

Results in development

Report
2005 - 2006

Published by Ministry of Foreign Affairs of the Netherlands
Policy division Effectiveness and Quality Department (DEK)
Graphic design Eindeloos, The Hague
Printing OBT, The Hague
Layout Corps
Photography ANP Photo, Lineair Fotoarchief

Order code OSDR6610/E

September 2007
www.minbuza.nl

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Foreword

Despite the rapid world-wide growth in prosperity, much of the world's population still lives in extreme poverty and hopelessness, a situation that is deteriorating rather than improving in the wake of globalisation. The Netherlands therefore sets aside 0.8% of its Gross National Product each year for development cooperation (EUR 4.3 billion in 2006).

Development cooperation has a clear and unambiguous goal: to help poor countries and poor people build better quality of life, reduce their vulnerability and offer them opportunities for development. The Millennium Development Goals (MDGs), which were adopted by the international community in 2000, are the road map for achieving these aims.

The Netherlands is contributing in many ways. But how exactly? What results are being attained in the short and longer term? And what hurdles still need to be overcome? These questions are addressed by Results in Development 2005-2006, the second in a series of reports to be published every two years on the results of Dutch development cooperation. Results in Development supplements the Ministry of Foreign Affairs' annual report and is part of the ministry's efforts to render account to parliament and society as a whole. The presentation of concrete results also brings development cooperation to life. The aim is to make this policy field more accessible and give it a more central place in the public debate. The Netherlands is ahead of many other donors in this regard. The Dutch government feels it is vital to show what development cooperation is achieving.

The situation in developing countries is complex and the differences between the Netherlands' 36 partner countries - from Colombia to Vietnam and from Afghanistan to Zambia - are very great. By taking a detailed look at the results achieved in 2005-2006 we will attempt to present a more comprehensible overall picture without resorting to bureaucratic lists of figures and tables. This report presents the results for each area targeted by Dutch development cooperation: education, sexual and reproductive health and rights (SRHR), HIV/AIDS, the environment, water and basic sanitation, good governance and human rights and private sector development. The information used to compile this report is based on the 95 country files which describe the initiatives and results in the sectors and themes targeted in each of the 36 partner countries.

These country files present a mixed picture. Although development cooperation is resulting in many success stories, numerous countries still lag behind in meeting the Millennium Development Goals. This is rightly prompting questions from the development sector itself and from parliament and society. Results in Development 2005-2006 therefore makes no attempt to paint a consistent picture, but comes instead to some critical conclusions. Everyone makes mistakes, but what matters is that you learn from them, and that is the aim of this report. It indicates whether we are on track to meet the MDGs, whether we are doing the right things, and where our biggest obstacles lie. It also forms the basis for a dialogue with society on the best and

most effective ways for the Netherlands to support the development of poor countries. This report goes a step further than the first Results in Development, published in 2005, in that it is broader and deeper. It is broader, because it examines both bilateral and multilateral efforts for the first time, devotes more attention to capacity building and includes the results of private sector development. And it is deeper, because it analyses the results chain, linking the Netherlands' contribution as part of total donor efforts with immediate and longer term results in the partner countries. The analysis is based on recent impact assessments, for example of education in Uganda and drinking water in Tanzania.

We are still a long way from our ultimate goal, but the report does at least show that we can be proud of what we have achieved so far. Let me give you two examples by way of illustration. In recent years, countries with a poor record of school attendance have made some impressive progress. In Mali, the number of children at primary school nearly doubled between 1997 and 2005, from 785,000 to 1.5 million. The proportion of girls attending school is also steadily rising. The number of children completing their primary education increased from 25% in 1997 to 43% in 2005. The second example shows that improvements in basic infrastructure have led to an increase in economic activity. In Rwanda, over 100,000 of the poorest members of the rural population, half of them women, have been given help in finding temporary employment. The construction of terraces and the draining of marshes have given some 6,000 families better future prospects, since they now have more productive land and income from fishing.

Making these and other results visible will become increasingly important over the next few years. The new government's 2015 project could play a key role. I also plan to continue presenting these reports to parliament and the general public. Our main priority must be to achieve sustainable results in development.

Bert Koenders
Minister for Development Cooperation
April 2007

Introduction

1.1 Aim of the 2005/2006 report

The aim of this report is to give a better insight into the results achieved with development cooperation. It also enables comparison with international objectives and joint initiatives of donors and recipient countries. What is more, it supplements the Ministry of Foreign Affairs' annual report, which outlines the progress of Dutch development cooperation, thus helping the ministry to account for its development efforts.

The aim of development cooperation is to offer developing countries and the poor people who live in them the prospect of better quality of life and more opportunities for growth. The eight Millennium Development Goals (MDGs) are the road map for achieving this aim. A report on results so far will indicate whether our initiatives are on schedule and on track, and where the biggest obstacles lie. An overview of this kind also provides a framework for assessing the relevance of the Netherlands' contribution and boosts our capacity to learn.

This report indicates what form development initiatives are taking and what we and our partners are achieving. By giving a detailed picture of the results attained in the Netherlands' 36 partner countries in 2005 and 2006, it brings development cooperation to life. The report aims to inform stakeholders in the Netherlands, partners in the countries where we are active and other international players. It is therefore also available in English and French.

1.2 Structure of this report

New elements

The first report on the results of development cooperation was published in 2005. This was followed by a detailed appraisal of its compilation, methodology and content. The lessons learned have been applied to this report wherever possible.

The first Results in Development report focused only on that part of development cooperation provided through the bilateral channel (intergovernmental aid under the direct responsibility of the embassies in the 36 partner countries). This second report widens that focus to include the work of international (multilateral) organisations such as UN agencies, the EU, the World Bank and the regional development banks.

The results are classified according to each of the themes targeted by Dutch development cooperation: education, sexual and reproductive health and rights (SRHR), HIV/AIDS, environment, water and basic sanitation, good governance and human rights and private sector development (PSD). PSD is new to this report (box 1.1).

The development of the private sector is seen as an engine for economic growth and poverty reduction. Nothing is more important for people than to be able to work and generate their own income. This is directly linked to Millennium Development Goal 1 (Eradicate extreme poverty and hunger). We are therefore seeing a gradual shift towards programmes to improve the business climate, some of them run by the embassies. Policy tends to focus on the main obstacles to business in developing countries: inadequate regulation and market access, poor infrastructure, insufficient access to financial services and lack of capacity among businesses to grow.

Spending on private sector development is directly related to improving business climate. However, it also overlaps with other themes, such as water (infrastructure), environment (market development), good governance (economic legislation), education (vocational training) and health care (private insurance).

This report devotes a separate chapter to private sector development. Although the Netherlands supports private sector development programmes in many of its 36 partner countries, this report looks only at the 12 partner countries with the biggest programmes.

The 2004 report regularly cited the limited capacity of ministries and institutions in partner countries as a major stumbling block to development. However, it did not discuss how the Netherlands was addressing the problem, nor what it intended to do in the future. This new report examines capacity in each sector and theme, and uses case studies to discuss the various aspects of capacity building.

It also contains a general model illustrating the assumed links between expenditure and the immediate, medium and long-term effects for each theme/sector. The model presents the results chain in diagram form, and provides a basic methodology for the report.

1.3 What is the focus of this report?

Countries and sectors

The 2005-2006 report looks at cooperation between the Netherlands and its 36 partner countries. It examines the results that have been achieved in up to three priority sectors per partner country. These sectors are education, environment, water, and private sector development, plus the themes of sexual and reproductive health and rights (SRHR) and HIV/AIDS. 'Good governance and human rights' is a cross-sectoral theme, for which relevant programmes are being implemented in all 36 countries.

For practical reasons, this report examines good governance only in countries where there is substantial support for development cooperation (at least EUR 10 million) and where good governance and human rights have been allocated at least EUR two million.

Measures to combat HIV/AIDS and to promote sexual and reproductive health and rights (SRHR) are supported in all 12 countries where the Netherlands is providing funds for the general health care sector. In addition to these countries, the report also looks at Uganda, Guatemala and South Africa. In Uganda and Guatemala, specific funding is provided for SRHR, and in South Africa for HIV/AIDS.

In view of the above, no information was gathered on Armenia, Georgia, Eritrea or Moldova.

Table 1.1 Partner countries and sectors/themes

Partner country	Sector/theme					
1 Afghanistan	Good governance**					
2 Albania				Environment		
3 Armenia						
4 Bangladesh	Good governance	Education	Health		Water	PSD
5 Benin	Good governance	Education***			Water	
6 Bolivia	Good governance	Education				PSD
7 Bosnia Herzegovina						PSD
8 Burkina Faso	Good governance	Education	Health			
9 Cape Verde				Environment		
10 Colombia					Water	
11 Egypt						
12 Eritrea	Good governance	Education	Health			PSD
13 Ethiopia						
14 Georgia			Health	Environment		
15 Ghana	Good governance		SRHR*	Environment		
16 Guatemala	Good governance	Education		Water		PSD
17 Indonesia	Good governance	Education	Health	Water		
18 Kenya		Environment				
19 Macedonia	Good governance					
20 Mali	Good governance	Education		Environment		PSD
21 Moldova	Good governance	Education	Health			PSD
22 Mongolia						
23 Mozambique				Environment		
24 Nicaragua	Good governance	Education	Health		Water	
25 Pakistan	Good governance		Health			PSD
26 Palestinian Authority		Education***		Environment		
27 Rwanda	Good governance					
28 Senegal	Good governance					PSD
29 South Africa				Environment		
30 Sri Lanka				Environment		PSD
31 Suriname	Good governance	Education	Health	Environment		
32 Tanzania	Good governance	Education	Health			PSD
33 Uganda	Good governance	Education	SRHR*			
34 Vietnam		Health		Environment	Water	
35 Yemen	Good governance	Education	Health			PSD
36 Zambia	Good governance	Education	HIV/AIDS*			

* No health sector programme, but substantial funding for SRHR and HIV/AIDS via embassy.

** Good governance (GG) selected in countries where EUR two million has been earmarked for the relevant programme and where the total Dutch contribution is over EUR 10 million.

*** Education programme since 2006. No results available yet.

Aid channels

There are three channels through which aid reaches the Netherlands' partner countries: the bilateral channel, (directly via the Dutch embassies and the Ministry of Foreign Affairs); the multilateral channel, (indirectly through contributions, general donations and grants for programmes run by the UN, World Bank, regional development banks and other multilateral and international institutions); and the non-governmental channel, (through civil society organisations, via the cofinancing organisations which receive grants through the Cofinancing System (CFS)).

The 2004 report confined itself to an appraisal of the bilateral channel, and primarily to those activities for which the embassies were responsible. Though this kept the work involved in compiling the report more manageable, only a few of the Netherlands' financial inputs were highlighted. The present report therefore includes the contribution made by the multilateral institutions to the results obtained in the priority sectors (box 1.2). The contribution made through the non-governmental channel is not covered in this report, but may be included in future editions.

The Dutch government is involved in development cooperation through three channels: bilateral, multilateral and non-governmental. Each has its own specific strengths and must be applied on the basis of complementarity. Aid provided through the multilateral channel consists of contributions to multilateral organisations such as the EU, UN and International Financial Institutions (IMF, World Bank, regional development banks) to fund activities in developing countries they have selected themselves. However, the funding provided for a UNICEF project in Mozambique is classified under bilateral rather than multilateral aid, because it has been earmarked for a specific purpose and because Mozambique is one of the Netherlands' partner countries.

The strength of the multilateral channel lies chiefly in providing access to knowledge. Multilateral organisations generally have greater know-how and expertise than individual countries working in the field of development cooperation. The multilateral channel is often more efficient than the bilateral channel, since it puts less pressure on the institutional capacity of recipient countries.

Roughly a quarter of the Dutch development cooperation budget is spent via the multilateral channel. It is difficult to know in advance precisely how each sector and theme will benefit since very little of this funding is earmarked, unlike the vast majority of bilateral aid. Nevertheless, we have tried to give as accurate a picture as possible based on reports and consultations with the relevant multilateral organisations. The results achieved through multilateral funding are presented together with those achieved through the other channels.

Capacity building

As mentioned above, the 2004 report concluded that the limited capacity of partner countries often hampered progress in achieving projected results. This report analyses the nature of these shortfalls and in each chapter gives examples of capacity building initiatives.

Capacity building is a natural process in the development of all societies. There is thus no shortage of capacity. The question is therefore not so much whether it exists but what is available

and how it can contribute to the further development of a country or region. It is also important to recognise that capacity can always be applied and developed at different levels: individuals, organisations, networks (of individuals and/or organisations), sectors, states, regions and within the global community as a whole.

The aim of capacity building is to foster change at various levels – to people, organisations and the relationships between them. This could involve creating the right enabling conditions, such as new national policies and legislation, and/or increasing the implementing capacity of government agencies, NGOs, education and research institutes or small or medium-sized enterprises. Often, it will mean strengthening the interaction between players who could have a greater impact if they coordinated their efforts more closely, exchanged knowledge and information more efficiently or shared their work more effectively. It also means targeting change on the demand side, with better information provision and empowerment of groups of people and their organisations so that they know how and to whom they should make their questions, wishes and demands known.

In implementing programmes in the partner countries it often becomes apparent that recipient governments and other partners lack the capacity to achieve lasting results. Problems include poor management of public finance, insufficient absorption capacity, insufficient capacity to implement the many plans proposed, slow administrative processes, corruption, and so on.

Interventions target national policies and legislation and the implementing capacity of central and local authorities, non-governmental organisations and the private sector. Information provision on the demand side generally also forms part of the overall package, as does coordination of national developments with those in international forums and vice versa.

Each of the chapters below includes case studies of capacity building initiatives. According to the various country programmes, most progress is being made where interventions target both the supply side (for example through organisational change and the development of skills needed to improve the quality of services) and the demand side (empowerment of and support for civil society). Correlation, coordination and cooperation with national and international partners are crucial in building sustainable capacity.

Structure of this report

This report asks three key questions:

1. What was the Netherlands' input (financial and non-financial) into the priority sectors/themes in the 36 partner countries in 2005-2006?
2. What short-term results did donors, governments and other partners achieve in the priority sectors/themes in 2005-2006 as a consequence of joint action? These results must lie within each sector's sphere of influence (outputs).
3. What development results (outcome and impact), mainly defined in the Millennium Development Goals (MDGs), are visible in the medium and long-term, in the education, environment, water and private sector development sectors, and in relation to the themes SRHR and HIV/AIDS? The status of the results for good governance, for which there are no MDGs, was outlined using the Kaufmann indicators¹.

¹ The Kaufmann indicators were developed by Daniel Kaufmann of the World Bank Institute. They have been published every two years since 1996 and annually since 2004: see www.govindicators.org.

This report answers these questions in three separate sections ('financial and non-financial inputs', 'joint results' and 'development results') in chapters focusing on each of the aforementioned themes/sectors. The main challenges confronting each sector/theme are also described. The chapters end with a brief summary and recommendations.

The theme 'good governance and human rights' is cross-sectoral in nature and occupies a special position in relation to these questions. Results at the outcome level of interventions to bring about good governance (more effective government, better regulation, political stability) are seen as prerequisites for achieving development results in other sectors.

The aforementioned three questions reflect three levels - inputs, outputs, outcome and impact – which together form a results chain. The chapters below illustrate results chains for each sector and theme. Box 1.3 describes how to use and interpret results chains.

Box 1.3 Sectoral/thematic results chains

Each chapter in this report opens with a diagram of a results chain showing the links between inputs, outputs, outcome and impact. The chapter on environment contains two results chains to reflect the various subsectors within this sector. Since results chains improve the structure and cohesion of the report, individual chapters are structured around them wherever possible. The report refers throughout to the results chain enabling the reader to identify the level at which each result belongs and its relationship to the other elements in the chain. Colour codes are used in each chapter to link the text with the results chain.



The sectoral/thematic results chains which form the backbone of this report are non-specific in nature. They cannot therefore be seen as a standard blueprint for attaining a particular result. To begin with, causal links are specific to each context (country, sector). Moreover, the Netherlands is often just one of many partners contributing to the development of a particular country or sector. Results are therefore achieved jointly. They cannot as a rule be attributed specifically, either wholly or in part, to the Netherlands as a provider of what are generally only a few of the inputs. Time is another variable in the results chains, and is generally an unknown factor. That said, the report does try to give a clearer insight into these results through impact assessments, in which the nature and form of causal links are scrutinised in specific cases (such as the education sector in Uganda or the water sector in Tanzania). Over time, these impact assessments could further strengthen and refine the results chains, which are used for the first time in this report.

Despite these limitations, the results chains give a good idea of the intervention logic we use when we plan theme and sector policy and hold dialogues with our partners. Regular appraisals of the results achieved by means of these reports will also help us to test the accuracy of our intervention logic, to establish whether it is complete, and to adjust it if necessary.

Terms used to describe the Netherlands' financial inputs in the partner countries

The following chapters use various terms to describe the Netherlands' financial inputs. They are explained in box 1.4.

In each chapter, the Netherlands' financial inputs are divided into three separate categories:

- 1.) **Delegated bilateral aid:** delegated bilateral aid benefits partner countries directly. Responsibility for implementation and funding is borne by the embassies (though this varies from category to category). These activities are often implemented in cooperation with other donors, multilateral organisations or NGOs.
 - a. **Project financing:** Activities in a partner country carried out under the auspices of the embassy. Project financing is usually linked to the poverty reduction programme of the partner country, but funds are not given directly to the recipient government or organisation due to lack of confidence in its spending capacity (unrealistic programming, poor financial management or lack of good governance). Project financing is also used to fund activities outside government (such as support for human rights organisations).

- b. **Sectoral financing:** Funding made available to the government of the partner country under certain conditions (regarding spending or financial accountability) to enable the planning and implementation of multi-year policy for an entire sector or subsector; the partner country takes the lead.
 - c. **General budget support and debt relief:** Funding provided to a recipient government to support its general poverty reduction policies (including multi-year sectoral policy). Use is made of the partner country's own management, audit and parliamentary reporting systems. Agreements are made with the partner country concerning projected results, and actual results are reviewed and assessed jointly. The recipient government (usually the Ministry of Finance) bears the primary responsibility for allocating the funds. This aid is not tied to a specific sector. For the purposes of this report, therefore, it has been divided between the various themes and sectors using a distribution formula.
- 2.) **Non-delegated bilateral aid:** Non-delegated bilateral aid also benefits partner countries directly. Responsibility for implementation and funding is borne by the Ministry of Foreign Affairs in The Hague. The same sub-categories apply as for delegated bilateral aid. These activities are often implemented in cooperation with other donors, multilateral organisations and NGOs.
- 3.) **Multilateral aid:** Multilateral aid is provided in the form of core funding to multilateral organisations such as the European Commission, the UN and International Financial Institutions (IMF, World Bank, regional development banks) to fund activities in developing countries. The organisations themselves decide where, how and on what the funds are to be spent. For the purposes of this report, however, aid of this kind has been distributed between the relevant themes and sectors. All other contributions made with a specific purpose (earmarked contributions) are classified as bilateral aid (categories 1 and 2).

Aid channelled to civil society organisations such as ICCO in the form of core funding for activities in developing countries (the non-governmental channel) is not examined in this report.

2.1 Introduction

Good basic education is vital for developing countries;² it offers better prospects to both children and adults, opens up opportunities for the poor and strengthens their social, economic and political self-sufficiency. Investments in education help to create the social capital that is needed for development.

The first world summit on basic education, which took place in Thailand in 1990, was followed by the international adoption of the Education for All targets (EFA) in Dakar, Senegal in 2000.³ These targets have a broader scope than the MDGs, in that they also include pre-school education and the quality of education. The appendix presents data on the indicators used by the EFA.

Despite the impressive progress that has been made in various countries, especially in access to basic education, substantial challenges remain. Many countries will struggle to meet the EFA targets set in 2000 by the target date of 2015: approximately 77 million children (43 million of whom are girls) still have no access to education. Many children leave school early or fail to meet minimum standards of attainment (source: UNESCO Global Monitoring Report 2007).

The 2006 budget lists the following aims to be achieved in the field of education with bilateral (intergovernmental) aid:

- to provide support to help ensure that at least six million children have access to basic education in 2006 and that 28 countries will be able to implement education plans to meet the MDGs by the target date of 2015;
- to extend support for education to include junior secondary vocational education and training, junior secondary education, adult education, non-formal education and pre-school education;
- to strengthen the role of local civil society (including teachers' unions) in the dialogue with the government on basic education, so that their interests and views are included in the education sector plan;
- to put forward proposals to include reproductive health, HIV/Aids and gender in the national education plans of 10 partner countries;
- to support the basic education initiatives of local and international NGOs and multilateral organisations in two post-conflict countries.

The Netherlands is working to meet these targets through various channels, including the provision of bilateral aid for the education sector in 14 partner countries³, i.e. Bangladesh, Bolivia, Burkina Faso, Ethiopia, Indonesia, Macedonia, Mali, Mozambique, South Africa, Suriname, Tanzania, Uganda, Yemen and Zambia.⁴ Against this background, the Education for All-Fast Track Initiative (FTI) is becoming increasingly important.⁵

2 'Basic education' is not confined to primary education. It also covers alternative forms of education for vulnerable and marginalised groups, pre-school education, literacy, adult education, lower secondary vocational education and professional training.

3 The EFA targets were compiled in 1990 at a world summit on education in Thailand. They are wider in scope than the MDGs and also cover pre-school development and the quality aspects of education.

4 Benin and Pakistan were added to the list of partner countries in 2006. Initial efforts (through UNICEF) have so far been modest. There are no separate data on Benin in this report.

5 The FTI is a partnership between the governments of developing countries and international organisations to accelerate the implementation of education plans in the context of national poverty reduction strategies.

