on HIV/AIDS.</p>		<b>A</b>	<b>A</b>
<p><b>1:</b> a sustainable reduction in the proportion of people living in poverty from 48% across the entire region.</p> <p><i>Revised baseline 56.8% (1998)</i></p>	<p><b>Ahead</b></p> <p>As with the 2005–08 target, the baseline has been revised upward as a result of new data released by the World Bank. The figures show a higher global poverty rate in the developing world than had earlier been thought, but the declining trend in the proportion of poor people since the 1980s remains the same.</p> <p>The new trend shows that poverty in sub-Saharan Africa has fallen by 6 percentage points to 50.4% between 1999 and 2005, indicating that the target was on track to be met in 2006.</p>	<b>G</b>	<b>G</b>
<p><b>2:</b> an increase in primary school enrolment from 58% to 72%.</p> <p><i>Revised baseline 64.2% (1998)</i></p>	<p><b>Met</b></p> <p>Based on the available data (13 of the 16 PSA countries), average primary school net enrolment in 2006 was 79.8%, an increase that exceeds the 14 percentage points required to meet this target.</p> <p><b>This is the final assessment of this sub-target.</b></p>		<b>G</b>

Sub-target	Progress		
<p><b>3:</b> an increase in the ratio of girls to boys enrolled in primary school from 89% to 96%.</p> <p><i>Revised baseline 89% (1998)</i></p>	<p><b>Partly Met</b></p> <p>Based on the 14 out of 16 PSA countries for which data was available, the average ratio of girls to boys in primary school in 2006 was 95%. This was very close to the target and, in fact, 9 of the PSA countries individually attained a ratio of at least 96%.</p> <p><b>This is the final assessment of this sub-target.</b></p>	A	
<p><b>4:</b> a reduction in under-five mortality rates for girls and boys from 158 per 1000 live births to 139 per 1000.</p> <p><i>Revised baseline 160 deaths/1000 (1998)</i></p>	<p><b>Not Met</b></p> <p>For the 15 PSA countries in which data was available, the average under-five mortality rate was 143 deaths per 1000 live births in 2006, short of the target for this indicator. However, some progress has been made, with 11 of the PSA countries having a rate under 139 / 1000 and with decreases of between 30/1000 and 55/1000 in Ethiopia, Malawi, Mozambique, Rwanda, Tanzania and Zambia since 1998.</p> <p><b>This is the final assessment of this sub-target.</b></p>	R	
<p><b>5:</b> an increase in the proportion of births assisted by skilled birth attendants from 49% to 67%.</p> <p><i>Revised baseline 39.5% (1998)</i></p>	<p><b>Not Met</b></p> <p>The baseline for 1998 is now estimated to be lower than originally stated, in part due to the fact that South Africa (with higher rates of assisted births) is not included due to a lack of up to date information. The final assessment is based on the 11 countries with available data and shows that in 2006 an average of 48.4% of births were assisted by skilled health workers. This represents an increase of 9 percentage points, some way short of the 18 percentage point reduction target.</p> <p><b>This is the final assessment of this sub-target.</b></p>	R	
<p><b>6:</b> a reduction in the proportion of 15–24 year old pregnant women with HIV from 16%.</p>	<p><b>Some progress</b></p> <p>Limited data is available to monitor this indicator, making it difficult to determine trends. Of the 11 PSA countries with data at two time points, 6 have seen decreases in HIV prevalence in young pregnant women. The greatest decrease was in Zimbabwe, from 29.8% in 2001 to 18.6% in 2004. The remaining 5 countries with data have maintained fairly steady rates or seen small increases. The amber traffic light reflects the lack of information on which to determine potential future trends.</p>	A	A

Sub-target	Progress
<p><b>7:</b> Improved effectiveness of the UK contribution to conflict prevention and management as demonstrated by a reduction in the number of people whose lives are affected by violent conflict and a reduction in potential sources of future conflict where the UK can make a significant contribution [<i>joint target with FCO and MoD</i>].</p>	<p><b>Partly met</b></p> <p>Medium – to longer-term trends in Africa continue to show an overall reduction in violent conflict. However, areas of instability persist, most notably in Darfur. The UK is a major donor to the African Union (AU) Mission in Sudan set up for peacekeeping in Darfur.</p> <p>The UK continues to play an important role in supporting the AU Peace and Security agenda. It has responded to AU conflict prevention priorities, through the Africa Conflict Prevention Pool (ACPP), by supporting the development of a detailed roadmap for a Continental Early Warning System, the setting up of the Panel of the Wise, and the design and planning of the Africa Standby Force.</p> <p>Work is continuing at regional and country levels to support demilitarisation and peacebuilding and also to build the capacity of African countries to undertake Peace Support Operations.</p> <p><b>This final assessment of the sub-target appeared in DFID's Annual Report 2007. It is reproduced here to explicate our judgement on our overall progress towards Target 1.</b></p>
<p><b>8:</b> effective implementation of the G8 Action Plan for Africa in support of enhanced partnership at the regional and country level.</p>	<p><b>Met</b></p> <p>This target has been met. The Update Statement on Africa issued by G8 Leaders at their 2006 Summit confirmed that good progress has been made and set out priorities for continuing work. The main exception is trade, where progress has been disappointing. Further progress will be reported under the 2005–08 PSA.</p> <p><b>This final assessment of the sub-target appeared in DFID's Annual Report 2007. It is reproduced here to explicate our judgement on our overall progress towards Target 1.</b></p>