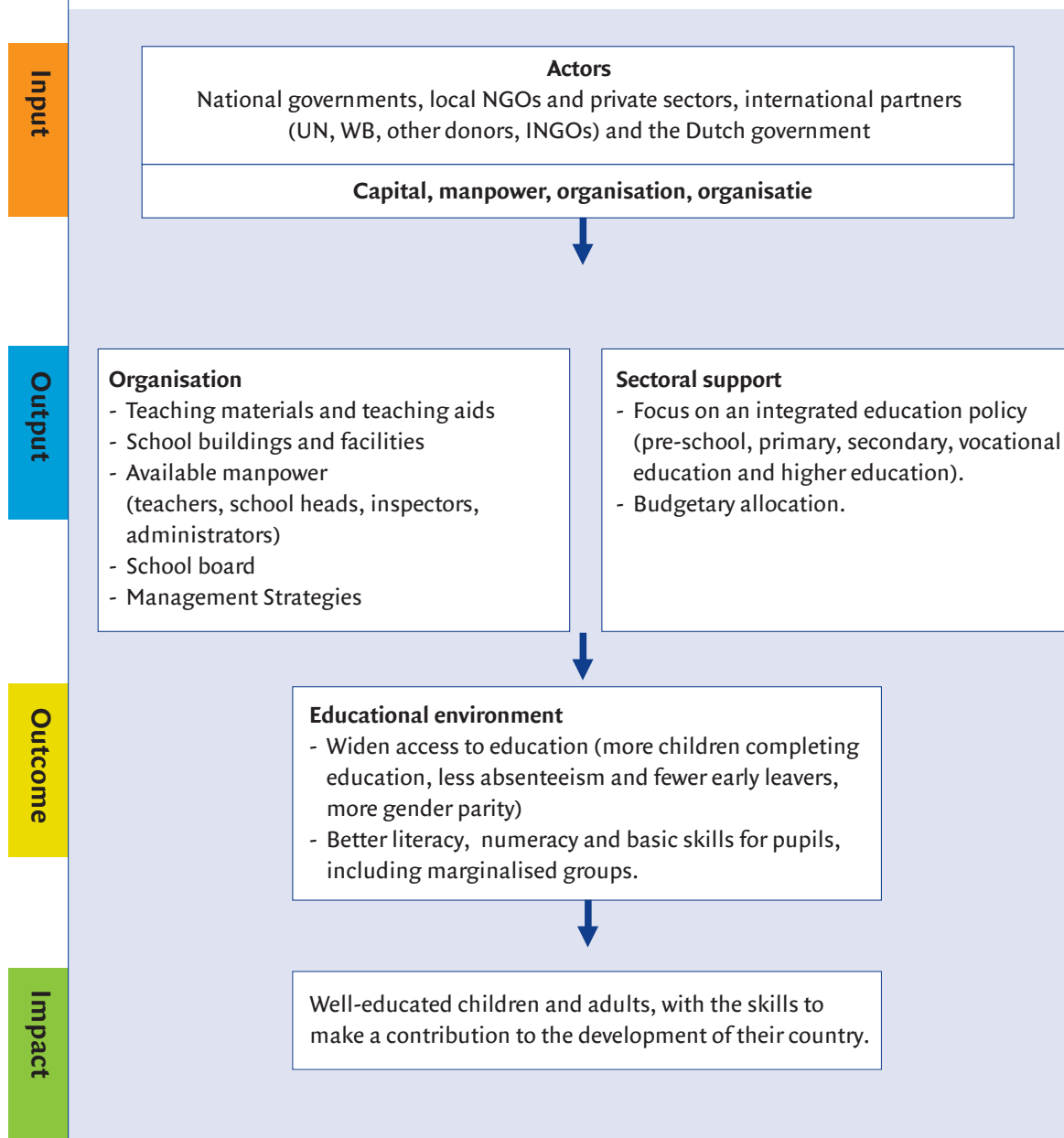
Through the EFA-FTI's financing instruments, the Catalytic Fund and the Education Programme Development Fund, the Netherlands can also support the education sector in non-partner countries, in cooperation with other donors.

New priority area: education in crisis situations, including post-conflict countries

There is growing international recognition that education can play a vital role in crisis situations and in the context of reconstruction. Many of the children who do not attend school live in countries torn by conflict. In such countries, education delivers a peace dividend as well as being an end in itself. In humanitarian crises, education makes a major contribution to normalisation and assimilation. Education used to account for only a minimal share of the humanitarian response, but this has changed since the Pakistan earthquake at the end of 2005, when EUR 10 million was provided specifically for education. Major efforts were made throughout 2006 to ensure more funding for education in crisis situations. To this end, a substantial amount was allocated to UNICEF, and the Save the Children Alliance received support through the cofinancing system.

The diagram below (fig 2.1) shows a global results chain. This is a simplification of the different circumstances prevailing in each country. Although we know in general what goes to make up a successful education system (see output/organisation), it is still difficult to identify the most effective mix of interventions, make the right choices in each context and launch and maintain the necessary reforms for each partner country. The exact contribution made by each possible intervention to the education targets is constantly under review, and the conclusions serve as input for the policy dialogue. The section on development results describes the provisional findings of the education sector impact assessment conducted by the Policy and Operations Evaluation Department (IOB). These findings are used to illustrate and evaluate the results chain.

Figure 2.1 Education results chain



2.2 Financial and non-financial inputs

The financial and non-financial inputs are part of the inputs mentioned in the results chain (fig 2.1). In terms of financial inputs, the Netherlands takes the promises made in Dakar in 2000 very seriously. The Minister for Development Cooperation has therefore pledged to set aside 15% of the ODA budget for basic education by no later than 2007. Table 2.1 gives a breakdown of a large part of expenditure on education in recent years.

Table 2.1 Education: The Netherlands' financial input by aid modality⁶ (EUR million)

Education		2004	2005	2006
Delegated bilateral	Subtotal	128.1	168.3	211.1
	Project financing	57.6	57.6	86.1
	Sectoral financing	57.2	77.0	97.5
	General budget support and debt relief	13.2	33.8	27.5
Non-delegated bilateral	Subtotal	41.6	75.1	203.0
Multilateral	Subtotal	82.7	75.3	45.1
Total		252.3	318.6	459.2

Source: Ministry of Foreign Affairs

Table 2.1 shows that there has been a steady rise in all budget items. However, the increase in the volume of resources delegated to the partner countries via the embassies is limited by the capacity of these countries to absorb them. This explains why, during this period of growth, the share of delegated intergovernmental aid declined in favour of non-delegated funds.

Non-delegated funds consist mainly of funding for silent partnerships, Education for All-Fast Track Initiative (EFA/FTI) measures and education activities that form part of other activities such as emergency aid and reconstruction (including support through UNICEF for education in emergency situations).⁷ EFA and its financing mechanism, the Catalytic Fund, has proved effective and is a good example of an initiative involving multilateral organisations which is in line with the sectoral plans of partner countries.

The share of sectoral financing has remained fairly constant. Financing via the multilateral channel has declined primarily due to the emergence of the EFA-FTI.

Non-financial inputs

In the policy dialogue with its partners, the Netherlands focuses on the second and third Millennium Development Goals (MDG 2: Achieve universal primary education and MDG 3: Promote gender equality and empower women) according to which, by 2015, both boys and girls will not only be given a high quality, relevant education but will also be able to complete it. The Netherlands is therefore concentrating its inputs on the sector-wide approach in all the partner countries where it has an education programme. In nine of these countries, in addition to attention for primary education, good progress has also been made with support for pre-school development, junior secondary vocational education and training, non-formal education (including literacy) and junior secondary education. In Bolivia, Ethiopia, Mozambique, Uganda and Zambia, the Netherlands is pursuing an education strategy that covers all subsectors.

Specific attention is being given to the negative effects of HIV/AIDS on the education sector and to the role that education can play in the fight against it. As an active member of the Inter-

⁶ See box 1.4 for an explanation of the terms used in this section.

⁷ Silent partnerships are partnerships between donors. One or more donors take the lead, while the others (the 'silent partners') make a passive financial contribution to the programme or project.

Agency Task Team on HIV/AIDS, the Netherlands is helping to compile practical guidelines for including HIV/AIDS and sexual and reproductive health and rights (SRHR) in education plans. Substantial headway has already been made in Bolivia, Ethiopia, Indonesia, Tanzania, Uganda, Zambia and South Africa.

The Netherlands feels that support for the education sector must be more efficient and effective. In partner countries where it gives direct aid to the education sector, such as Mozambique, Zambia, Tanzania and Yemen, it therefore plays a key role in improving donor coordination and alignment with the policies and budgets of partner countries. The Netherlands often also takes the lead in non-partner countries as a driving force behind the Education for All-Fast Track Initiative. Agreements between donors and recipient governments on the evaluation of progress in the sector are resulting in better sector plans and combined support for them, for instance via the Expanded Catalytic Fund. Silent partnerships are another efficient form of donor cooperation, which are, moreover, less dependent on the capacity of the partner country. In 2003, the Netherlands entered into a silent partnership on education in Malawi with the UK government aid programme DFID. It concluded similar agreements with Sweden in Mali and, more recently, with Canada in Nicaragua.

The Netherlands is also committed to effective cooperation with NGOs in the partner countries and to involving them in dialogue within the sector. In Uganda, the Netherlands has encouraged NGOs to play an important role in the annual education reviews, by supporting NGO umbrella organisations in the education sector. The Directorate-General for International Cooperation (DGIS) organises knowledge forums with relevant Dutch civil society organisations to discuss how activities in their respective partner countries can be used to strengthen each other.

2.3 Joint results

The Netherlands' aim is well-educated children and adults with the skills they need to make a contribution to their own development and that of their country. Responsibility for attaining this target and for making the appropriate choices lies with the recipient countries themselves. The results achieved are, first and foremost, their results. This principle underpins our intervention strategy at national (partner countries) and international level (in the context of broad partnerships). The strategy itself consists broadly of three elements: first, we contribute to the policy dialogue by helping the country to make difficult decisions, relating for example to the choice of intervention, deployment of funds or processes of reform. Second, we provide funds. And third, we have a responsibility to coordinate our efforts as closely as possible with those of other donors and above all with the policy of the recipient country (fig 2.1).

In all the education partner countries except Macedonia, the policy dialogue is based on education sector plans. Although these countries are all at completely different stages of development and have sector plans of varying quality and scope, the overall picture is positive, as regards both the quality of the plans (which are regularly reviewed and updated) and their implementation.

Two trends are particularly striking. The first is recognition of the need for more emphasis on quality at all levels of education. Although dropout rates are being tackled with some success

and pass rates are rising, there is still along way to go. The results of several years of schooling are still very poor. However, there is now a clear commitment among partner countries and donors to reassessing the quality of education.

The second trend is to focus attention on the need for capacity building. Where results are below expectations, donors often point to the institutional weakness of Ministries of Education and the limited capacity of recipient governments to implement education plans. Capacity for planning, financial administration, implementation, audits and evaluation is also weak at decentral level. Training is part of the solution, but more important is the need for a review of personnel policy in the public sector, which in many countries is beset by lack of motivation and poor employment conditions. There is now a better understanding of what capacity building should consist of, and relevant across-the-board strategies are increasingly included in sector plans. These sector plans, which are evaluated jointly each year, are the result of closer coordination between donors and governments in partner countries. This is evidence of better planning and a more direct link between planning and implementation. The programme in Ethiopia (box 2.1) is an interesting example of this.

Box 2.1 Capacity building in the education sector in Ethiopia

This case study concerns a UNICEF programme to strengthen the capacity of the decentralised Ethiopian Ministry of Education at various levels. It is financed by Sweden and the Netherlands. A group of four to six schools is first identified in a specific geographical region. One is afforded lead status and given special teaching materials and education facilities. The teachers at this lead school are highly qualified and experienced and are also offered special training (training of trainers). This school serves as an example to the others in the group. Close cooperation grows between them through the exchange of ideas, plans, supervision and coaching, training, etc.

Goals: much more motivated teachers, better teaching, higher enrolment ratio, lower dropout rate (especially among girls) and opportunities to address specific concerns, such as violence against girls.

The programme addresses both the supply side (quality of education; diversity of provision) and the demand side (perceptions and uptake) at local level. Local authorities are fully involved and are given training to strengthen their own capacity. The programme tries to improve existing systems and to establish and improve non-formal training activities and is therefore closely in line with national targets. The strategy is discussed in the policy dialogue and feedback is given on the results. The programme also supports capacity building through on-the-job training to help civil servants at local, district and regional level with planning and management. It is monitored by UNICEF and will be evaluated by the donors in a few years' time. Support is being given to boost the capacity of various actors on the demand side and there is considerable emphasis on accountability and financial decentralisation. The programme is discussed in the education sector's annual consultations.

The programme itself forms an integrated approach to local capacity building in education. In the federative system, responsibility for implementing the programme, which is fully integrated into the existing regional education services, lies with the regional authorities. The non-formal schools that are being established and some of the schools' training activities are leading to more extensive use of local knowledge and teaching materials. More schools are now being built by local contractors, for instance.

The schools are helping to boost the motivation of teachers, parents and pupils alike. It is not yet clear how dependent their continued existence and the increase in capacity will be on external financing. Given the strong emphasis placed on formal education by the MDGs, this is an interesting programme which tries to diversify and improve local educational opportunities.

This case study is especially interesting because the programme uses a holistic approach to strengthen the decentralised education system, creates more opportunities for individuals, offers better quality education with relatively few resources and motivates the stakeholders directly involved.

Against this background, progress has been made with school attendance and the quality of education in the partner countries. This has been achieved through a wide range of measures and initiatives, each addressing the specific circumstances in the partner countries. The main short-term results (outputs) relating to resources (capital, buildings, teachers and teaching materials) are shown in the box below.

Box 2.2 Middelen (geld, gebouwen, leraren, lesmateriaal)

- In **Bangladesh**, over 50 million free primary school textbooks were distributed each year between 2005 and 2006, the same number as in 2004. The printing of these books has since been privatised. Some 12,000 extra teachers, 1,000 regional school administrators and 500 auditors were recruited, trained and deployed in the same period, and 5,400 schools gained extra classrooms.
- In **Bolivia**, extra transport facilities and boarding opportunities for older children have led to a 6% increase per year in the number of children (especially girls) completing their education.
- In **Burkina Faso**, the availability of arithmetic and grammar textbooks has more than doubled. On average, there are now two grammar books for every three children. Over 2,000 new classrooms a year were built, giving a total of 26,444.
- In 2005, non-delegated funds (government and donors) were used to build approximately 1,340 new schools and 633 new classrooms in existing schools in **Yemen**. In the same year, work started on the construction of 3,234 additional school buildings. This is a substantial increase compared with 2004, when approximately 3,600 new classrooms were built. In 2005, over 57,000 teachers, school heads and school inspectors were given further training, over 7,000 more than in 2004.
- The number of primary school teachers in **Uganda** rose from 81,500 in 1996 to 127,000 in 2006. The number of new classrooms went up from 45,000 in 1996 to 78,000 in 2004 and to 83,500 in 2006.

2.4 Development results

The developments described above are helping to achieve medium and long-term results. This is reflected in the progress being made towards the MDGs and in specific examples from each partner country.⁸

The following MDGs are relevant for the report on education:

MDG 2: Achieve universal primary education

Target 3

Ensure that, by 2015, all boys and girls complete a full course of primary schooling.

Indicators

6. Net enrolment ratio in primary education
7. Percentage of pupils starting grade 1 who reach grade 5
8. Literacy rate of 15 to 24-year-olds.⁹

MDG 3: Promote gender equality and empower women

Target 4

Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015.

Indicators

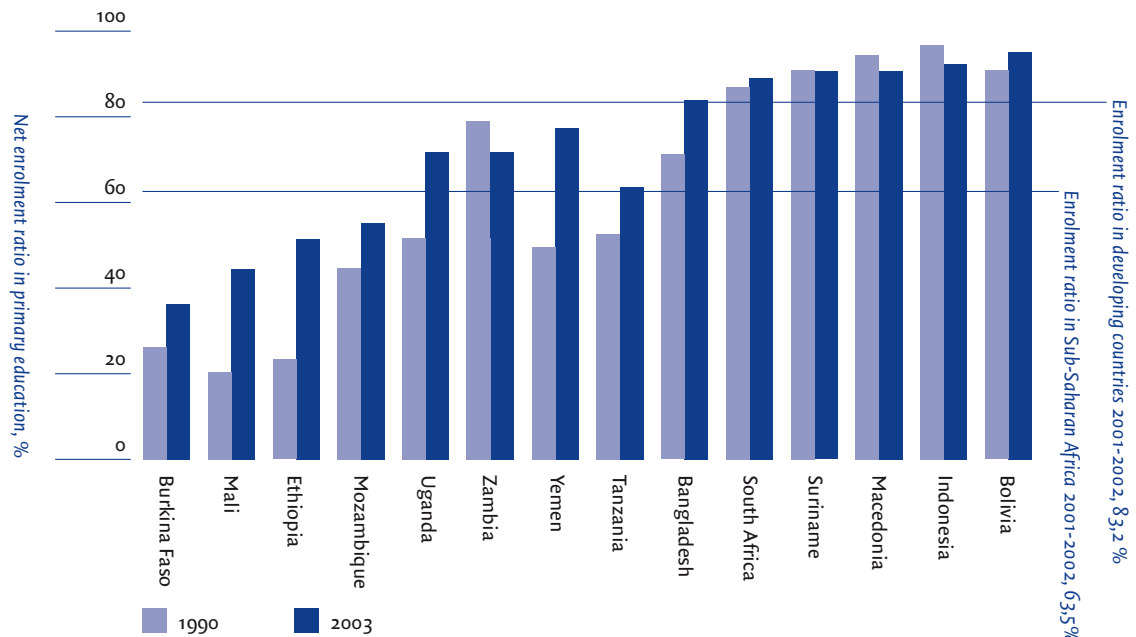
9. Ratio of girls to boys in primary, secondary and tertiary education.
10. Ratio of literate females to males among 15 to 24-year-olds.

MDG Indicator 6: Net enrolment ratio (NER) in primary education (fig 2.2. and table 2.2)
Eight of the 14 partner countries are in a good position to achieve MDG 2. Between 2001 and 2003, the net enrolment ratio in these 14 partner countries again rose dramatically and is continuing to do so. This is especially true of countries like Ethiopia and Tanzania in Sub-Saharan Africa, the region with the biggest enrolment backlog. Tanzania is now in fact above the regional average. Particularly striking is Zambia, where the net enrolment ratio fell quite sharply between 1990 and 2003. However, the latest local data suggest that numbers are on the increase once more. South Africa, Suriname, Macedonia, Indonesia and Bolivia have consolidated their high levels of participation. These countries are in a good position to achieve MDG 2. No data were available on Uganda for 2003. Data for 2001-2002 were therefore used instead.

⁸ The following data were taken from UNESCO, EFA 2006 Global Monitoring Report.

⁹ The net enrolment ratio is the number of school-age children who are enrolled at a school as a proportion of the total number of children of school-going age. In developed countries, the net enrolment ratio has stood at approximately 95% for many years (source: <http://mdgs.un.org>).

Fig 2.2 Progress towards MDG 2 (universal primary education, enrolment ratio)



However, at the current rate, MDG 2 will not be achieved by all the partner countries over the coming years, despite the progress they are making. This is especially true of those children who are most difficult to reach. If MDG 2 is to be attained by the target date of 2015, efforts must be stepped up.

The latest developments in school attendance can be summarised for some countries, based on local data (box 2.4). These, too, show a largely positive picture.

Box 2.4 Results for school attendance

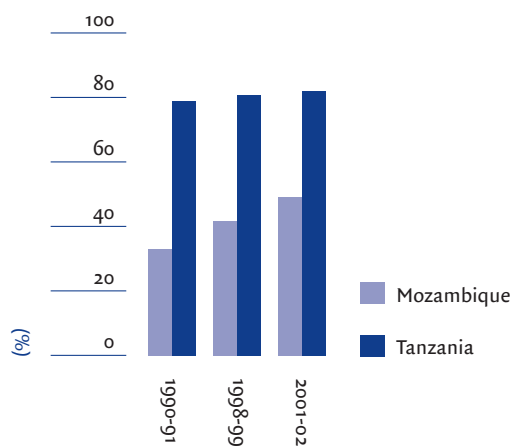
- In **Bolivia**, almost all children now attend primary school (as many girls as boys); the overall proportion of children who complete their primary schooling has risen from 74% to 80%.
- By 2005-2006, the number of new enrolments in the first year of formal primary education in **Burkina Faso** had risen to 305,000 pupils, 45.1% of whom were girls (2001: 42.3%). More than 2,500 new teachers per year were recruited and trained (totalling 26,000 in 2005-2006, compared with 24,000 in 2004).
- In **Yemen**, the number of boys attending primary school rose by 115,000 to 2,350,000 between 2005 and 2006 and the number of girls by 149,000 to 1,600,000. So although girls are still clearly in the minority, the gender gap is closing. The abolition of school fees for girls (grades 1 to 6) and boys (grades 1 to 3) in 2006 has led to a discernible increase in both girls and boys in grade 1 (no hard data available).
- In **Mali**, the number of children attending primary school almost doubled from 785,000 to 1,505,000 between 1997 and 2005, an increase of 92%. By 2005, 653,000 of these children were girls (43.4%), a modest rise (< 1%) compared to 2003. Two-thirds of all children attending primary school live in rural areas, where levels of attendance are rising faster than in urban areas (from 855,000 in 2003 to 1,013,000 in 2005). Approximately 30% of children of school-going age are still not attending school (578,000 in 2005). The proportion of

children completing their primary schooling went up from 25.1% in 1997 to 43.1% in 2005; a clear indication of the increase in quality.

- **Mozambique** continues to make good progress with its enrolment ratio. By 2006, 90.3% of all six to 10-year-olds were attending school, compared to just 76% in 2004. The gender gap in this age group is also gradually closing.
- The number of pupils in **Tanzania** to leave primary school with a certificate rose from 243,000 in 2004 (49% of the total) to 304,000 in 2006 (62% of the total).
- Net enrolment in primary education in **Zambia** went up by 333,000 between 2004 and 2005. The policy of the Zambian Ministry of Education is to reduce the direct costs of education, for example by distributing free textbooks and abolishing mandatory parental contributions and school uniforms. The proportion of children completing primary school rose from 72% in 2004 to 81.6% in 2005. This is encouraging, although there is still a long way to go to reach the goal of full participation by 2015. The ratio of girls to boys in grades 1 to 7 has remained stable at 0.96, just short of full gender equality. While boys still outnumber girls from grade 7 upwards, the girl/boy ratio in secondary education in Zambia has risen slightly from 0.79 in 2004 to 0.81 in 2005.
- Net enrolment in primary education in **Uganda** rose dramatically from three million in 1996 to 6.7 million in 2004 and to 7.2 million in 2006. The number of girls with access to education also rose sharply, from 1.4 million in 1996 to 3.3 million in 2004 and to 3.6 million in 2006. The ratio of girls to boys rose from 0.88 to 0.97 during the same period.

MDG Indicator 7: Percentage of pupils starting grade 1 who reach grade 5 (fig 2.3, table 2.3)
 Although the proportion of pupils reaching grade 5 in the education partner countries rose on average between 2001 and 2005, the high dropout rate in many continues to pose a serious problem. Of the countries for which data is available, Mozambique has the highest dropout rate, but is the country that has made the most progress in this area. It is striking that in Yemen, which has the greatest gender disparity in school attendance, the dropout rate among boys is proportionately far higher. The same is true of Bangladesh, Indonesia and Tanzania, except that in these countries there is no significant gender disparity in access to education.

Fig 2.3 Percentage of pupils starting grade 1 who reach grade 5



MDG Indicators 8 and 10: Literacy rate among 15 to 24-year-olds (table 2.4)

Literacy rates among boys are continuing to rise, especially in Bolivia, Ethiopia, Yemen and Mozambique. The other education partner countries are also making more progress than their neighbours, in so far as data are available. Burkina Faso and Mali are well below the average for West Africa. They still have a long way to go, and will have to step up their funding for literacy programmes. Great strides have been made in Yemen and Mozambique with regard to gender equality. However, to make up for regional shortfalls, these countries, together with Burkina Faso and Mali, will still need specific strategies targeting girls within their education plans.

EFA target 6: Quality of education (table 2.5)

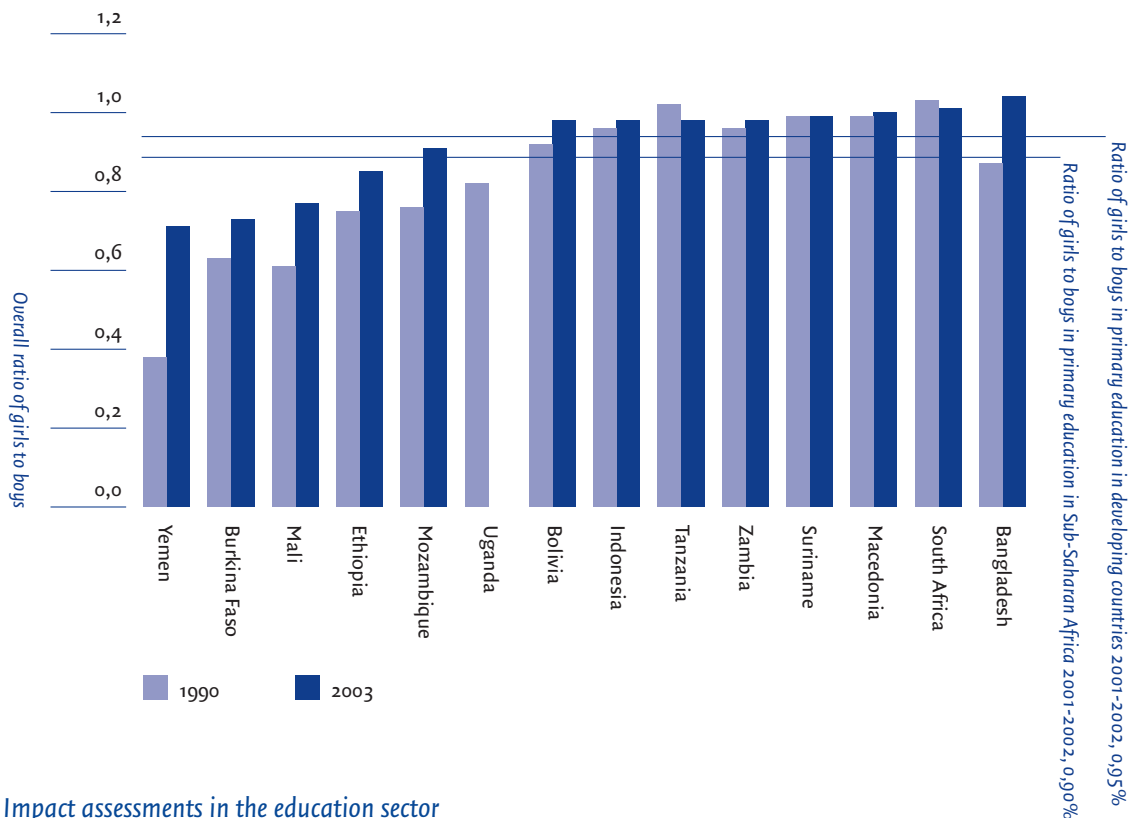
The number of pupils per teacher is an indicator of the quality of education (table 2.5). This ratio declined slightly between 2001 and 2004. However, in eight of the 14 partner countries, class sizes still exceed the norm of 40 children identified in the Fast Track Initiative's indicative framework for education planning, as the maximum for good quality education. In Bolivia, Indonesia, Macedonia and Suriname, all of which have had high attendance levels for some time, average class sizes are far smaller than this. In Ethiopia, Mali, Mozambique and Tanzania, class sizes rose sharply between 2001 and 2004 and now exceed the average for Sub-Saharan Africa, which is 44. These are also the countries that have seen a sharp rise in school attendance in recent years. Training enough teachers to provide good quality education will therefore continue to be a major challenge in these countries.

MDG indicator 9: Gender equality; gender parity in primary education (table 2.2)

The gender gap has continued to narrow since 2004. Approximately two-thirds of the partner countries have now achieved gender parity. Others, including Bangladesh, Bolivia, Mali and Zambia, have made genuine progress in this area. Countries which were already close to achieving gender parity have consolidated their positions. No comparable data for 2003 were available for Uganda.

In almost all the education partner countries, access to both primary and secondary education increased for girls and boys alike between 2002/2003 and 2004 (MDG 3). In Suriname and South Africa, more girls than boys now go to school, especially at secondary level. This also applies to Bangladesh. In the other partner countries, the opposite is the case. And although the gender gap is narrowing in Ethiopia, Yemen, Mali and Mozambique, the substantial inequality in school attendance between boys and girls will remain a key issue.

Figure 2.4 Progress towards MDG 3: Gender equality; gender parity in primary education



Impact assessments in the education sector

In 2006 the IOB launched a series of impact assessments in Zambia and Uganda to investigate the effects of the Netherlands’ contribution to basic education in more detail. The definitive results of these studies, which focused on primary education, will be published in 2007. However, provisional findings for Uganda in particular show that the Netherlands’ efforts in these countries have been effective and have made a substantial contribution to improving the quality of education.¹⁰

In the late 1990s, the Netherlands and three other donors (Norway, DFID and Ireland Aid) decided to switch to a sector-wide approach to education in Zambia. In 2003 the Zambian Ministry of Education signed a Memorandum of Understanding (MoU) with 10 donors to base their funding for the sector on the education sector plan for 2003-2007. This plan, which prioritises the MDGs, highlights the need to invest in access to education and the quality of education. Donor contributions are now clustered into a joint fund for the sector – the sector pool – from which resources are distributed more or less equally between schools. The Netherlands contributed 23% in 2006, making it one of the biggest donors to the pool, which accounts for approximately 19% of total spending on education. The Netherlands also co-funds technical assistance for the Ministry of Education. The role of donors has been declining since 2005 as the national budget has expanded. In 2006 they contributed less than 19%. However, the

¹⁰ These assessments are designed to gauge the effectiveness and impact of aid on the education sector, and to highlight the links between inputs and effects in the medium to long term (outcome, impact), as reflected in the results chain (fig 3.1).

Netherlands' contribution to the pool has increased following its decision to spend 15% of the development budget on education.¹¹

Support for the sector was vital in enabling school fees to be abolished in 2002. This in turn led to a dramatic increase in the number of children attending primary school, from 1.8 million in 2000 to 2.9 million in 2005.¹² The investment plan for primary education, which preceded the sector plan, was crucial for accommodating this growth. Between 2000 and 2005, the number of primary schools rose by almost 40%, largely due to the establishment of more community schools. Despite the sharp decline in the availability of teaching staff, partly as a result of the HIV/AIDS pandemic, the number of teachers rose from 37,000 in 2000 to 51,000 in 2005. The reduction of teacher training from three to two years and the establishment of private training courses contributed to this. Between 2002 and 2005, the number of classrooms rose from 25,000 to 31,000. But despite these investments, the pupil-teacher ratio in primary education went up from 49:1 to 56:1 between 2000 and 2005. In grades 1 to 4, it almost reached 81:1. But for the use of double or even triple shifts, an average primary school class would consist of as many as 92 pupils. At present, the average is 47. However, the disadvantage of the double shift system is that it reduces teaching time.

The results show that Zambia is still struggling to improve its education system. However, it has managed to boost school attendance, which rose from 68% in 2000 to 93% in 2005, according to data from the Zambian Ministry of Education. Gender parity has now largely been achieved at primary level, although substantially fewer girls continue their education after grade 8. The dropout rate is declining and the proportion of pupils in grade 7 who complete their schooling rose from 64% in 2000 to 82% in 2005. Now that it has increased its school attendance levels, Zambia faces the challenge of improving the quality of education. The double shift system reduces teaching time in the lowest grades to no more than 2 to 3 hours a day. Total spending on education is relatively low (approximately 3.5% of Gross Domestic Product) and there is a chronic shortage of teaching materials. The quality of education is therefore suffering. The 2006 national quality appraisal found that only a third of all children in grade 5 met minimum literacy and numeracy standards. Zambia scores poorly in international tests. At the same time, exam results at primary level do not appear to have deteriorated, despite the growing pupil intake since 2000. The proportion of pupils who leave primary school with a certificate has remained stable (55%) and average scores show little change.

The results for Zambia's Western Province are more encouraging. In 1998, so just before the transition to sectoral support, the Netherlands had started up its own programme with the Ministry of Education. It was divided into four components: improving the quality of education, decentralisation of management, promoting gender parity and providing technical assistance. Seventy-two schools were selected, but the impact was wider because one or two interventions targeted the whole province. The provisional findings of the IOB evaluation suggest that the programme was a great success: these WEPEP schools are achieving significantly better results than other schools in the Western Province and are also outperforming comparable schools in the rest of

11 The 15% target is explained in the section on financial inputs.

12 Basic education consists of nine grades, the first seven of which constitute primary education. School attendance at primary level rose from 1.6 million to 2.6 million during this period. The IOB impact assessment focused mainly on primary education.

Zambia. Moreover, the effects appear to be lasting: in 2001 the results achieved by the WEPEP schools were 10% better than those of other schools in the Western Province. By 2005, this lead had narrowed to 5%. This was not due to a slowdown in their performance but to their positive knock-on effect. In 2005, the WEPEP schools achieved a 2% higher average score than in 2001. However, it continues to be difficult to apply the positive effects of a small-scale project on a wider scale.

The Netherlands was also one of the first donors (with DFID, Ireland, USAID, the EU and the World Bank) to switch from a project-based to a sector-wide approach to education (and subsequently to general budget support) in Uganda. Donors now work together in the Education Funding Agencies Group (EFAG) and conclude annual agreements with the Ugandan Ministry of Education on projected results. These agreements initially focused on primary education. More recently, however, the Ministry of Education and Sport and the donors have been giving more attention to vocational and secondary education. The Netherlands is also involved in the annual Joint Education Sector Review (JESR) and the review of the curriculum. Recently, it has launched an initiative to strengthen education in the war-torn north of the country.

The assessment's initial findings clearly show that the Netherlands, as one of the leading donors in Uganda, has made an important contribution to results in the education sector there. The abolition of school fees in 1997 led to an explosive increase in new enrolments. Extremely big classes and high pupil-teacher ratios were the result. Substantial investments were needed to reverse shortages of schools, classrooms, teachers and teaching materials. The sector-wide approach proved to be very appropriate. While it did not lead to spectacularly successful individual projects, it did improve education across the board. Because the Netherlands' input takes the form of general budget support, it is difficult to gauge its specific contribution to education in Uganda. It contributes approximately EUR 11 to 13 million a year, roughly four to five percent of total government expenditure on education.

The results for Uganda must be seen in conjunction with the explosive growth in pupil numbers. According to official figures from the Ministry of Education, the number of pupils went up from 2.6 million in 1995 to 6.6 million in 2000 and to 7.2 million in 2005. The investments made possible by the Netherlands, partly through budget support and partly through support for the sector and individual projects, contributed to the following results between 2000 and 2005:

- an increase in the number of teachers from 110,000 in 2000 to 145,000 in 2005;
- an increase in the number of schools from 12,500 in 2000 to more than 15,000 in 2005;
- an increase in the number of classrooms from fewer than 68,000 in 2000 to 98,000 in 2005;
- an increase in the number of textbooks for the four main subjects from 6.6 million in 2000 to 10.6 million in 2005.

Despite the dramatic rise in pupil numbers, these investments helped to reduce pupil : teacher ratios from 60 in 2000 to 50 in 2005. The average number of pupils per class fell from 108 to 74 during the same period. Book-to-pupil ratios for various subjects went up by an average of 50% (from 1:4 to 1:2.7). Substantial investments in teacher training reduced the proportion of unqualified teachers from 20% in 2000 to 12% in 2005, despite the growth in pupil numbers.

What were the visible effects on pupil performance? According to figures from the Ugandan Ministry of Education (which are admittedly based on unreliable data), the net enrolment ratio rose to over 90%. Gender parity at primary level has now all but been achieved, just as it has in Zambia. The proportion of boys leaving primary school with a certificate rose from 81% in 2001 to

87% in 2005. The figures for girls are 75% and 83% respectively. Following a decline in 2002, average exam results are now back to what they were in 2001. The results for 2006 are better than those for 2005. The proportion of pupils who fail to meet the required standard has almost halved since 2001, while over 50% now attain the two highest marks (compared with 43% in 2001). Test results in English (for pupils in grades 3 and 6) showed a clear improvement between 1999 and 2005. Levels of numeracy have also improved since 2003. The recent National Assessment figures for 2006 show that attainment levels for English in particular have clearly improved.

The assessment shows that investments in infrastructure, teaching materials, teachers and teacher training have made a significant contribution to these results. However, it also concludes that they would be far more effective if they were accompanied by measures to strengthen management in the provinces and in schools themselves. Frequent inspections are needed to ensure that these measures are genuinely being applied.

2.5 Findings and challenges

Progress is generally being made towards meeting the Millennium Development Goals for education, both globally and in the 14 education partner countries. Countries with substantial gender gaps have made particularly impressive strides towards gender parity. Eight countries are well on track to achieving MDG 2. Others, where school attendance rates were already high, have consolidated their positions, although full net enrolment is not feasible.¹³ Many countries are now also beginning to show improvements in infrastructure, teaching materials and teacher training. Provision of support through sectoral programmes will remain a priority, as it was in 2004. One advantage is that a sector-wide approach receives multilateral support via the Fast Track Initiative (FTI), which leads to more effective cooperation and a more results-led strategy.

However, the overall quality of education is still poor, despite gradual improvements. Uganda is an exception in southern Africa, achieving an average score in international tests. And although a large proportion of the pupils who sit exams at the end of primary school achieve the required standard, compared with the Netherlands the average level of attainment is still well below par. Another problem is that many children drop out of school before completing their primary education. The assessment for Uganda shows that the effectiveness of investments in education is declining.

As in the previous Results in Development report, the biggest challenge still facing most partner countries is the need to improve the quality of education. One major reason for the poor quality of education in many countries is the shortage of properly trained teachers. In some, as a result of absenteeism among teaching staff (Uganda) and the system of double shifts (Zambia), pupils in the lower grades are getting no more than two to three hours of teaching a day. Part of the solution to these problems lies in improving teacher training and employment conditions for teaching staff, to make it more attractive for them to remain in the profession. The big question, however, is who is to pay for this, since teachers are by far the biggest public sector cost item in

¹³ The net enrolment ratio is the number of school-age children who are enrolled at a school as a proportion of the total number of children of school-going age. In developed countries, the net enrolment ratio has stood at approximately 95% for many years (source: <http://mdgs.un.org>).

many countries. Another solution lies in combating HIV/AIDS, which has claimed the lives of many teachers, especially in Africa. The assessment for Uganda found that the effectiveness of aid and aid measures could be substantially increased if the management of schools was also improved.

The quality of infrastructure is a problem. Many schools still have large classes, some with over 80 pupils. Children frequently have nowhere to sit except on the ground. There is a shortage of teaching aids and many children have to share their books.

Inequality between different parts of a country is a persistent problem: urban regions and central districts are far better served than the poorer, more remote rural regions. There is a danger that by focusing on national averages, such as net enrolment ratio or average class size, the serious inequalities within countries will be obscured.

Recommendations

- Efforts to improve school attendance rates must be stepped up. Special attention must be given to Mali, Burkina Faso, Ethiopia and Mozambique, which started at a disadvantage in 1990 and therefore still have a long way to go before they catch up.
- Despite good progress, some countries are still lagging behind in terms of gender parity. These countries - Yemen, Burkina Faso, Mali and Ethiopia – must be given special attention.
- Improving the quality of education must be a key priority in all partner countries over the coming years.

3.

Sexual and reproductive health and rights (SRHR)



3.1 Introduction

In late 2006, the United Nations reached a milestone in its efforts to maintain the Cairo Consensus, the 20-year action programme on sexual and reproductive health and rights adopted at the 1994 Cairo Conference on Population and Development. On that occasion, the UN General Assembly affirmed that the international community had a duty to apply the action programme and that this was vital for achieving all the MDGs. The UN also decided to add an extra target for reproductive health to the Millennium Development Goals. 'Achieve universal access to reproductive health by 2015', which was agreed at Cairo, has now been added to MDG 5 (Improve maternal health), placing it in a broader context. As a result, the focus is no longer confined to pregnancy, childbearing and an efficient health care system. It can now be extended to include birth spacing, sex education, access to contraceptives, improving the quality of services and recruiting the necessary manpower, and preventing unsafe abortions, all of which have a major impact on women's health and mortality rates among women. In particular, they have a positive knock-on effect on MDGs 3 (promote gender equality and empower women), 4 (reduce child mortality) and 6 (combat HIV/AIDS), and on poverty reduction in general.

The Netherlands has made a considerable effort to implement this extra target in recent years. In particular, it has focused on:

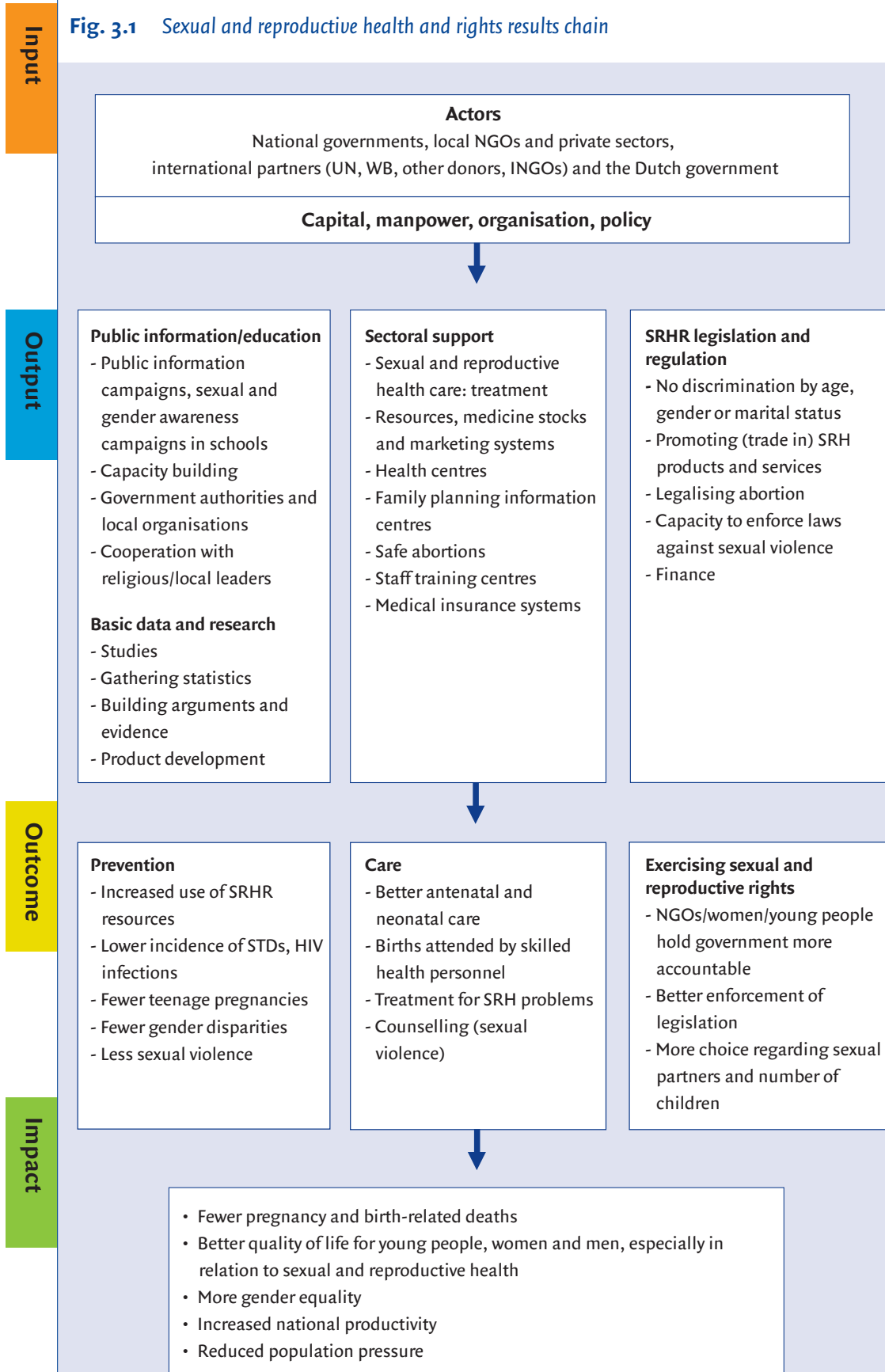
- increasing political and financial commitment to sexual and reproductive health and rights worldwide;
- improving and speeding up implementation of the goals agreed at the 1994 Cairo Conference.