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## Target 2: Progress towards the Millennium Development Goals in 4 key countries in Asia (Bangladesh, China, India and Pakistan)

### Progress

<p><b>Some slippage</b></p> <p>Overall progress is mixed against the PSA targets in four countries for 2003-06. Two targets have been met: gross enrolment rates in primary school have increased to 100% in all four countries and the ratio of girls to boys has increased to 96% – ahead of target. This is the final assessment for those targets.</p> <p>In contrast three targets have not been met at the final assessment. Under five mortality rates fell by 21 deaths per 1000 live births between 1998 to 2006 – which was just off track to achieve the target (reduction of 24). However, all countries have made progress since 2000 on under five mortality. The target on increasing the proportion of births assisted by skilled birth attendants has also not been met at the final assessment, but progress has been seen across all four countries. Tuberculosis detection rates have significantly increased from 15% in 1998 to 65% in 2006 – this misses the 70% target, however no countries have declined.</p> <p>The remaining four targets do not yet have recent data against which a final assessment can be made. Progress is ahead of target on reducing the proportion of people in poverty in East Asia and Pacific, but not on course in South Asia. It is difficult to assess progress towards the HIV prevalence rate target due to poor data coverage but available data shows some progress – particularly in Bangladesh and India. Tuberculosis cure treatment rates are also ahead of target in all four countries.</p>		<b>A</b>	<b>A</b>
<p><b>1:</b> a sustainable reduction in the proportion of people living in poverty from 15% to 10% in East Asia and the Pacific (<i>includes China and South East Asia</i>).</p> <p><i>Revised baseline 35.6%. (1999)</i></p>	<p><b>Ahead</b></p> <p>New poverty data recently released by the World Bank based on a revised international poverty line of \$1.25 a day in 2005 and on new Purchasing Power Parity (PPP) data. The poverty line has therefore been revised upwards because of marked upward revisions to the PPPs, particularly for many of the poorest countries in the world. Overall poverty numbers have risen significantly, but the trend of poverty reduction remains the same.</p> <p>Based on the new data, the region has made excellent progress since 1999 with the proportion of the population living in extreme poverty in East Asia and the Pacific falling from 35.6% in 1999 to 17.9% in 2005 – this is a reduction of 17.7 percentage points. Assuming that the reduction in poverty follows a linear trend, this target is assessed as “ahead” of target.</p>	<b>G</b>	<b>G</b>
<p><b>2:</b> a sustainable reduction in the proportion of people living in poverty from 40% to 32% in South Asia.</p> <p><i>Revised baseline 44.1% (1999)</i></p>	<p><b>Not on course</b></p> <p>In the year 2005, the World Bank’s new data shows that the proportion of the population in extreme poverty in South Asia was 40.4% – a reduction of 3.7 percentage points. Based on the current rate of progress, it is therefore unlikely the target of an 8 percentage point decrease will be met.</p>	<b>R</b>	<b>R</b>

Sub-target	Progress
<p><b>3:</b> an increase in gross primary school enrolment from 95% to 100%.</p> <p><i>Revised baseline 95% (1998)</i></p>	<p><b>Met</b></p> <p>The assessment includes all 4 2003-06 PSA countries in Asia. The gross primary school enrolment rate includes all children in primary school, including those who are older than primary school age, as a percentage of the primary school population. This is why figures often exceed 100%.</p> <p>Gross primary enrolment rates increased from 95% in 1998 to 103% in 2006. This is the final assessment and the target has therefore been met.</p> <p>In 2006 Bangladesh, China and India had gross enrolment rates over 100% and in Pakistan gross enrolment was 84%. Since 1998, there has been a steady fall in gross enrolment rates in China from 119% to 111% in 2006, which may reflect an improving education system where fewer children above primary school age are in primary school. The largest increases since 1998 were seen in India and Pakistan.</p> <p><b>This is the final assessment of this sub-target.</b></p>
<p><b>4:</b> an increase in the ratio of girls to boys enrolled in primary school from 87% to 94%.</p> <p><i>Revised baseline 88% (1998)</i></p>	<p><b>Met</b></p> <p>Data have been included for all 4 PSA countries in Asia for this period, with locally available data used for Pakistan. Local figures may not be strictly comparable with international data; however the trend using local data is considered to reflect the true pattern of change – where as the international data does not.</p> <p>Overall, the average ratio of girls to boys has increased from 88% in 1998 to 96% in 2006 – an increase of 8 percentage points. This target has therefore been met.</p> <p>The data shows that gender equality in primary school has been reached in Bangladesh and very nearly in China (99%). India and Pakistan also had notable improvements of 13 percentage points.</p> <p><b>This is the final assessment of this sub-target.</b></p>