Increased political commitment to SRHR was also reflected in the adoption of the 2007-2010 African Action Plan on SRHR by the Ministers of Health of the African Union in Maputo in September 2006. UNFPA, which receives funding from the Netherlands, the International Planned Parenthood Federation (IPPF) and other NGOs played a key role in bringing this about.

However, increased political commitment does not always automatically lead to an increase in financial commitments for the Cairo agenda or for SRHR. The Cairo Consensus continues to be undermined by the conservative lobby, and in 2007 the United States stepped up its efforts to persuade African countries to abandon the African Union's SRHR Action Plan. Reproductive rights are still widely violated and the value and importance of investing in SRHR are regularly called into question. Sexual and reproductive health will thus remain a controversial issue to which few countries will want to show commitment.

The diagram below (fig 3.1) shows the results chain for SRHR. It gives a general impression of how joint funding leads to short, medium and long-term effects through a specific choice of interventions. Dutch investments in SRHR are part of a much larger overall contribution. In the short term, they are used to help fund public information campaigns. These are vital in promoting behaviour changes which can ultimately lead to the projected long-term results, such as improved health. The results chain below also provides the structure for this chapter.

Fig. 3.1 Sexual and reproductive health and rights results chain



3.2 Financial and non-financial inputs

The initial link in the results chain is formed by financial and non-financial inputs. In both cases, the Netherlands increasingly works with other donors and matches initiatives to local processes wherever possible. Non-financial inputs are particularly important for SRHR.

Table 3.1 SRHR: the Netherlands' financial inputs, by aid modality¹⁴ (EUR million)

Reproductive health		2004	2005	2006
Delegated bilateral	Subtotal	51.9	60.7	70.1
	Project financing	29.2	37.0	35.7
	Sectoral financing	20.0	19.8	30.7
	General budget support and debt relief	2.6	3.9	3.7
Non-delegated bilateral		11.0	3.3	1.2
Multilateral		61.1	47.0	40.8
Total		124.0	110.9	112.1

Source: Ministry of Foreign Affairs

Much of the Netherlands' funding for sexual and reproductive health and rights (SRHR) in 2006 was channelled through international organisations, as it was in 2004. Key partners were again UNFPA, WHO and to a lesser extent the World Bank, as well as UNAIDS and UNICEF, which play a role in specific areas of SRHR. The UN brings added value to the multilateral channel through its normative role, as well as through its global presence and ability to bring together a range of actors. The Netherlands committed USD 7.4 million to SRHR via WHO in 2006 and 2007. It has pledged EUR nine million to the UN research programme on SRHR for the 2006-2009 period, nearly double its contribution in 2004. Total expenditure on SRHR via international organisations in 2006 came to nearly EUR 41 million, indicating a downward trend. However, it should be kept in mind that Dutch aid to combat HIV/AIDS includes key elements of SRHR (see the chapter on HIV/AIDS), and vice versa.

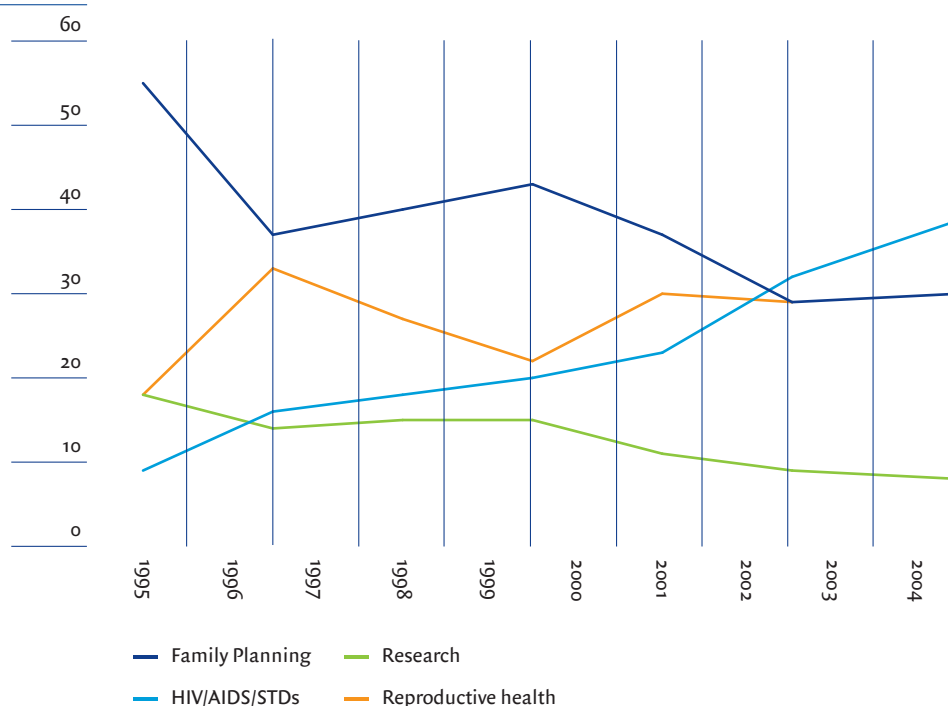
The lion's share of Dutch support for SRHR took the form of delegated bilateral aid. In 2006, this came to EUR 70 million. As in 2004, the Netherlands is providing bilateral support for the health sector, of which SRHR is a key part, in 12 countries. These countries are: Bangladesh, Burkina Faso, Ethiopia, Ghana, Yemen, Mali, Mozambique, Nicaragua, Suriname, Tanzania, Vietnam and Zambia. In Uganda and Guatemala, the Netherlands is cofunding activities to promote capacity building, better services and better legislation on SRHR. These two countries have therefore been included in this report.

There has been a discernible increase in SRHR project activities in various partner countries, including one or two where the Netherlands is not active in the health sector. This shows that SRHR is now part of foreign policy and that its implementation involves more than one sector. SRHR may be the main theme or a component of activities conducted in the context of emergency aid, advocacy, improving rights, strengthening the capacity of NGOs and improving service provision. Project aid therefore remains an important aid modality for SRHR activities.

¹⁴ See box 1.4 for an explanation of the terms used in this section.

International investments in SRHR are also falling sharply, especially in family planning (fig 3.2). Total global investments in SRHR are failing to keep pace with demand, which is rising rapidly due to the growing number of young people in the world, the impact of information on and education in SRHR and the AIDS pandemic.

Fig 3.2 Donor spending on population issues, by category as share of total (%)



Source: <http://www.resourceflows.org/>

The Netherlands' non-financial inputs mainly take the form of regularly including SRHR and gender on the development agenda and incorporating SRHR into national poverty reduction plans, policy development and implementation and coordination and correlation. In the health sector, SRHR is included in capacity building such as the development of services, the drafting of legislation, the recruitment of health care workers, the development of financing models for health, and monitoring and evaluation. In some partner countries, the Netherlands supports measures to integrate sexual and reproductive health and rights, including HIV prevention, into the education sector. In this case, technical capacity at the embassies is vital.

The Netherlands is working with civil society, like-minded donors and its UN allies to counter attempts by internal and external conservative elements to undermine policy on SRHR. To this end it constantly advocates gender equality and SRHR, including measures to combat HIV and AIDS.

3.3 Joint results

The previous section on financial and non-financial inputs outlines the Dutch contribution to SRHR in the partner countries. Examples of the short-term effects (outputs) achieved by the Netherlands and other actors through country-specific interventions are described below. Capacity building is an important prerequisite for achieving results. This is discussed using a case study (box 3.1) and examples of specific results (boxes 3.2 - 3.5).

SRHR is becoming more fully integrated into the poverty reduction strategies of a growing number of countries. Health care, including SRHR, is now part of policy in Burkina Faso, Ethiopia, Ghana, Tanzania, Vietnam, Yemen and Zambia. In 2005/2006, Yemen, Ethiopia and Nicaragua compiled a national strategy on sexual and reproductive health. Tanzania has drawn up a Road Map for Maternal and Newborn Health. The Dutch embassy has actively lobbied for funding in a supplementary budget. Guatemala has adopted a new family planning law. The embassy, together with NGOs, is promoting its enforcement.

Capacity for policy-making, planning, management and logistics and above all for providing proper health care is inadequate in all the partner countries in terms of both quantity and quality, in both the private and public sector. Infrastructural capacity is often insufficient, especially in the public sector.

Training enough managers and health workers to a high professional standard is vital for the provision of health care. However, training itself is not enough. An effective personnel policy which takes account of the different roles and requirements of male and female health workers is also crucial. For sexual and reproductive health, supervision during pregnancy and childbirth and neonatal care, these workers, many of whom are women from local communities, are the all-important link between the health care system and social groups, households, families, women and expectant mothers. Funding systems and legislation that creates the right enabling conditions also influence the uptake of sexual and reproductive health care. Box 3.1 shows how the Netherlands is focusing on the need to improve legislation.

Widely accepted international agreements such as the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) and the Convention on the Rights of the Child reject child marriage. Nonetheless, 'early marriages' still frequently take place. Girls in Sub-Saharan Africa and southern Asia in particular marry at an extremely young age.

At the end of 2005, the House of Representatives passed a motion urging partner countries that had not already done so to draft legislation banning marriage below the age of 18.

Available data initially suggested that there were 17 partner countries where the legal minimum age for marriage was below 18 for women and/or men. This was investigated by the relevant Dutch embassies through contacts with UNICEF, ministries for women and/or families and NGOs. They found that in Albania, Benin and Georgia, the minimum legal age for marriage for both men and women was 18. Armenia, Bolivia, Egypt, the Palestinian Territories and South Africa had drafted legislation raising the minimum age to 18. The governments of nine partner countries (Afghanistan, Guatemala, Indonesia, Kenya, Pakistan, Moldova, Senegal, Suriname and Tanzania), where the minimum legal age for marriage was below 18 for girls and/or boys,

Box 3.1 Capacity development:

Legislation governing the minimum marriageable age

were not working on any initiatives to change the law. Embassies in these countries have therefore either broached the subject directly with the governments concerned (Pakistan, Senegal and Afghanistan) or are supporting NGOs which are lobbying for reform (Kenya and the Palestinian Territories). The embassy in Suriname has commissioned a survey to canvass views on the minimum legal age for marriage. It will use the findings to press for changes in the law.

Various sources suggest that raising the minimum for marriageable age has only a limited effect, and underline the importance of education (Guatemala) and public awareness campaigns (Senegal). International organisations such as UNICEF and UNFPA, to which the Netherlands provides funding, are contributing to such initiatives.

Specific examples of progress in capacity building for SRHR can be illustrated for some countries on the basis of local data. Most involve an increase in the availability of sexual and reproductive health services and resources (box 3.2).

Box 3.2 Capacity building

- In **Burkina Faso**, the number of public health centres went up from 1,253 in 2004 to 1,277 in 2005.
- In 2006, over 2,000 new health centres were established in **Ethiopia**, bringing the total to 6,000.
- Between 2004 and 2005, more than 50 additional basic health care clinics were built in **Mali**. Half of the country's six million people now live within a five-kilometre radius of one of the 700 or so village clinics, compared with 47% in 2004.
- The number of centres offering sexual and reproductive health care in **Zambia** rose from over 200 in 2000 to over 400 in 2005. These centres also provide outreach services in remote areas.
- In **Mozambique**, the number of health centres with accessible services for young people rose from 60 in 2004 to 175 in 2006. More of these youth-friendly centres have also been opened in **Vietnam**, which has increased provision of sexual and reproductive health care and information on HIV/AIDS.
- In **Ethiopia**, 9,900 female health extension workers had been trained by mid-2006 as part of the Health Service Extension Programme, compared with 2,800 in 2004. A further 7,500 are being given a one-year training course featuring SRHR components.
- Over 2,400 semi-skilled (2004: 2,000) and 3,000 skilled midwives have been trained in **Yemen**.
- In **Ghana**, participation in the national insurance system has risen sharply, with more than 35% of the population now registered. The medical expenses of almost 20% of the population are now paid through this system.
- In 2006, **Mozambique** approved a new policy for health personnel involving the training of 2,400 additional health workers; this process has now started.
- Capacity development and institution building are the focus in **Vietnam**; SRHR has now become an essential part of the curriculum of training courses for medical personnel; practical skills are also taught.
- In **Guatemala**, the capacity of women has been strengthened to enable them to make a more effective contribution to the health committees established under the new legislation on decentralisation. Women play an active role in 400 of the country's 2,700 health committees.

An efficient and effective health care system is vital for universal access to information on sexual and reproductive health, as well as to services and resources (box 3.3). However, the availability of health care services is not enough to guarantee improvements in SRHR; access and uptake are also important. Access to and the financing of sexual and reproductive health care services are therefore attracting growing attention. For example, free treatment, such as deliveries by skilled health workers and caesarian sections and contraceptives can be provided by health insurance systems. In Mali, caesarian sections are now free, while in Burkina Faso antenatal checks are free and caesarian sections are subsidised. In Suriname, cervical cancer screening is included in most insurance packages. In 2006, the government of Yemen decided to make all modern contraceptives available free of charge. Uptake of available health care services also depends on the removal of taboos and stigmas and the promotion of gender equality. The Netherlands is working to bring this about.

Box 3.3 Access to basic and reproductive health care

- In **Bangladesh**, emergency obstetric care is now available in over 250 public health care institutions. Emergency provision for difficult births has also been extended in health centres in outlying regions of Ethiopia.
- In **Guatemala**, 5,000 midwives have been trained to recognise emergencies and given the appropriate equipment and supplies; committees have been set up to organise emergency medical transport in over 2,500 villages; 1,500 appear to be operating well.
- Antenatal care in **Mozambique** has been extended through the acquisition of 88 ambulances, and emergency obstetric equipment which health care workers have been trained to use.
- Treatment to prevent mother to child transmission of HIV is now offered as part of the standard health care package in 38 of the 55 health care districts in **Burkina Faso**.
- In **Nicaragua**, cervical cancer screening facilities have been extended: more than 16,000 cervical smears have been taken and 25,000 women and 550 men have been given information on sexuality and cervical cancer.
- A total of over 5,000 obstetric bags have been distributed in **Guatemala** to enable midwives to deliver babies under hygienic conditions.

Apart from activities in and funding of the health sector, sound legislation is also needed. Most embassies are therefore pressing recipient governments to introduce or improve legislation governing child marriage, registration of marriages, family planning, abortion and the banning of female circumcision.

Box 3.4 Promoting and protecting reproductive rights

- In **Bangladesh**, 15 million births were registered in 2005 (compared with 7.9 million in 2004). At least 170,000 women were given help in registering their marriages (85,000 in 2004). Registration is vital in preventing underage marriages and in enforcing the minimum legal age for marriage, which is 18 for girls and 25 for men.
- In 2005, **Ethiopia** passed a more liberal abortion act, and this is gradually being implemented by the government in close cooperation with NGOs and donors.
- The embassy in **Guatemala** is working with NGOs to promote implementation of the law on family planning, which was adopted in 2006.
- In **Nicaragua**, indicators of adolescent sexuality, maternal mortality and violence against women/domestic violence have been included in the Performance Assessment Matrix for general budget support.

Sound legislation on sexual and reproductive health provides the framework for policy and its implementation. However, this is not enough in itself. If legislation is to be implemented, a different mindset and more gender equality are required. Only then can sexual discrimination be reduced and women be empowered.

Box 3.5 Encouraging
behaviour change

- In **Nicaragua**, a manual on love and sexuality has been compiled for classroom use; this is a useful capacity building instrument.
- Commercial sexual exploitation of children and adolescents and its links with the tourism industry are now more open to discussion in **Nicaragua**.
- In **Suriname**, SRHR and HIV/AIDS-related activities in the education sector have been charted, with indicators on how they should be improved.

Outcome
Impact

3.4 Development results

These short-term results are contributing to the attainment of development results (outcomes), which can be illustrated by examining progress towards the MDGs and specific examples from partner countries (boxes 3.7 and 3.8).¹⁵

Box 3.6 Millennium Development Goals (MDGs)

The following MDGs are relevant for the report on SRHR:

MDG 5: Improve maternal health

Target 6

Reduce by three-quarters, between 1990 and 2015 the maternal mortality ratio.

Indicators

16 Maternal Mortality Ratio (impact).

17 Percentage of births attended by skilled health personnel.

19C Contraceptive prevalence rate.

There are few reliable data on the indicators used to monitor and measure progress in reaching the MDG targets. What is more, these indicators are not measured very frequently. Substantial changes or improvements are therefore unlikely to have been recorded since 2004/2005. Most data are gathered periodically and used for a long period to make projections. Maternal mortality is the least reliable and most difficult indicator for SRHR since it is the result of many factors, each of which requires improvement. The country reports tend to use locally gathered data. As the quality of data-gathering and estimates improves, the maternal mortality rate may even rise. However, such a rise may also be due to AIDS-related deaths or to a genuine deterioration in sexual and reproductive health care.

¹⁵ The source used here is the UN central database <http://mdgs.un.org>.

Box 3.6 Millennium
(MDGs) Doelstellingen

Indicator 16: Maternal mortality (table 3.2)

No new data are available. It is therefore not possible to identify any change in impact since then. According to figures from the UN central database, trends between 1990 and 2000 suggest that maternal mortality rates rose in three of the Netherlands' eight health partner countries in Sub-Saharan Africa. In a further four countries, maternal mortality rates are above the African average. The picture is equally mixed outside Africa. Most of the partner countries for which data are available are therefore unlikely to achieve MDG 5 by the target date.

Indicator 17: Percentage of births attended by skilled health personnel (table 3.3)

The number of births attended by skilled health personnel is regarded as a proxy indicator for maternal mortality. Data for this indicator are also scarce. Data-gathering is infrequent and based largely on estimates and forecasts. Improvements since 2004 are therefore difficult to measure.

Countries for which figures are available, such as Burkina Faso, Mozambique and Tanzania, show some progress. The situation in 2015 is therefore likely to be an improvement on 1990. However, Zambia and Ethiopia are lagging behind.

Recent developments in the uptake of reproductive health care services can be illustrated for some countries on the basis of local data (box 3.7).

- In **Mali**, the uptake of antenatal care rose from 51% in 2002 to 75% in 2004 and to 77% in 2005. To protect pregnant women against malaria, at their initial check-ups they are issued with mosquito nets treated with insecticide.
- The percentage of births attended by skilled health personnel in **Mali** has risen from 38% in 2002 to 49% in 2004 and to 53% in 2005.
- In 2006, 53% of pregnant women in **Ethiopia** had antenatal check-ups (2005: 46%).
- With only 27% of all births attended by skilled midwives, **Yemen** is lagging behind its neighbours, but has been making progress in recent years.
- In 2003, pregnant women in **Zambia** made an average of 3.3 visits to health centres for antenatal check-ups; this fell in 2005 to an average of three visits. Nonetheless, 93% of pregnant women visited an antenatal clinic at least once during 2005. The number of births attended by skilled health workers rose to 43% in 2005, while the uptake of neonatal care rose gradually from 46% to 51% between 2003 and 2005.

Indicator 18: Contraceptive prevalence rate (table 3.4)

In all the countries for which data are available, except Zambia, contraceptive prevalence is rising and the situation in 2015 is therefore likely to be better than it was in 1990. The decline in the average number of antenatal check-ups in Zambia from 3.3 in 2003 to three in 2005 may be due to a reduction in sexual and reproductive health services, chiefly in rural areas. Funding for PPAZ, Zambia's primary family planning provider, has been withdrawn under the influence of the conservative lobby, which opposes the financing of NGOs offering information, referrals or services relating to abortion. As a result, PPAZ has had to cut its staff complement and scale back its family planning and mother and child health care services, including in rural areas.

¹⁶ Source: The Global Gag Rule Impact Project, Zambia case.

Research has shown that there is a clear link between maternal mortality rates and the uptake of family planning.¹⁷ In some countries, such as Mali, Burkina Faso, Rwanda and Niger, the contraceptive prevalence rate is below 10% and the maternal mortality rate is over 1,000. In Botswana and Cape Verde, by contrast, the prevalence rate is between 40 and 60%, and maternal mortality is well below 200.

Recent trends in family planning can be illustrated for some countries on the basis of local data (box 3.8).

- In **Burkina Faso**, the prevalence rate has risen from 13% in 2001 to 22% in 2005.
- Contraceptive prevalence in **Ethiopia** went up from 10% in 1997 to 36% in 2005, according to the Ministry of Health, although a national survey held in 2005 concluded that the final figure was in fact 15%.
- In **Ghana**, the 23% unmet need for family planning indicates that demand for contraceptives is exceeding supply (fertility rates among women have fallen from six children in 1990 to 4.4 in 2003).
- Use of modern contraceptives in **Mali** remains low among visitors to basic health clinics, despite an increase from 1.8% in 2002 to 2.4% in 2004 and to 3.2% in 2005. If contraceptives dispensed by chemists' are taken into account, this brings the figure for 2005 to just over 6%.

It is important to recognise that the national averages presented above often conceal disparities between rich and poor and between rural and urban areas. This applies the world over. In Bangladesh, for example, only 4% of births among the poorest 20% of the population are attended by adequately trained health workers, compared with 42% among the wealthiest 20% of the population. In Ethiopia, the gap is wider still: 1% compared to 25%.¹⁸ Even in Vietnam there is a substantial gulf, with 100% of births among the wealthiest group being attended by skilled health workers compared to 58% among the poorest, mainly in the more remote mountainous regions.

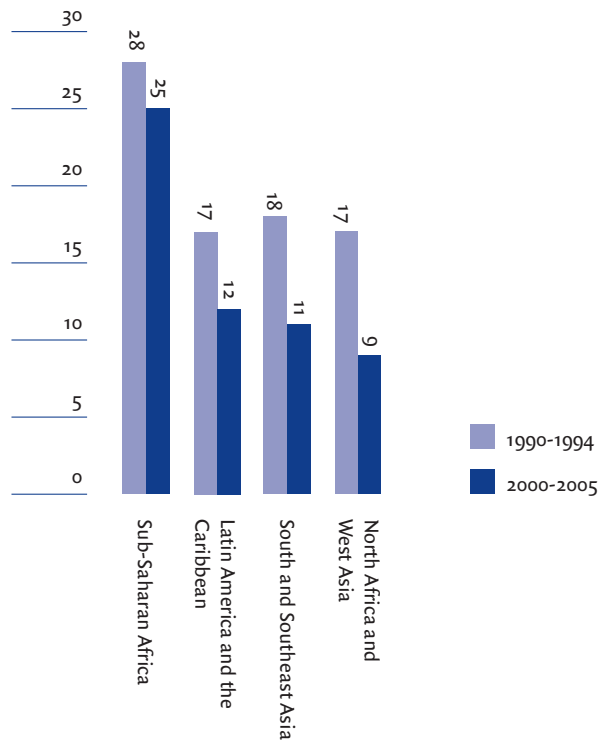
Following the inclusion of a new indicator for reproductive health under MDG 5 (see Introduction), extra indicators are also being added to monitor progress. One of these is 'unmet need for family planning'. This is the percentage of women who are sexually active and therefore at risk of becoming pregnant but who do not want to have any more children or to become pregnant in the next two years. These women want to practise family planning, either because they want to spread their pregnancies or do not want any more children. Relevant data are gathered by means of surveys and are available in many countries. 'Unmet need for family planning' and 'uptake of family planning' together provide a reasonably accurate picture of the current situation and the extent to which the target 'universal access to reproductive health' is being met for family planning. The rise in demand for family planning is usually linked to improved access to and completion of education, especially by girls. The disparity between better-off and poorer population groups is often considerable. Regional inequalities are also

¹⁷ Source: UN-DESA; UN Population Division 2005; UNFPA 2005.

¹⁸ Source: World Bank 2004, Round II Country Reports on Health, Nutrition and Population Conditions among the Poor and the Better-Off in 56 countries.

great, but the overall trend is that the need for family planning is very gradually being met. Sub-Saharan Africa, which has the lowest uptake of modern family planning methods, is lagging behind (fig 3.3).

Fig 3.3 Married women (15-49) with an unmet need for family planning (%)



Source: Guttmacher Institute

3.5 Findings and challenges

The target of reducing maternal mortality rates by three-quarters between 1990 and 2015 will only be achieved in 10 of the 36 partner countries. Progress in attaining the other target - universal access to reproductive health - is likely to be faster. By 2015, there will be a higher uptake of family planning, fewer teenage pregnancies and more births attended by trained health workers. This will reduce illness arising from complications during pregnancy and childbirth, contributing to MDG 5 (Improve maternal health).

However, despite the progress being made, the problems outlined in the previous report will continue to present a challenge. Lack of adequate capacity, a shortage of skilled and motivated staff, insufficient capacity to provide training and refresher training for midwives, a large and rapidly growing shortfall in health care resources and facilities - in short, too little investment in the health sector and SRHR to satisfy demand - are still an everyday reality, as indicated by the Dutch embassies in the partner countries.

The overall impression given by the country reports is that SRHR and its uptake are very gradually on the increase, but that investments are failing to keep pace with rapidly growing demand. Given the young average age of the global population (approximately half are below 25), the

success of education and information campaigns on sexual and reproductive health, including family planning, and the ongoing AIDS pandemic, demand for SRHR services and resources will continue to rise very sharply. A widening gulf between supply and demand is already discernible. This stands in stark contrast to international underinvestment in sexual and reproductive health and contraceptives, most clearly illustrated by declining investments in family planning.

Much of the extra funding for the health sector in recent years has been used to prevent and treat specific diseases and, to a far lesser extent, to pay for much-needed improvements in health systems. But in addition to overall improvements, special attention must continue to be given to provisions for safe motherhood in the form of emergency obstetric care, transport facilities and village health workers with the relevant knowledge and skills. There is a severe shortage of facilities and resources.

Strategic alliances will be needed to fight the growing conservative lobby against SRHR, abortion, family planning and sex education. The Netherlands must now work with UNFPA, IPPF and other partners to offer African countries strategic support to prevent the African Union's Maputo SRHR Plan from stalling. Many embassies highlight the importance of NGOs that take a broad approach to SRHR; funding for these experienced organisations is under severe pressure due to the prevailing political climate and changes to the financing instruments of key donors. NGOs need continued financial support to pursue their role as trailblazers and to augment the work of governments and multilateral organisations. It is generally NGOs which tackle the thorny SRHR issues that governments are unwilling or unable to address, such as abortion, information for young people and access to and availability of contraceptives for all, including unmarried people. These organisations are indispensable partners in implementing policy on SRHR, as is illustrated by the fact that an estimated 58% of all SRHR services are provided by NGOs.

It is also essential to improve policy, information and programmes in the field of family planning and to encourage the use of contraceptives encouraged, including among young people, if population growth is to be stemmed, women's health improved and poverty effectively reduced. This is also crucial for reducing maternal and infant mortality (MDGs 5 and 4). Access to and the availability of contraceptives must therefore be substantially increased, with an optimum package of family planning methods and other SRH resources. Sustainable solutions will need to be found at country level. Capacity building and capacity development will be needed to facilitate the planning, logistics and management of SRH resources. However, a substantial uptake of family planning will only be achieved if partner countries significantly intensify the provision of information on sexual and reproductive health, encourage widespread demand for services and create the necessary facilities to meet it.

Reducing gender disparities will continue to be closely linked to improvements in SRHR, for which it is also a prerequisite. Advocacy will remain high on the agenda in the policy dialogue with partner countries. Inefficient service provision in which SRHR and HIV/AIDS are treated separately must quickly be consigned to the past. SRHR and HIV/AIDS services must be offered in tandem. However, this remains a major challenge.

Focusing attention on, openly discussing and combating violence against women will be a significant challenge for the coming years. The same applies to sexuality in general, especially among young people, and the sexual behaviour of men. Discussing these topics publicly is taboo

in many societies. This is also true of abortion, the legalisation and decriminalisation of which is another challenge. Services must be substantially improved so that abortions can be performed safely and hygienically.

It is difficult to establish whether progress has been made towards improving maternal health (MDG 5), with as measurable target 'reducing maternal mortality rates by three-quarters between 1990 and 2015'. Indicators are hard to measure and accurate data are extremely scarce. Information about reproductive and sexual health services (births attended by skilled health workers and the prevalence of modern contraceptives) is also limited.

Recommendations

- *Demand for and supply of sexual and reproductive health services and resources must be brought more closely into line through investments in basic health care and a specific focus on SRHR. Financing of NGOs is also crucial.*
- *Non-financial inputs for SRHR must be consolidated.*
- *Improving the availability of information for measuring progress towards MDG 5 is vital. Priority must be given to the information needs of the partner countries.*

4.

HIV/Aids



4.1 Introduction

HIV/AIDS is one of the most serious health issues facing the world, and one that is slowing down the broader development of large parts of Africa. A record number of new cases of HIV/AIDS was registered in 2006, 40% of whom were young people. The face of the pandemic is also changing. A progressively higher proportion of women are becoming infected, and this is leading to the feminisation of the AIDS epidemic. AIDS is also resulting in a large and rapidly growing group of vulnerable children. Meeting the relevant Millennium Development Goals is still a remote prospect. The fight against HIV/AIDS is therefore a priority of Dutch policy.

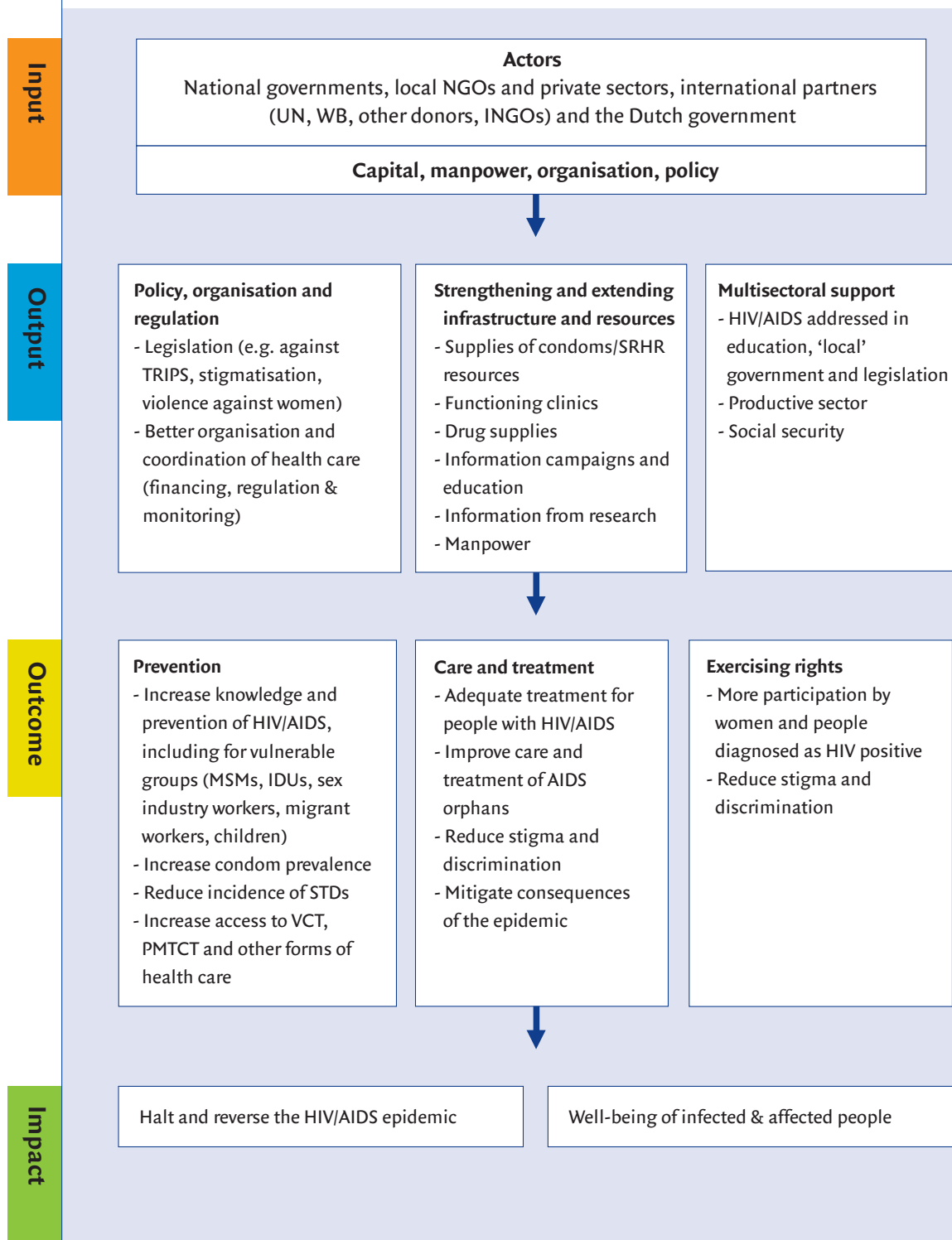
According to the AIDS memorandum, Dutch efforts to combat HIV/AIDS are based on the 'Three Cs':

- **Commitment:** strengthen and broaden political and public support. This involves increasing political awareness and commitment; providing targeted support for civil society organisations; and concluding partnerships with the private sector.
- **Coordination:** improve coordination of the response to AIDS, both in developing countries and internationally. This involves (1) active involvement in national coordination mechanisms; (2) assisting the coordination of donors to AIDS initiatives on the basis of the 'Three Ones' principle (one national AIDS coordinating authority, one agreed HIV/AIDS action framework and one agreed country level monitoring and evaluation system); (3) support for UNAIDS and harmonisation with and among co-sponsors; and (4) improving the synergy between HIV/AIDS and sexual and reproductive health.
- **Capacity:** increase the capacity to implement effective, cohesive AIDS programmes. The focus here is on (1) strengthening crucial sectors (health and education) and incorporating HIV/AIDS into the policies of other sectors; (2) increasing access to the necessary resources, from condoms to medicines; (3) increasing investment in the development of new preventive drugs; and (4) better care and treatment for orphans and vulnerable children (OVCs).

The philosophy behind Dutch policy on HIV/AIDS, malaria and tuberculosis is reflected in the categories 'input', 'output', 'outcome' and 'impact' in figure 4.1. 'Input' covers both financial and non-financial inputs from the Netherlands. The results are generally a composite product to which the Netherlands has made a contribution. These results are divided into the following two categories. 'Output' mainly concerns improvements in enabling conditions such as legislation, effective coordination, prevention policy, specific improvements to health and screening facilities, availability of drugs and condoms, and so on. 'Outcome' chiefly indicates the level of uptake of these facilities and the social and economic changes that have been achieved, for example with regard to reducing the stigma attached to HIV/AIDS or the care and treatment of children affected by AIDS. 'Impact' looks at how successfully the epidemic is being halted and reversed and at the welfare of HIV/AIDS victims and others affected by the disease.

Dutch funding to combat HIV/AIDS is channelled to the 12 partner countries whose health care sectors are receiving bilateral aid from the Netherlands. These countries, which are central to this report, are: Vietnam, Bangladesh, Yemen, Ethiopia, Mali, Burkina Faso, Ghana, Tanzania, Zambia, Mozambique, Nicaragua and Suriname. South Africa is also included in this report due to the substantial support it receives from the Netherlands to combat HIV/AIDS.

Figure 4.1 HIV/AIDS results chain: Capacity, Coordination & Commitment



4.2 Financial and non-financial inputs

The Netherlands aims to double spending on HIV/AIDS, tuberculosis and malaria to EUR 270 million by 2007. This target will be more than met. The lion's share will take the form of multilateral aid, despite a modest decline in this modality from EUR 196 million in 2004 to EUR 185 million in 2006. The rationale is that aid channelled through international organisations can be pooled more effectively and used to create more synergy in the fight against HIV/AIDS. It can also be accessed by countries which are not receiving bilateral aid from the Netherlands but where HIV/AIDS is a major problem.

Table 4.1 HIV/AIDS: The Netherlands' financial inputs by aid modality (EUR million)¹⁹

HIV/AIDS, TB and Malaria		2004	2005	2006
Delegated bilateral	Subtotal	58.8	81.3	94.0
	Project financing	36.1	57.6	59.6
	Sectoral financing	20.0	19.8	30.7
	General budget support and debt relief	2.6	3.9	3.7
Non-delegated bilateral		20.3	25.3	50.4
Multilateral		196.1	170.1	185.1
Total		275.1	276.6	329.6

Source: Ministry of Foreign Affairs

The increase in expenditure on HIV/AIDS is also reflected in bilateral aid, which rose from approximately EUR 58 million in 2004 to EUR 94 million in 2006. Project aid still accounts for the biggest share, although the amount spent on sectoral support is growing. Sectoral support will help to correct weaknesses in regular health services, which are a major stumbling block in the fight against HIV/AIDS. General budget support has remained unchanged, although its relative share has dropped.

The leading international agencies active in the fight against HIV/AIDS at country level are: UNAIDS, the United Nations Population Fund (UNFPA), the World Health Organisation (WHO), the United Nations Children's Fund (UNICEF), the World Bank and the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM). The picture painted by the various country reports concerning the role and added value of these organisations is extremely varied. UNAIDS plays a coordinating role, both within the UN family and in a wider context, with special attention for supervision and evaluation. The intensity with which these activities are carried out varies widely, from strong in Vietnam to weak in Mali.

At country level, UN agencies provide technical advice to national governments and other actors in their specific areas of expertise. This includes prevention of mother to child transmission of HIV (UNICEF), treatment of AIDS and its links with tuberculosis (WHO) and AIDS prevention and its relationship with SRHR (UNFPA).

In some countries, financial support for specific HIV/AIDS programmes is substantial, and this can lead to an imbalance in investments in health care, as has happened in Ethiopia and

¹⁹ See box 1.4 for an explanation of the terms used in this section.

Tanzania. This is increasingly acknowledged to be a problem. Elsewhere, however, specific funds to combat HIV/AIDS are incorporated into wider national development plans and budgets.

The Netherlands influences the priorities and implementation of policy through intensive policy dialogues with national governments. In Vietnam, Zambia and Burkina Faso, for example, the Netherlands plays a prominent, often supportive role in talks between donors, national governments and partners. Its activities focus on improving coordination in the fight against HIV/AIDS, including strengthening the role of NGOs. Other priorities are to strengthen the multisectoral approach to HIV/AIDS, encourage greater involvement by people with HIV in policy processes and target prevention and measures to destigmatise AIDS.

4.3 Joint results

The above financial and non-financial inputs reflect the Dutch contribution to the fight against HIV/AIDS in the partner countries. The short-term effects (outputs) achieved through these inputs, together with those of other actors and national AIDS interventions, are mainly related to capacity development. They include, for instance, better enabling conditions such as legislation, effective coordination, prevention policy, specific improvements to health and screening facilities and the availability of drugs and condoms (fig. 4.1). These results are described in the next section. Examples are outlined in boxes 4.2, 4.3 and 4.4. Box 4.1 gives an example of capacity development based on a case study.

Combating HIV/AIDS, malaria and tuberculosis has become increasingly integrated into national policy frameworks in recent years. In 2006, for example, a new strategic plan for HIV/AIDS was adopted in Mali and a sector-wide action plan was drawn up to incorporate HIV/AIDS into the policy frameworks of all ministries. In Vietnam, a progressive new law on HIV/AIDS was adopted to facilitate strategies for harm reduction (limiting the harmful effects of drug use), including needle exchange programme.

Positive results include more efficient national coordination, for example in Ghana and Vietnam, with UNAIDS playing a key role in the latter country. From 2006, Burkina Faso will be added to the list of countries where donors are working with joint financing. Since 2006, the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM) has been channelling some of its support to Mozambique through the joint donor fund for the health sector. This improves planning and coordination by the government and leads to more efficient spending. More harmonisation is also needed to support the NGO sector. Donors in Ethiopia and Mozambique are therefore joining together to support national NGOs. Nonetheless, coordination of AIDS efforts in a number of other countries is still inadequate.

While progress is being made through the closer integration of HIV/AIDS into national policy frameworks and improved national coordination, most countries are still struggling with a shortage of implementing capacity. The Netherlands has helped to boost implementing capacity in some countries (Ethiopia, Bangladesh, Mali, Suriname) by training health workers. In Zambia, an innovative approach was used to strengthen implementing capacity in rural areas (box 4.1).

In all the partner countries, there has been a dramatic rise in the number of people who have had themselves tested for HIV/AIDS and in those receiving antiretroviral (ARV) treatment. This is a direct consequence of the investments made in facilities, training and the purchase of drugs.

Nonetheless, only one in six AIDS sufferers has access to ARV treatment. The number of health centres offering treatment to prevent mother to child transmission of HIV/AIDS has risen further since 2004. More attention is being given to AIDS orphans and vulnerable children.

The Dutch embassy in Zambia asked the Zambian Ministry of Health to choose between employing 10 to 15 mainly Dutch doctors specialising in tropical medicine (costing approximately EUR 150,000 each per year) or 70 to 80 Zambian doctors (costing EUR 6,000 to 8,000 each per year) to work in the country's more remote rural districts. The ministry decided to establish the Zambia Health Worker Retention Scheme (ZHWRS). This offers junior doctors a three-year contract to practise in the most remote rural districts in exchange for a salary of approximately EUR 200 to 250 extra per month, accommodation, schooling for their children (including adopted children) and an extra three-month bonus for each year worked. At the beginning of their contracts, these doctors were also given the opportunity to take out an interest-free loan at 90% of the value of their contract with which to buy a house or car. The detailed consultations held with the association representing the junior doctors were crucial, since it proved possible to compensate for the loss of extra income from secondary jobs in urban districts, while keeping the cost of the scheme within acceptable limits.