Sub-target	Progress		
<p><b>5:</b> a reduction in under-five mortality rates for girls and boys from 92 per 1000 live births to 68 per 1000.</p> <p><i>Revised baseline 87 deaths/1000 (1998)</i></p>	<p><b>Not met</b></p> <p>These figures are from a modelled series produced by UNICEF and include all 4 of the PSA countries for 2003-06. UNICEF have revised their estimates, which has changed the baseline since the last assessment.</p> <p>Overall, the average death rate across the 4 countries was 66 per 1000 live births in 2006, down from 87 per 1000 live births in 1998; this is a reduction of 21. The 2003-06 PSA target required a reduction of 24 per 1000 births from the 1998 baseline. Therefore the target has not been met.</p> <p>However all countries have made progress since 2000, with Bangladesh showing the greatest progress. The lowest rates of under 5 mortality are found in China.</p> <p><b>This is the final assessment of this sub-target.</b></p>	<b>R</b>	
<p><b>6:</b> an increase in the proportion of births assisted by skilled birth attendants from 39% to 57%.</p> <p><i>Revised baseline 41% (1998)</i></p>	<p><b>Not met</b></p> <p>The assessment is based on all 4 of the PSA countries for this period.</p> <p>Overall, an average of 51% of births were assisted by skill birth attendants in 2006. This is an increase of 10 percentage points since 1998. The PSA target required an improvement of 18 percentage points therefore the target has not been met (this is the final assessment).</p> <p>The number of births assisted has not decreased in any country. China has the highest rates of births assisted – above 70% in 2006. Progress had been slow in India until 2005, but significant progress has been seen over the last two years. The lowest rate of progress has been in Bangladesh.</p> <p><b>This is the final assessment of this sub-target.</b></p>	<b>R</b>	
<p><b>7:</b> prevalence rates of HIV infection in vulnerable groups being below 5%.</p>	<p><b>Some progress</b></p> <p>It is difficult to assess progress on this target because available data has poor coverage and is unlikely to represent vulnerable groups accurately. More data is available than last year, thanks to the UNAIDS Report on the Global AIDS Epidemic (2008), but it is difficult to determine trends.</p> <p>The latest data shows that China and Bangladesh have rates below 5% in 2 or more vulnerable groups. However, there can be big differences between the groups. The lowest prevalence rates across vulnerable groups were found in Bangladesh and India.</p>	<b>A</b>	<b>A</b>

Sub-target	Progress
<p><b>8:</b> a tuberculosis case detection rate above 70%.</p> <p><i>Revised baseline 15% (1998)</i></p>	<p><b>Not met</b></p> <p>Data are available for all 4 PSA countries in Asia for this indicator from the World Bank. The average TB case detection rate has increased from 15% in 1998 to 65% in 2006. Therefore the 2003-06 PSA target of 70% has not been met (this is the final assessment).</p> <p>Only China met and exceeded the target rate (79 but Bangladesh (65%) is very close to meeting the target. Since 2000, India made the biggest improvements – increasing by over 50 percentage points since 2000.</p> <p>The lowest detection rate was found in Pakistan in 2006 (51%). But no countries have declined since 2006 and Pakistan has reported a significant 18 percentage point increase in 2007 (69%).</p> <p><b>This is the final assessment of this sub-target.</b></p>
<p><b>9:</b> a tuberculosis cure treatment rate greater than 85%.</p> <p><i>Revised baseline 82% (1998)</i></p>	<p><b>Ahead</b></p> <p>Data are available from the World Bank for all 4 PSA countries for this indicator. The target for TB cure rate has already been met in all 4 countries. Overall the cure rate has increased to 89% in 2005. Projections show that the cure rate is expected to stay at this level for the remainder of the period. This target is therefore assessed as “ahead”.</p> <p>China (94%) has the highest TB treatment success rates. There was notable progress between 1995 and 2000, but since then rate of progress has slowed across all countries. This is not surprising, as over the same period, coverage of DOTS increased dramatically in many countries and the challenge of retaining high rates of cure while covering a wider population will remain throughout the PSA period.</p>













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