The programme began in 2002, the same year that the Harmonisation in Practice (HIP) process was launched. All the donors to the health sector agreed to the ZHWRS, provided the Netherlands was willing to finance it. They decided that if the scheme was successful, it could subsequently be supported through joint donor financing. The ZHWRS was also approved as a pilot project by the donors and the Ministry of Finance in the context of the HIP process.

From the outset, the ZHWRS proved extremely popular with doctors, with over 70 contracts awarded (up to two per district) very early on. This suddenly left the large hospitals in the urban districts of Lusaka and the Copper Belt with fewer doctors. Moreover, the quality of the service provided was often inadequate: many doctors felt ill-prepared and inadequately supported despite the fact that the surgical component in their preliminary training course had been extended by six months. The ministry was more interested in arranging loans for the purchase of cars than in ensuring that the junior doctors were given adequate support.

The ZHWRS has helped to ensure a fairer distribution of doctors throughout Zambia. It is unclear whether the programme has encouraged Zambian doctors to return to their country of origin from neighbouring states, although it has probably persuaded one or two not to go abroad or to postpone their departure.

The ZHWRS has served mainly as a model, to show what can be achieved by accurately identifying what motivates a target group. It has now been included in the joint donor financing programme and the challenge now is to continue to press for better working and living conditions for midwives, nurses and clinical officers. The Human Resource Development Strategy of the Zambian Ministry of Health has ambitious plans, including expanding the ZHWRS with the help of substantial donor support. Implementation so far has been slow, however.

- In **Mali**, a sector-wide action plan was drawn up to integrate HIV/AIDS activities into the policy frameworks of all the ministries. The Netherlands is contributing to the fight against HIV/AIDS through the National Association of Local Authorities of Mali. By the end of 2006, the association's initiatives and public information campaigns had led to the development of HIV/AIDS action plans in 10 municipalities.
- Most districts in **Ghana** now have an HIV/AIDS action plan, and district councils are increasingly responsible for funding and coordination.

- Prevention and treatment of HIV/AIDS in **Nicaragua** is based on the 'Three Ones' (see above) under the supervision of the Ministry of Health (CONASIDA). This has improved the country's HIV prevention and treatment strategy. The Nicaraguan Ministries of Health, Education, Culture, Sport, Family, Administration and Employment, the Nicaraguan Social Security Institute, the Nicaraguan Institute for Women, the State Secretariat for Young People, the National Coalition for Children and Adolescents, civil society organisations and churches all share responsibility for the strategy, its introduction and implementation. The HIV programme is fully integrated into primary health care services (MAIS).
- The 'Three Ones' are now endorsed by all stakeholders in **Ghana**. This has substantially improved the coordination of activities and information provision. The National Association of People Living with HIV/AIDS was established in 2005 and has been playing an active role in the dialogue on HIV/AIDS.
- In June 2006, the President of **Mali** approved a new national strategic framework for 2006-2010 to combat HIV/AIDS.
- In June 2006, **Vietnam** adopted a series of progressive new laws on HIV/AIDS and related diseases. The Ministry of Health was instructed to implement an action plan in January 2007 to reduce the transmission of HIV/AIDS between drug users (harm reduction). New legal guarantees were drawn up to protect the privacy and rights of people with HIV.
- In 2005 and 2006, intensive discussions were held between the Ministry of Health, the National AIDS Committee and donors in **Burkina Faso** to fund a new five-year plan (CSLS 2006-2010) through basket financing. This must become operational by the beginning of 2007 through a World Bank loan which will benefit the fight against HIV/AIDS and the health sector in general.
- Donors in **Mozambique** are channelling more of their aid into joint funds, including the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM) and World Bank programmes. This ensures that available funding is allocated more efficiently.

- In 2005-2006, 1,462 public and private sector health workers in **Bangladesh** were trained in youth-friendly health care, and 5,000 personnel were trained to teach life skills to young people.
- The number of health centres providing treatment to prevent mother to child transmission of HIV has risen in many countries, including **Burkina Faso, Mali, Ethiopia** and **Ghana**.
- The number of clinics offering voluntary AIDS testing has increased in most countries, including **Burundi, Ethiopia, Ghana, Mali** and **Suriname**.
- **Ethiopia** has made significant efforts in recent years to improve training, testing centres and treatment for HIV/AIDS. The number of HIV/AIDS counselling and testing centres rose from 525 in 2005 to 658 in 2006.

- The Ministry of Health in **Mozambique** rapidly increased the number of HIV/AIDS treatment centres from 34 at the end of 2005 to 49 during 2006. The number of health centres providing low-threshold services for young people has risen from 65 at the end of 2004 to 179.
- In **Suriname**, the first health workers specialising in HIV/AIDS finished their training this year.
- Antiretroviral (ARV) treatment is available in **Yemen** for the first time, and the first 150 people are now receiving treatment. The first voluntary counselling and testing centres have been opened in the country's two biggest cities. Three blood transfusion centres are now equipped to test blood for HIV.
- In **Nicaragua**, antiretroviral drugs are now available at district level. Testing facilities have been established at municipal level in the areas with the highest prevalence of HIV/AIDS.
- In **Zambia**, services to reduce mother to child transmission of HIV/AIDS have dramatically increased. 25% of pregnant women with HIV were given information on ARV treatment.

Impact

Outcome

4.4 Development results

These achievements are contributing to the attainment of medium to long-term development results (outcome and impact), which in turn are improving the lives of local populations. This can be illustrated on the basis of progress towards MDG 6 and examples from partner countries (boxes 4.5 and 4.6).²⁰

As mentioned earlier, the prevalence of HIV/AIDS is continuing to rise. Nevertheless, there are signs of growing stabilisation in some countries, especially in urban areas, possibly due to better prevention programmes and changing sexual behaviour.

Box 4.5
Prevention

- In 2002-2003, condom use in **Ethiopia** stood at 50 million. By 2006, it had reached 88 million.
- The percentage of 15 to 24-year-olds in **Mozambique** who say they use a condom during sex with casual partners rose from 10% in 1997 to 31% in 2003. This trend has probably continued. However, HIV prevalence is still on the increase among younger age groups. This suggests that the incidence of HIV is also continuing to rise.
- The government of **Vietnam** has expressly distanced itself from its traditional policy of directly linking the fight against HIV/AIDS to its tough approach to drug addiction and prostitution (policy to eradicate 'social evils').
- The government in **Yemen** is gradually accepting the fact that HIV/AIDS is a problem that can affect the entire population rather than just foreigners.
- A broad survey in **South Africa** on the impact of publicity campaigns concluded that a combination of media (television/radio/newspapers) was especially effective in influencing behaviour (condom use, having an HIV test, caring for someone with AIDS). The campaigns also generate far more discussion on HIV/AIDS and related subjects.
- In **Zambia**, the proportion of men with multiple sexual partners has declined from 39% in 1998 to 29% in 2003. However, there are indications that condom use has been falling in

²⁰ The source used here is the UN central database <http://mdgs.un.org>.

recent years, although reliable figures are not yet available. Young people are now becoming sexually active a year later than they were a few years ago (boys at 18, girls at 17) .

- 77% of high-risk groups in **Bangladesh** are being reached by HIV/AIDS prevention programmes, according to a study by UNAIDS (Report on the Global AIDS Epidemic, 2006).
- In **Mozambique, Zambia** and **South Africa**, there has been an increase in the number of – mainly larger – companies with an HIV/AIDS workplace policy. In 2006, Ghana developed a national policy on HIV/AIDS in the workplace with support from the ILO, and established the **Ghana Business Coalition Against AIDS (GBCAA)**. Thirteen companies are currently taking part in the HIV/AIDS prevention programme, which is thus reaching almost 5,000 employees.
- The increase in the number of centres offering AIDS tests in **Burkina Faso** led to the testing of 90,000 people in 2005. In the same year, a nationwide campaign targeting schools and universities resulted in the testing of 39,000 students and pupils, 1.73% of whom were diagnosed with HIV. Access to care and treatment improved compared with 2004.
- Some 564,000 people in **Ethiopia** have had themselves tested for AIDS (15.7% of the women and 11.6% of the men were diagnosed as HIV positive). In 2006, a total of 52,000 pregnant women were tested, 4,000 (8.0%) of whom were found to have HIV.
- The uptake of voluntary counselling and testing (VCT) in **Zambia** has risen sharply. In 2003, 266,000 people were tested at 46 locations.
- A large number of prevention campaigns have been launched in **Suriname** over the past year, both by the government (NAP) and by various NGOs. Five testing clinics have been set up with support from the Global Fund to Fight AIDS, Tuberculosis and Malaria, two in designated high-risk areas. In 2006, three times as many people had themselves tested for HIV as in 2005.

- The number of people receiving ARV treatment has risen dramatically in most countries, including **Burkina Faso, Ethiopia, Ghana, Nicaragua, Mali, Zambia, Suriname, Mozambique, Tanzania** and **Yemen**.
- In **Zambia**, the care and treatment of AIDS orphans and vulnerable children has improved, with 13% receiving support in 2005. This will need to rise to 50% by 2010.
- Over 100,000 AIDS orphans and vulnerable children in **Burkina Faso** were given special assistance in the form of grants to cover school fees, teaching materials, food and/or clothing in 2005.
- The proportion of patients successfully treated for tuberculosis in **Ghana** has risen to 70.1% (from 56% in 2002). This is just above the national target and slightly higher than the 65% average for Africa as a whole. However, the overall percentage of tuberculosis patients has remained stable over the last three years.

The following MDGs are relevant for the report on HIV/AIDS:

MDG 6: Combat HIV/AIDS, malaria and other diseases

Target 7

Halt and begin to reverse the spread of HIV/AIDS by 2015.

Indicators

- 18 HIV prevalence among 15 to 24-year-old pregnant women.
- 19A Condom use at last high risk sex.
- 19B Percentage of 15-24-year-old with good understanding of HIV/AIDS.
- 20 Number of AIDS orphans.

Target 8

Halt and begin to reverse the incidence of malaria and other major diseases by 2015.

Indicators

- 21 Prevalence and death rates associated with malaria.
- 22 Percentage of population in malaria-risk areas using effective malaria prevention and treatment measures.
- 23 Prevalence and death rates associated with tuberculosis.
- 24 Percentage of tuberculosis cases detected and cured under directly observed treatment short courses (DOTS).

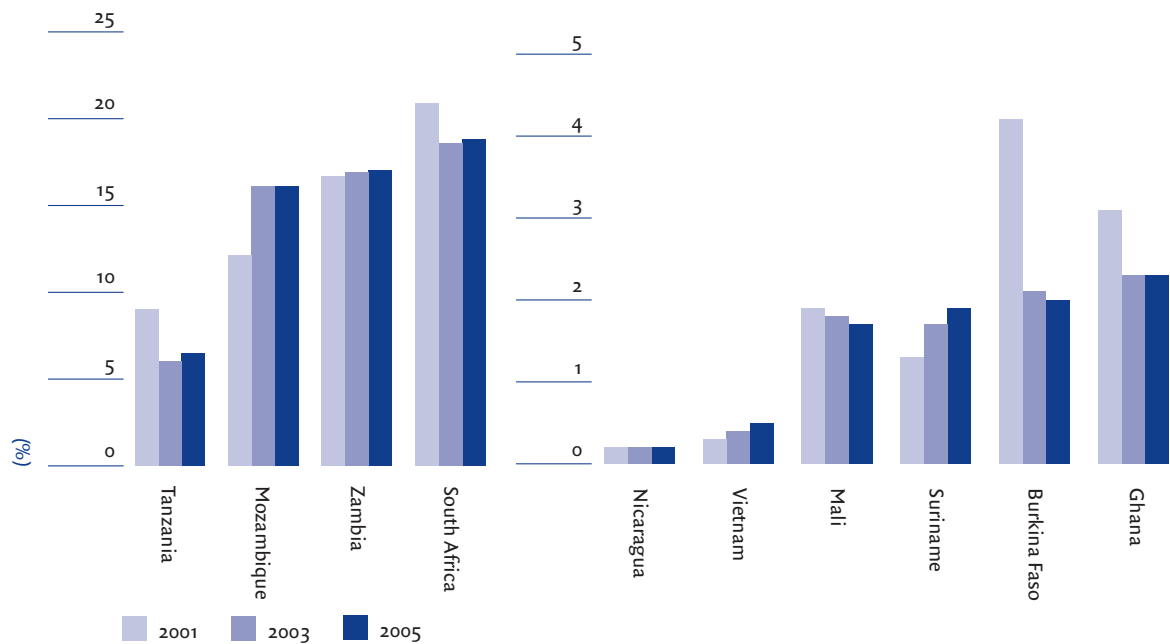
MDG 6 Target 7

Indicator 18: HIV prevalence among 15 to 24-year-old pregnant women

Not only are data on HIV/AIDS scarce, the method used to measure HIV prevalence is also influenced by new insights into AIDS and AIDS-related diseases. Available data on the effects of interventions are highly specific to each situation and target group. Prevalence indicators are subject to various factors (population growth, prevention, number of people receiving ARV treatment) and so it is difficult to attribute effects to any single one. Data are hard to interpret and general pronouncements on the course of the epidemic must therefore be made with caution.

The overall picture in Sub-Saharan Africa (SSA) is that growth in the prevalence of HIV/AIDS (that is, the proportion of people with the disease) is slowing down. However, the total number of people with HIV/AIDS is continuing to rise, partly due to population growth and increased access to ARV treatment. For the countries covered in this report, the overall picture is unchanged from the previous reporting period. Four of the partner countries (Mozambique, South Africa, Tanzania and Zambia) have an HIV/AIDS prevalence of over 5% (figures 4.2 a and b and table 4.2).

Figure 4.2 Estimated HIV prevalence among 15 to 49 year-olds (%) (table 4.2)



The cautious conclusion is that prevalence has stabilised in some countries (and in some areas within those countries, such as urban areas in Burkina Faso), while in other countries there has been a slight increase. New data show that in Sub-Saharan Africa, a disproportionate number of women are being hit by the disease. They account for 13.2 million or 59% of the subcontinent's adult HIV/AIDS sufferers. In Asia, the combined risk of intravenous drug use and unprotected sex linked to prostitution is a particular source of concern.

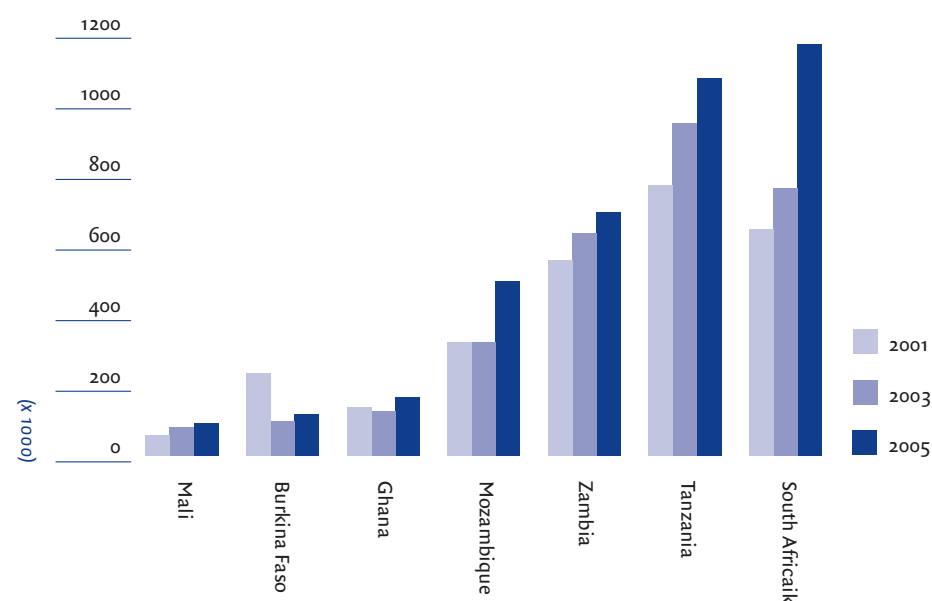
Indicator 19A: Condom use at last high risk sex and indicator 19B, knowledge of HIV/AIDS (table 4.3 and table 4.4)

Prevention is the most effective and sustainable strategy for fighting HIV/AIDS. However, the majority of young people do not practise safe sex. Surveys have shown that in Sub-Saharan Africa, 20% of girls and 30% of boys have a basic understanding of HIV/AIDS (table 4.4). The limited data available shows that contraceptive prevalence has not yet risen significantly.

Indicator 25: Number of AIDS orphans (table 4.5)

The increase in the number of children who have lost one or both parents to AIDS only becomes visible when the pandemic has continued for several years. This conclusion is confirmed by data from the countries covered in this report (fig 4.3). The number of AIDS orphans has risen in all the partner countries and is expected to rise still further. There were 12 million AIDS orphans in Sub-Saharan Africa in 2005.

Fig. 4.3 Estimated trend in number of AIDS orphans (aged 0-17)



MDG 6 Target 8

Indicators 21 and 22: Prevalence and death rates associated with malaria. Percentage of population in malaria-risk areas using effective malaria prevention and treatment measures (table 4.6)

There is growing awareness of the many lives claimed by malaria (a million deaths a year, 90% of which occurred in Africa). At the same time, there is evidence of an interaction between malaria and HIV/AIDS. This has led to an increase in international efforts to combat malaria. At country level, distribution programmes for mosquito nets treated with insecticide have been expanded. Between 1999 and 2003, the distribution of mosquito nets in Sub-Saharan Africa rose by a factor of ten. However, data on the actual use of such nets are scarce and do not reflect the prevailing situation accurately. Random samples show that use in urban areas is higher than use in rural areas and that the wealthiest 20% of the population are 11 times more likely to use a net than the poorest 20%. Malaria has developed a resistance to conventional drugs, so that some countries have had to switch to ACTs which are far more expensive, and not always widely available.

Indicators 23 and 24: Prevalence and death rates associated with tuberculosis. Percentage of tuberculosis cases detected and cured under directly observed treatment short courses (DOTS) (table 4.7)

The prevalence of tuberculosis is highest in Sub-Saharan Africa (492 cases for every 100,000 people, compared with the global average of 223). The number of tuberculosis cases is rising by approximately 1% per year in most partner countries, with the exception of Bangladesh and Vietnam. Tuberculosis (TB) is also the main cause of death among people with HIV/AIDS in Vietnam. AIDS sufferers account for 741,000 of the nine million new cases of TB worldwide. Although tuberculosis detection and treatment rates have improved in all the partner countries except South Africa since 1990, there has been a tailing off in recent years. Between 2002 and 2003, detection rates went up in three partner countries, remained more or less stable in five and declined in four. The percentage of successful treatments rose in five partner countries between 2003 and 2004, remained largely stable in four and fell in three.

4.5 Findings and challenges

Increased political concern and funding for disease-specific support in the fight against HIV/AIDS, malaria and tuberculosis have registered successes in all 13 partner countries. In recent years, Dutch contributions have yielded concrete results, some of which are described in this report, such as the expansion of HIV testing facilities and the treatment of AIDS patients. Non-financial inputs aimed at raising awareness and removing political barriers to an effective strategy have also produced tangible results. The government in Vietnam, for example, has expressly distanced itself from its traditional policy of directly linking the fight against HIV/AIDS to its tough approach to drug addiction and prostitution (policy on 'social evils'). Other consequences of the pandemic are being addressed through the multilateral channel. Ghana has developed a national policy to tackle HIV/AIDS in the workplace, with support from the ILO. However, achieving MDG 6, both globally and in our partner countries, remains a remote prospect. The number of people with HIV/AIDS is still growing, albeit less quickly.

In recent years, national governments have increased their political commitment to the fight against AIDS. They have put in place the necessary national strategies and institutional structures to coordinate a national AIDS response. However, this generally involves many actors, all of whom place a burden on limited capacity. Effective coordination and correlation are therefore essential for a coherent, effective and sustainable answer to the AIDS problem. This will also require changes on the part of donors. International aid organisations must become more effective through a clearer mandate and a more efficient allocation of roles. In most partner countries, coordination and correlation are still inadequate.

Better coordination between HIV/AIDS programmes and wider development cooperation processes is vital, including in the health sector. Increased political commitment and financing for disease-specific support in the fight against HIV/AIDS, malaria, and TB has been successful but has not been matched by an equivalent focus on health systems (service provision). Continued Dutch funding for the health sector, combined with support for mechanisms to coordinate the prevention and treatment of HIV/AIDS, will improve the situation. More must be done to integrate HIV/AIDS into other sectors.

Special attention is needed to boost implementing capacity at decentralised level, which is where coordination between the various sectors and between governmental and non-governmental organisations often takes place. The Netherlands can provide added value based on the experience it has built up in this area.

The infrastructure needed to implement an AIDS strategy is being developed but is generally still inadequate. Current interventions are limited in size and scope, and must be upscaled. This requires more investments in basic health care and in sexual and reproductive health care and rights, such as family planning, health care for mother and child, public information on the prevention and treatment of HIV/AIDS, and so on. Additional investments are also needed for specialist voluntary AIDS counselling and testing (VCT), ARV treatment and treatment to prevent mother to child transmission of HIV/AIDS. More manpower, knowledge, management and supervisory capacity are also needed.

Prevention will remain a specific priority. Young people, who in 2006 accounted for 40% of new HIV/AIDS cases, and women, who account for 57% of people with HIV/AIDS, are key target

groups. Support for vulnerable, high-risk groups, who are often stigmatised or ignored, is also crucial. In Asia, where the combination of intravenous drug use and unprotected sex linked to prostitution is a major risk, harm reduction measures, such as needle exchange programmes, must be expanded. In countries with a relatively low HIV/AIDS prevalence, concentration on high-risk groups is essential. Addressing the social and political lobbies who oppose programmes like these requires a combination of diplomacy and specific expertise, which the Netherlands has acquired through working with high-risk groups.

In most partner countries, a disproportionately high number of HIV/AIDS sufferers are women. The fact that many of these women are married is still not fully acknowledged. The feminisation of HIV/AIDS will need to be tackled rigorously, with due regard for the overall position of women and the links between HIV/AIDS and sexual and reproductive health.

HIV/AIDS will continue to have a major impact on development for several decades to come. More attention is therefore needed for the long-term consequences of the pandemic, especially in southern Africa. And that also means more attention for sustainable financing.

So far, not enough thought has been given to dealing with the social consequences of HIV/AIDS. The number of AIDS orphans is continuing to rise and will continue to do so over the coming years. Measures to protect this group, partly through social security systems, will need to become more permanent.

There are substantial differences between developing countries in terms of the seriousness of their HIV/AIDS problem, the specific characteristics of the epidemic and the capacity of their governments and other stakeholders to respond to it. The challenges are therefore region-specific.

There has been a visible increase in aid for the fight against malaria. Interventions such as the distribution of mosquito nets treated with insecticides have led to immediate, tangible results. The main challenge now is to increase the scope of these interventions and provide affordable and effective ACT drugs for treating the disease.

The fight against tuberculosis will require extra efforts. Many TB cases are linked to HIV/AIDS. An additional problem in treating tuberculosis is its growing resistance to conventional drugs. Better diagnostic facilities are therefore needed in the partner countries, as well as a stable supply of more effective medicines.

Recommendations

- *Most partner countries, still have too little capacity to provide a cohesive, effective and sustainable response to HIV/AIDS. Interventions must therefore be scaled up through continued investments in basic health care and initiatives in other sectors and priority areas.*
- *Prevention of HIV/AIDS is a matter of sustained effort, with a special focus on women, young people and specific high-risk groups.*
- *The HIV/AIDS pandemic is likely to continue for several decades. Its impact on the social and economic development of the countries concerned is substantial. The Netherlands' HIV/AIDS strategy must devote more attention to these longer term effects.*

5.

Environment



5.1 Introduction

Many poor people in developing countries depend directly on the products and services generated by ecosystems for their income, food and water. Good environmental management is vital for their survival. Nevertheless, global ecosystems are under severe pressure from human activity, which is degrading and depleting the earth's natural resources. Moreover, the relationship between environment, development and poverty is broad and complex and governments in developing countries often find it very difficult to draft and implement effective environmental policies, mainly due to conflicting interests and lack of capacity and resources.

The Netherlands is committed to attaining a spending target of 0.1% of GNP for international nature conservation and environmental policy. According to the 2005/2006 budget, the only effective way to address the most intractable environmental problems is through a combination of international cooperation and country programmes. The environment must therefore be built into bilateral aid programmes and macro-oriented programme aid. Integrated policies and management are also vital in the water sector. Finally, the MDGs will not be attained without a switch to renewable energy.

The Netherlands worked with 12 partner countries in the field of the environment in 2005 and 2006: Albania, Colombia, Ghana, Guatemala, Cape Verde, Mali, Mongolia, Pakistan, Senegal, Sri Lanka, Suriname and Vietnam. The sector programmes were drafted in accordance with the specific ecological problems and contexts of each country. Other relevant factors included the institutional environment, and the relationship with – and position of – the recipient government, civil society and the private sector. The Netherlands worked with all the partner countries to integrate environmental management into policy fields such as good governance, poverty reduction and macro policy.

The diagrams below broadly outline the interaction between poverty reduction and the environment. Two examples are given, since the environment is a very broad theme. Direct results (outputs) relate to institutional aspects (policy, strategy, planning, legislation and coordination), infrastructure and capacity building. These lead to medium-term results (outcomes), which impact on poverty and the environment (impact).

The following example serves as an illustration. Ghana loses many acres of forest each year through forest fires, which affect 30% of afforested areas. Dutch support has been used to help Ghana's Ministry of Lands, Forests and Mines introduce new laws to tackle the problem. The Ghanaian Forestry Commission has drafted regulations and trained local fire-fighting squads. This has improved the prevention and control of forest fires. As a result, the number of forest fires in central Ghana has declined dramatically in recent years. This is vital for the sustainable management of this environmental capital.

Figure 5.1 Poverty reduction, environmental degradation and energy results chain

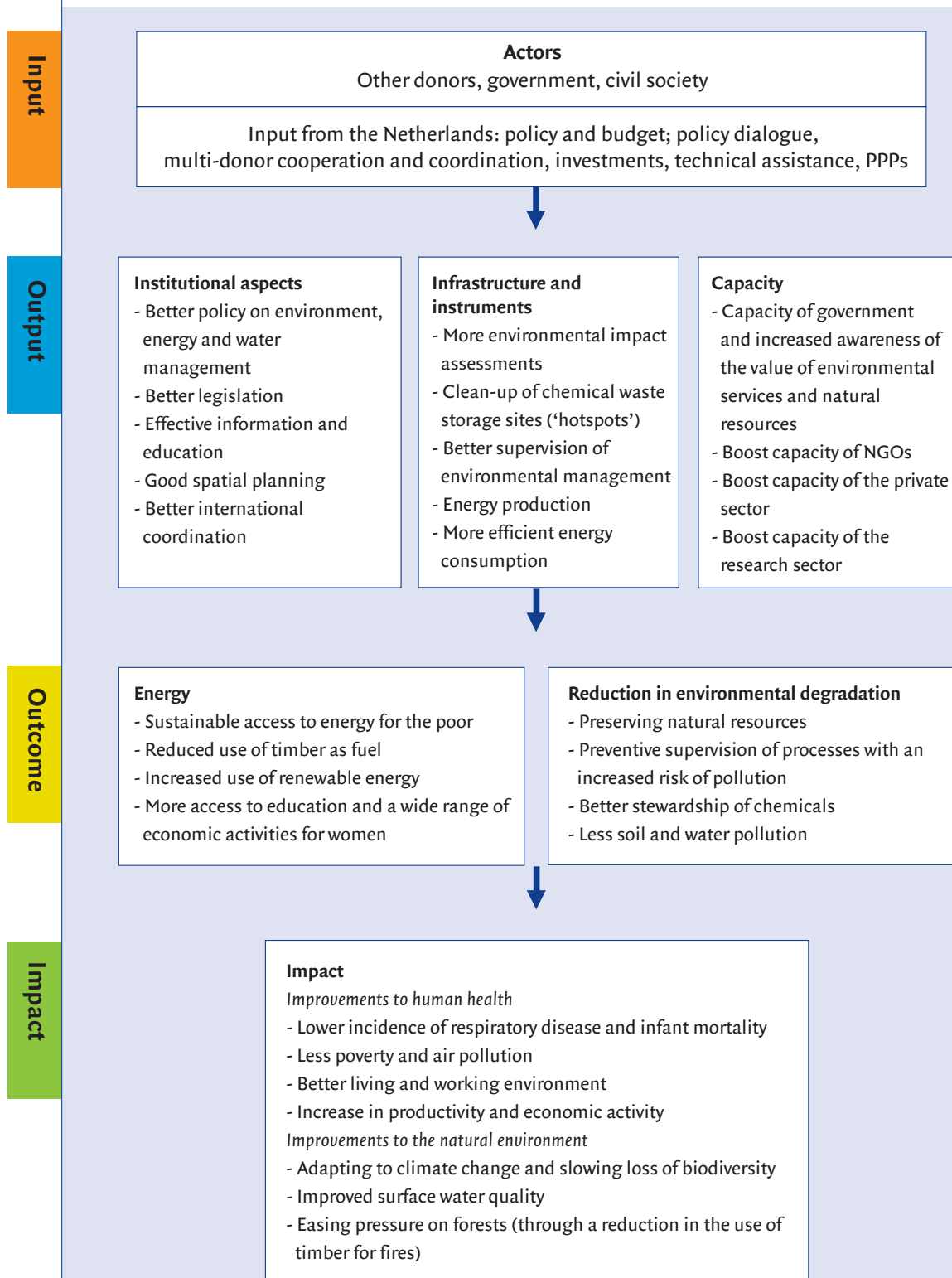
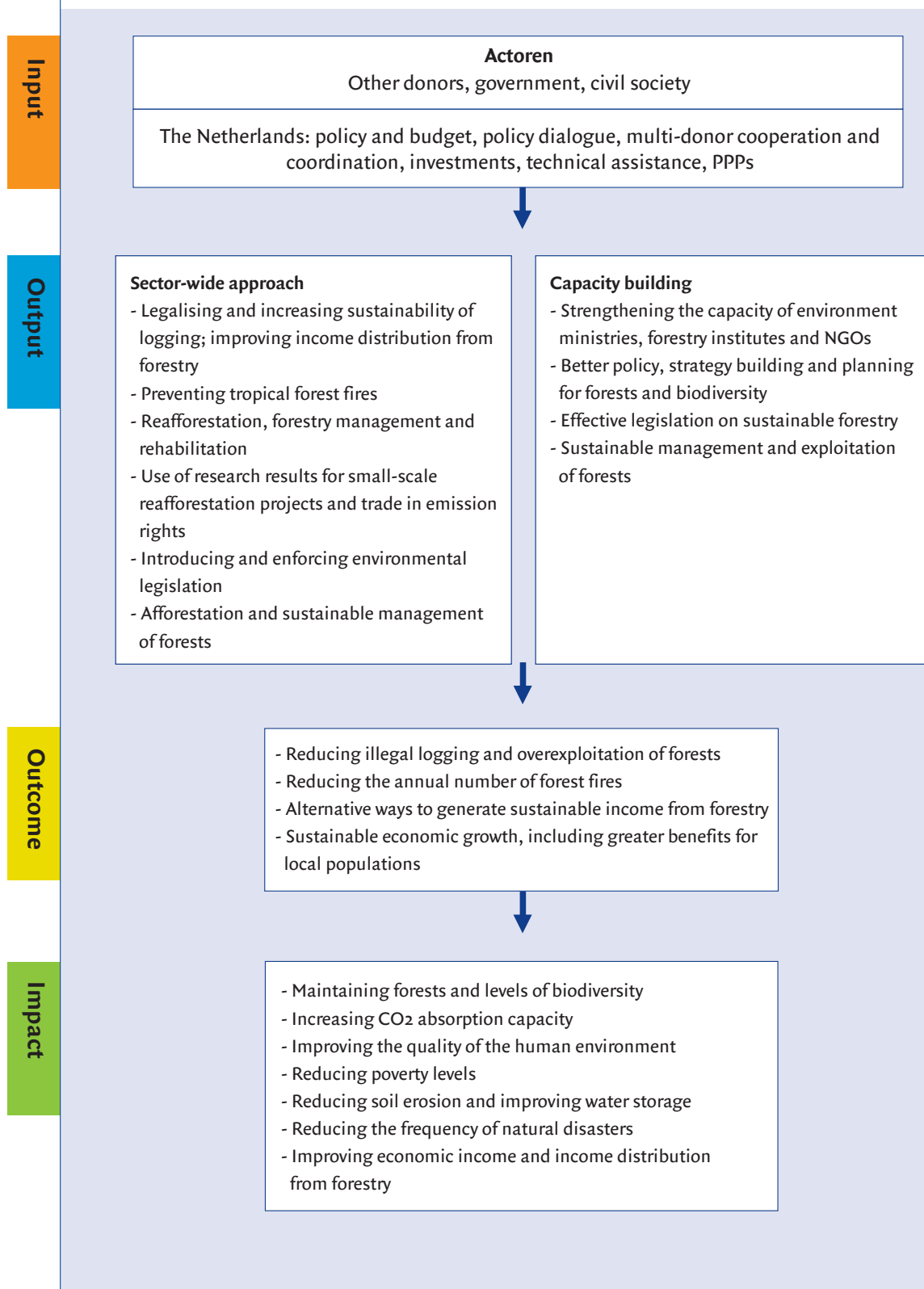


Figure 5.2 Poverty reduction, biodiversity and forestry management results chain



5.2 Financial and non-financial inputs

The Netherlands' financial and non-financial inputs are among the inputs described in the results chains. They are not provided in isolation but in cooperation with other agents, such as the government and other donors.

Financial inputs

In 2004, the Netherlands began increasing its contribution to environment programmes in an effort to meet its spending target of 0.1% of GNP for the environment sector. This objective was reached in 2005. In 2005/2006, the Netherlands spent most of its financial inputs on project aid, given the varied and sometimes fragmented nature of the environmental sector, and the fact that responsibility is often shared by more than one ministry. Sectoral financing was used in Cape Verde, Senegal and Vietnam, and the Netherlands actively sought opportunities to apply it in the other partner countries.

Table 5.1 *The environment: the Netherlands' financial inputs, by aid modality (EUR million)²¹*

Environment		2004	2005	2006
Delegated bilateral	Subtotal	71.1	91.0	93.3
	Project financing	56.7	67.0	71.9
	Sectoral financing	12.0	23.4	20.9
	General budget support and debt relief	2.3	0.5	0.4
Non-delegated bilateral		38.2	41.7	43.0
Multilateral		85.7	82.1	79.1
Total		195.0	214.8	215.4

Source: Ministry of Foreign Affairs

Non-financial inputs

The Netherlands has made substantial efforts to improve the conditions needed to achieve results in the environment sector. Due to the breadth and variety of its themes and problems, this sector generally does not have a single institutional framework supervised by a single lead ministry. Instead, it often works with a cluster of programmes centring on one or two key policy themes. This involves cooperation with different ministries, local authorities and NGOs. Environment ministries in many partner countries often have difficulty getting environmental interests included on the political agenda. The Netherlands is therefore working to promote institutional development and capacity building, policy dialogue and better governance in all partner countries. Results have been achieved in several countries through better integration of environmental and sustainability themes into country policy (such as Poverty Reduction Strategy Papers), the budget cycle, public finances and investment programmes. Some embassies have been active in bringing together stakeholder organisations, strengthening environmental NGOs or supporting activities targeting communication and awareness-raising.

²¹ See box 1.4 for an explanation of the terms used in this section.

Coordinating and aligning donor aid within the environment sector was a key priority in most countries. In almost all the environment partner countries, the Netherlands took an active role in coordinating aid, often as principal donor.

As follow-up to the World Summit on Sustainable Development (WSSD), the Netherlands worked on supporting public-private partnerships. The aim is to persuade the private sector to invest in key environmental initiatives.

The Netherlands has been working to promote the integrity and implementation of the system of international environment treaties at conferences, in working groups and at treaty body meetings, often within the context of the EU. In the international debate on environmental management it advocated a stronger role for the UN Environment Programme (UNEP).

Dutch contributions to the Global Environmental Facility (GEF, a fund that helps developing countries finance environment programmes and projects) were used to help implement several environment treaties. The Netherlands also entered into partnerships with the World Bank and regional banks, FAO, UNEP, UN-Habitat and UNDP, to help them integrate environment issues into their policy and programmes. The International Financial Institutions, UN agencies and the private sector stimulated investment to provide large groups of people with access to renewable energy. The Netherlands also worked with the European Commission to implement agreements on illegal logging (FLEGT) in four countries.

5.3 Joint results

These financial and non-financial inputs reflect the Netherlands' contribution to the environment sector in its partner countries. The short-term effects (outputs) achieved by these inputs, and those of other actors, are outlined below. Examples are given in boxes 5.3-5.6. Capacity building is a key prerequisite for achieving results. This is discussed using a case study (box 5.1) and examples (box 5.2).

Many countries have invested in institution building and organisational development to strengthen the capacity of organisations working in the environment sector. This has led to more coherent policies, improved planning capacity, better instruments and more results-led management. Several countries now make more use of strategies and management plans, environmental impact assessments and strategic environmental analyses. Effective coordination between different tiers of government, systems and development goals requires extra capacity. A number of countries have therefore taken steps to improve their provincial, regional and local environment policies. Decentralisation continues to be a politically sensitive issue in many countries, and some local authorities still accept too little responsibility for environmental problems.

Several countries have analysed the institutional aspects of the environment sector. Senegal, Cape Verde and Vietnam have improved their budgetary processes as a result. The environment ministries concerned are now making more use of Medium Term Expenditure Frameworks (MTEF), which gives them a better overview of their expenditure and increases the external transparency of budgetary processes.

Introduction

Capacity building in Senegal targets a variety of actors: the environment ministry, NGOs working in the environment sector, journalists and elected representatives at national, provincial and municipal level.

Characteristics

Senegal has adopted an integrated, sector-wide approach to the environment. The environment ministry therefore receives sectoral budget support. Support is also going to the public finance management programme through the finance ministry. There is also a separate fund for additional capacity building activities to which the environment ministry has access. The government tends to use local experts and is extremely reluctant to engage international consultants, mainly due to the high costs involved.

Senegal has also been taking steps to strengthen the capacity of its MPs and journalists, the aim being to increase parliament's focus on environmental issues and generate more, and better, information. Steps must also be taken to increase environmental awareness. The Netherlands is therefore helping civil society organisations in the environment sector to improve their environmental education and lobbying activities.

Results

The government of Senegal feels that it is the owner of environment policy. Under the leadership of the finance ministry, planning at all the ministries, including the environment ministry, is becoming more results-driven. In recent years, the environment ministry has been strengthening its capacity for results-led planning and budgeting, reporting, implementation and enforcement. The Netherlands acts as a facilitator, investing in hardware, bringing in the necessary expertise and providing input and advice.

However, Senegal is doing little to improve the alignment of donor aid. It sees itself primarily as a recipient which cannot make overly high demands of donors. The environment ministry is nevertheless including all donor projects in the multi-year budget (MTEF), and even in the annual budget. It is also asking donors to give a clear account of the results achieved.

Harmonisation is not a high priority for the environment ministry in Senegal, although donors do consult with each other. So far, they have focused mainly on exchanging information. In future, however, they will be working towards a joint standpoint, especially on politically sensitive issues such as a reduction in the logging quota for charcoal production. The government of Senegal is still reluctant to work towards greater openness and transparency. Parliament discusses the annual budget in the usual way but does not debate the multi-year budget or the underlying policy. The government feels accountable mainly to donors, less so to civil society organisations. The efforts of environmental NGOs to strengthen the capacity of journalists is leading to more information about environmental issues in the newspapers, although the tone is not yet very critical.

Main challenges in increasing the impact of capacity building

One of the main challenges is to continue strengthening the capacity of the environment ministry so that allocated budgets can be spent efficiently and responsibly. Another challenge is to encourage greater input and commitment from the private sector and environmental NGOs

through public-private partnerships. This is still a very new approach in Senegal. Finally, local authorities must be persuaded to play a more prominent and effective role.

Under the government's policy of decentralisation more environmental powers will be transferred to the municipal authorities. The African Union of Local Authorities will be given funding to train locally elected representatives in environmental management. In time, this will give them the capacity to more effectively supervise the work of the country's forestry commission.

- In **Mongolia**, the Netherlands is encouraging capacity building and institutional development within the government and local partners by giving them an active and substantive role in implementing the aid programme. Capacity building is also vital for cooperation between Mongolian and Dutch research institutes.
- In **Colombia**, a separate vice-ministry for water and basic sanitation was created within the environment ministry during the second half of 2006. This is expected to lead to the integrated management of river basins.
- In 2006, the environment ministry in **Ghana** decided to establish a Department of Basic Sanitation. Policy will be updated and investment plans compiled for the various districts.
- In **Guatemala**, the capacity of environmental NGOs and grassroots organisations to formulate, influence and implement policy has been visibly strengthened. NGOs operating in the environmental sector are now working more effectively with local communities and local authorities to manage natural habitats, and local grassroots organisations are in a better position to take part in decision-making on sustainable agricultural and forestry production. The Ministry of Environment and the National Forestry Institute now receive more public support and have acquired more capacity to formulate policy. The ministry is now more capable of taking the lead in management and coordination.
- In **Suriname**, various programmes have strengthened project management and specialist knowledge at four (semi) official institutes working for the Suriname Water Company.
- In **Vietnam**, the Netherlands has helped the Ministry of Agriculture and Rural Development and the provincial and district authorities to increase their capacity for forestry management. Levels of expertise have also risen and regulation has improved.

Most of the Netherlands' partner countries have continued to register a satisfactory performance since 2004. Vietnam and Cape Verde are doing particularly well. Vietnam has significantly increased the percentage of forested land. The issuing of land use rights certificates has improved economic security for many farmers. In Cape Verde, the government and all 22 municipalities now have an effective environment policy. This is improving the management of protected areas and leading to more sustainable fisheries.

Environmental results in Ghana and Senegal have continued to improve since 2004. In Ghana, satisfactory progress has been made in regulating and legalising logging and in the receipt and distribution of income from forestry. The government now acknowledges the contribution made by natural resources to economic growth and poverty reduction. In 2006, the ministries and donors involved in environment programmes developed a joint environmental governance programme. Examples of access to and management of natural resources in Ghana and other

countries are given in box 5.3. In Senegal, the Ministries of Environment and of Basic Sanitation have improved the efficiency of planning and budget management, and tightened enforcement of environmental regulations. Good results have also been achieved in the management of forests, protected areas and game reserves. However, results in Albania, Guatemala and Sri Lanka have deteriorated markedly. Albania gives low priority to environmental issues and the environmental lobby is still comparatively undeveloped. Guatemala and Sri Lanka are struggling with highly polarised societies. In Guatemala, considerable attention is being devoted to launching and strengthening dialogue between the various actors in the environment sector. In Sri Lanka, the internal conflict, the aftermath of the tsunami and changing policy priorities have led to a lower political priority for the environment.

- In **Vietnam**, more than 2.5 million hectares of land has been reforested and/or rehabilitated since 2000. The percentage of forested land increased in 2004 from 34.2% to 36.7% in water catchment areas (630,000 hectares), protected forest areas (1.2 million hectares) and timber forest areas (770,000 hectares).
- Management plans have been drawn up for most of the 47 protected onshore regions in **Cape Verde**. Development within these regions is now restricted and the environment ministry can require environmental impact assessments to be carried out and prevent inappropriate tourism development. Better legislation allows for more constructive consideration of the various interests surrounding economic development and nature conservation. It is a major step forward for environmental protection in Cape Verde that, on the basis of structured plans, a transparent discussion is now under way on the ecological aspects of economic development.
- In **Ghana**, a fire prevention programme implemented by the government in cooperation with the local population has dramatically reduced the number of forest fires since 2002 (from 7.5 major fires per year to almost zero in 2005).
- **Senegal** has made good progress with the politically sensitive process of replacing the system of logging quotas for charcoal production with a logging regime based on local management plans.

Results achieved through dialogue and cooperation with governments

There is growing awareness that the depletion of natural resources and poor environmental management can lead to instability. Land and water, oil and minerals are a particular source of tension and conflict. Several countries have tried to regulate access to natural resources, for example through the registration of land rights.

Many countries are struggling with the question of how to sustain economic growth or tackle acute environmental problems in urban areas. This has led to more attention for the political aspects of sustainability: introducing pricing measures, eco-taxes and levies and dismantling subsidies, for instance.

- The productive partnership with the CEA (Federation of Chambers of Commerce) in **Sri Lanka** has continued. In 2004, the focus shifted to the environmental aspects of the Back to Business programme. Dutch cofunding has helped several companies to develop environmental initiatives or innovations. The Ceylon Chamber of Commerce introduced a number of environmental requirements and applications to the production processes of 65 companies.
- In 2005/2006, the environment ministry in **Colombia** issued certificates to 12 producers for the manufacture and sale of eco-friendly products (tinned foods, Amazonian tropical fruits and coffee, etc.). A total of 15 producers are now certificated.
- In **Ghana**, considerable attention has focused on efforts to legalise logging and improve the receipt and distribution of income from the forestry sector. The contribution made by natural resources to economic growth and poverty reduction is now acknowledged, and efforts are being made to reduce the overexploitation of forests, minerals and fisheries.

Several countries have made progress with good environmental governance, that is, improved access to information, the administration of justice, public accountability, transparency and factoring environmental costs into economic considerations.

Governments are increasingly accepting the need to cooperate with other actors, such as civil society organisations, the media and the private sector. They have made progress with decentralisation, enabling the creation of a direct link between managers and users of natural resources, and between service providers and consumers. Several countries have introduced better policies and legislation to reduce environmental degradation and working to improve enforcement. Mongolia, for example, is applying measures to tackle the environmental consequences of mining activities, while Senegal has intensified supervision of private sector compliance with environmental regulations. Where possible, chemical waste storage sites ('hotspots') have been decontaminated. Preventive supervision of chemical storage and processes with an increased risk of pollution has also been improved.

Environmental impact assessments (EIAs) or strategic environmental analyses carried out adequately and at an early stage, can serve to underpin policy choices and prevent or mitigate environmental damage. Various embassies working in conjunction with the Netherlands EIA Commission have therefore provided partner governments with advice and training.

Several countries have made headway in legalising sustainable logging and improving the distribution of income from forestry. Reforestation, forest management and rehabilitation programmes have been given considerable attention, with varying results. Vietnam, Cape Verde, Albania and Colombia have made satisfactory progress, while Ghana, Pakistan and Sri Lanka experienced a further decline in afforested land. Many countries have introduced measures to improve the management of protected areas and wildlife reserves, partly in view of their major tourism potential.

There is growing concern about climate change and the uncertain future of energy reserves. However, only some developing countries have translated these concerns into concrete results. Many still need to make the transition from firewood to gas or oil. To do so, they must change their energy policies, launch public information campaigns and create more capacity for energy production and distribution in the private sector.

Colombia, Ghana, Cape Verde and Pakistan have achieved good results in integrating the environment into the policies, strategies and plans of provincial and local authorities. Strategic environmental analyses are increasingly used to test and adjust policy.

Results achieved through cooperation with civil society and the private sector

The information revolution is leading to growing public pressure for the sustainable use of natural resources and a healthier environment. In Senegal and Guatemala, for example, civil society organisations have played a constructive role by launching information and awareness campaigns, running small-scale eco-projects and calling on their governments to improve environmental policy. However, the relationship between governments and NGOs varies from country to country. In Colombia, input from civil society organisations, including organisations representing indigenous peoples, has been systematically integrated into government policy, or else environmental organisations are closely involved in policy-making. NGOs have sometimes successfully encouraged the inclusion of environmental issues into national policies. In a few countries, such as Ghana, Guatemala, Mongolia and Senegal, local grassroots organisations and communities have been encouraged to participate in the management of natural resources. In others, such as Pakistan, the influence of NGOs is still limited and efforts are being made to increase their role.

Businesses in the developed world are increasingly willing to invest in sustainability, and there is growing interest in such investments among western consumers. Many embassies are encouraging the formation of public-private partnerships (PPPs) in the context of the WSSD. By the end of 2006, 13 such partnerships were being implemented in the water, energy, health, agriculture and biodiversity sectors. Three partnership proposals have now reached an advanced stage. Preparing these PPPs is highly time-consuming, since many are of an experimental nature and this type of cooperation is new to all parties.

Results achieved at regional level

Bilateral environment programmes in the form of intergovernmental aid were also implemented at regional level. Farmers in a number of West African countries are being trained in eco-friendly pest and disease control. In Southeast Asia, a cross-border ecology and biodiversity corridor programme has been launched as part of the Strategic Economic Cooperation Agreement between countries in the Mekong Delta.

- In **Mali**, following on from the results achieved in 2004, management plans for the wetlands region of the Niger Delta were charted and put into operation on the basis of the Ramsar Convention, the international agreement on the protection and responsible use of wetlands.
- The Dutch government is helping **Suriname** to formulate a sectoral policy. It is also cofunding cooperation between public bodies in the Netherlands and Suriname, including the National Institute for Public Health and the Environment (RIVM), universities and ministries (Agriculture, Nature & Food Quality, Housing, Spatial Planning & the Environment and Transport, Public Works & Water Management).
- In **Senegal**, public-private partnerships are encouraging greater involvement in and commitment to the environment sector on the part of private parties. This is a new departure for Senegal. The Netherlands will continue to support this development, especially in tackling industrial pollution and managing vulnerable wildlife reserves which are popular with tourists.

Results of donor coordination

Harmonisation and coordination of donor programmes are also high on the environment agenda. The results are extremely varied, however. Nevertheless, good progress has been made in several countries. Donors are now more prepared to consult with each other, exchange knowledge and information, coordinate and work together, sometimes under the leadership of the environment minister of the partner country. The programme for the Congo Basin is still at an early stage and progress is slow; the Netherlands therefore supported measures to strengthen platforms for dialogue.

Box 5.6

Combating environmental degradation through pollution

- **Colombia** is making satisfactory headway with a programme to help medium-sized municipalities with waste processing. By the end of 2006, 555 local authorities were formulating a waste processing plan and a further 577 had approved and begun implementing one.
- In **Albania**, work has started on the decontamination of a heavily polluted area near Porto Romano. This led in 2006 to the repackaging of 310 tonnes of chemicals, which were transported to Germany in a special 36-wagon freight train to be disposed of in accordance with EU standards. A serious threat to the health of residents in the country's second city, Durres, was thus removed.
- In **Suriname**, waste containing PCBs was safely transported to the Netherlands for further processing.

Impact

Outcome

5.4 Development results

These short-term achievements are contributing to the attainment of medium and long-term development results (outcomes and impacts) which will improve people's lives in the partner countries. These development results are illustrated below on the basis of progress in attaining the Millennium Development Goals²² and specific examples from the partner countries (boxes 5.8 and 5.9).

The following MDGs are relevant for the report on the environment:

MDG 7: Ensure environmental sustainability

Target 9

Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources.

Indicators

25 Proportion of land area covered by forest.

26 Area protected to maintain biological diversity

27 Energy consumption per unit of GDP (as a yardstick for energy efficiency)

28 Carbon dioxide and CFC emissions (per capita) as indicators of the increase in greenhouse gas emissions and depletion of the ozone layer

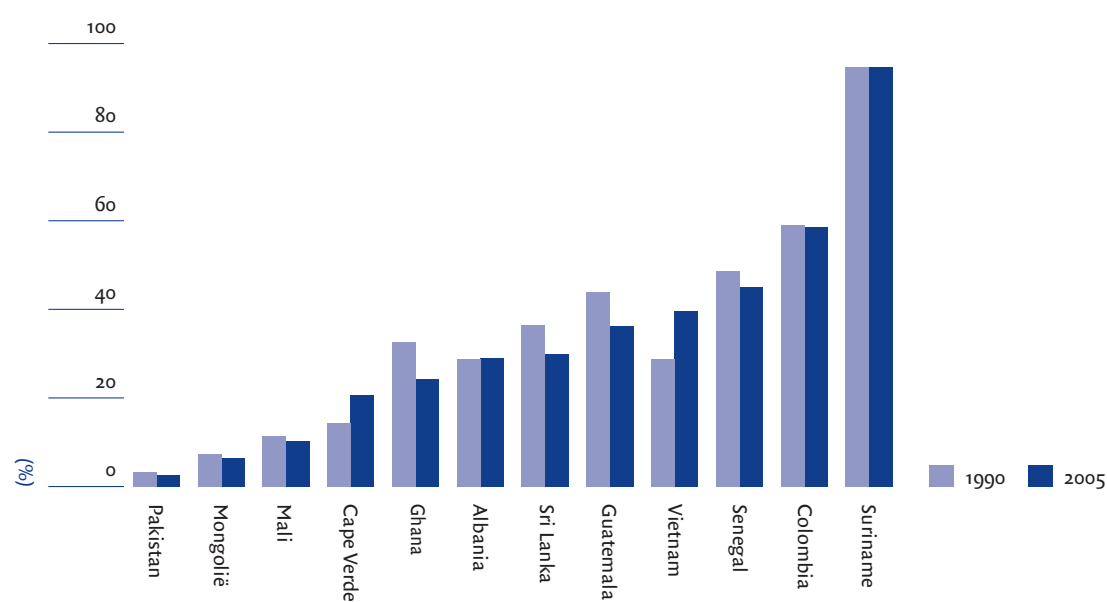
Box 5.7

Millennium Development Goals (MDGs)

²² The source used here is the UN central database <http://mdgs.un.org>. The tables referred to in the text can be found in the appendix.

Indicator 25: Percentage of land area covered by forest (figure 5.2 and table 5.2)
 According to official MDG reports, the percentage of forested land declined in 54% of developing countries and went up in only 34%. In the Netherlands' partner countries, the overall trend improved slightly between 2000 and 2005, compared to the period from 1990 to 2000. Nevertheless, eight of the 12 environment partner countries (that is, partner countries with an environment programme) experienced a decline in the proportion of forested land. The rate of decline in these countries (-1 to -26% compared to 1990) was higher in relative terms than the global average (-2%). In other words, six of the 12 partner countries registered a poorer performance than the region as a whole. The worst results were in Ghana, Sri Lanka and Pakistan, with a higher regional decline of respectively 17%, 19% and 25%. Some of the best results were in Cape Verde and Vietnam, where the proportion of forested land rose dramatically compared to the rest of the region.

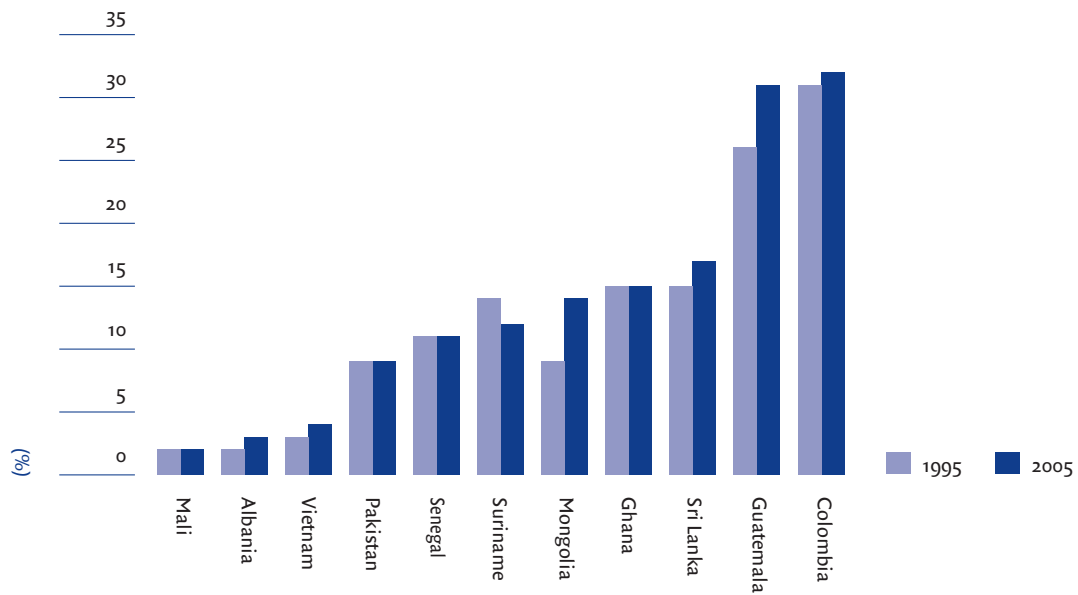
Figure 5.2 Percentage of land area covered by forest



Indicator 26: Area protected to maintain biological diversity (figure 5.3 and table 5.3)

In many countries, the ratio of area protected (land and sea) to surface area has increased significantly. In four of the 12 environment partner countries (no data is available for Cape Verde), the ratio of area protected remained unchanged between 1995 and 2005. Six countries recorded growth rates of between 3 and 56%. Only in Suriname has the proportion of protected area declined (-14%). The regional picture is somewhat different. Seven of the 12 countries are performing less well than the region as a whole, notably Suriname (-30%). By contrast, Albania (+37%) and Mongolia (+31%) are doing exceptionally well.

Figure 5.3 Area protected to maintain biological diversity



Box 5.8 Fighting peatland fires in Kalimantan

Extensive tracts of land on the Indonesian islands of Kalimantan and Sumatra are destroyed by fire each year. Much of this land consists of swamp forests on several metres of peat substrate which contain large quantities of CO₂. Throughout the region, peat forests are being cleared to make way for the cultivation of palm oil and other crops. This involves draining the peatlands, leading to depletion and decomposition. During the subsequent oxidation process, large quantities of CO₂ are released. This process also turns former peatlands into a fire hazard during the annual dry season. Once alight, these fires are difficult to control because they continue to smoulder beneath the ground. Between 1997 and 1998, 1.2 million hectares of Indonesia's peatlands were destroyed, generating 30% of the world's CO₂ emissions. In recent years, CO₂ emissions in Indonesia have continued to exceed those of far larger countries like Russia and India. The smoke also causes serious air pollution and considerable economic damage to the region. The population of Kalimantan is most severely affected, with 30% of children under five suffering from respiratory diseases.

In 2005, the House of Representatives called on the Dutch government to take action. At the end of the year, it approved an investment of EUR five million over two years for the protection and restoration of a small number of peatlands and forests in Central Kalimantan. The Central Kalimantan Peatlands Project has since been jointly administered by a local consortium of NGOs, the provincial government of Kalimantan and the University of Palangkaraya.

Problems are now being tackled in cooperation with the local population. Local fire detection teams are called in, and fire-damaged areas are being replanted. However, if these issues are to be addressed structurally, the water table must be brought back to its previous level. This will turn the area back into marshland and significantly reduce the risk of oxidation and fire. The local authorities, assisted by local communities, have dammed several drainage canals in an effort to restore ground water levels. The effects are clearly discernible: there are far fewer fires in areas where the water table has been brought back to normal.

The local population is also anxious to improve its standard of living. The project therefore includes poverty reduction measures as well as initiatives to reduce the risk of fire and restore the hydrological balance.

At the end of 2006, the Netherlands agreed to help Central Kalimantan compile a master plan for the Ex-Mega Rice Project in the peatlands region, for which it provided finance and technical assistance in 2007.

Indicator 27: Energy consumption per unit of GNP (as a yardstick for energy efficiency) (table 5.4)

This indicator represents the consumption of energy in kilograms of oil per USD 1,000 of GNP (corrected to take account of purchasing power), rather than in terms of per capita consumption. It reflects the energy efficiency of a country, which in turn is an indicator of sustainability. In seven of the eight countries for which data are available, relative energy consumption declined by between 4 and 40% from 1990 to 2003. Five of the eight environment partner countries appear to be outperforming the region as a whole. Vietnam is doing particularly well (absolute decline of 25%; regional decline of 29%). One exception is Guatemala, which recorded an increase of 2% in absolute terms and 5% in regional terms.

Sustainable access to energy is not a specific target, but does make an important contribution to attaining the MDGs. Neither households, schools, hospitals nor businesses can function efficiently without access to modern energy services. The costs of the various applications per household vary widely, but are roughly as follows: more efficient wood-burning stoves EUR 10; solar panels EUR 150; biogas units EUR 300 – EUR 800; electricity for energy production, transport and distribution EUR 1500. The Netherlands is cofunding these applications wherever they are felt to be most useful locally, in cooperation with experienced partners such as SNV, GTZ and FMO. This will maximise the effectiveness of Dutch aid.

Indicator 28: Carbon dioxide and CFC emissions per capita (table 5.5)

Per capita carbon dioxide and CFC emissions increased between 1990 and 2003 in seven of the 12 environment partner countries. Emissions remained stable in two countries (including Mali, which recorded 0.0 in both years) and declined in three. In Albania and Mongolia, the decline was dramatic (55% and 31% respectively). From an environmental point of view, any increase in emissions must be seen as a negative development. Yet seven of the 12 partner countries are delivering a better performance in regional terms, given that overall emissions from developing countries rose by 38% between 1990 and 2003 (the indicator only distinguishes between developed and developing countries). Apart from Albania, Colombia and Mongolia, four of the 12 countries have lower emission levels than other developing countries. Sri Lanka (+150% absolute, +113% regional) and Vietnam (+200% absolute, +163% regional) recorded exceptionally high emission rates.

5.5 Findings and challenges

The aim of MDG 7 is to integrate the principles of sustainable development into existing policies and programmes and to halt and reverse the loss of biodiversity. This report shows that positive

results have been achieved in many areas, but that environmental degradation is continuing on a large scale in very many countries. Halting this trend presents a major challenge.

Some countries must be made to recognise the value of biodiversity for social and economic development and the negative consequences of unbridled unsustainable economic growth. More attention must be given to the effects of climate change and the need for a more responsible energy policy. Reforestation, forestry management and farming programmes must yield better results. In many countries, more clarity is needed about enshrining access to natural resources in legislation.

The environment is a cross-cutting theme. In many countries, therefore, ministries need to consult with each other and cooperate more closely. There are also challenges at local level. Local authorities and communities must become more involved in managing natural resources and protecting the environment.

In the sphere of capacity building, the challenge is to strengthen the capacity of semi-public bodies, particularly in the management of natural resources, to ensure closer coordination between policy and implementation, better planning, efficient spending of budgets, further reform of public finances, enforcement of legislation, and so on. Specialist institutes and technical services should also be strengthened at decentral level. In many countries, the capacity of environmental NGOs urgently needs developing. These organisations play an important role in environmental education and lobbying. Greater environmental awareness among members of the public, civil society organisations and governments is vital for an effective environmental policy. A good working relationship between governments and NGOs is another essential prerequisite.

Dutch efforts to increase the involvement of civil society organisations and the private sector continue to be crucial and must be stepped up. This applies especially to non-financial inputs. One obstacle to a more integrated approach is that responsibility for formulating and implementing environmental policy in partner countries is often highly fragmented. Environmental governance, energy supply and adapting to climate change pose the biggest challenges.

In practically all developing countries, cooperation with the business community is still at a very early stage in the environment sector. Transparent policy dialogue between donors, the private sector, civil society and governments must be extended and deepened to generate more public support. Governments in a number of partner countries are considering privatising unprofitable state-owned enterprises. Public-private partnerships generally provide good opportunities for further input from and involvement of private parties in the environment sector. Finally, there are more opportunities for cooperation with Dutch environmental organisations and commercial enterprises.

The Netherlands continues to support environmental activities through project financing. Cooperation at sector level remains the biggest challenge, with harmonisation (agreements between donors) and coordination of donor programmes high on the agenda.

The Netherlands will continue to promote environmental and ecological sustainability in its partner countries. All channels - bilateral, multilateral and private - will be used to support relevant activities.

Recommendations

- *More, more targeted attention must be given to environmental governance; in other words, encouraging governments, local authorities, civil society organisations and the private sector to integrate ecological sustainability into their existing policies and programmes.*
- *Programmes to improve the supply of energy to the poor must be substantially intensified.*
- *More must be done to persuade developing countries to adapt to climate change.*
- *Environmental aid from the Netherlands and other donors must be more closely aligned through more far-reaching sector programmes, and better harmonisation and coordination.*

6.

Water and basic sanitation



6.1 Introduction

Clean water and basic sanitation are vital for life. In a survey published recently by the British Medical Journal, leading clinicians described the supply of clean drinking water and basic sanitation as the two most important medical milestones since 1840²³. Not only is water vital for life, it is also essential for health, participation in education, food security and economic development. Yet access to water is under growing threat. Industrialisation is on the increase worldwide and the world's population is expanding. As a result, water is becoming scarcer and more polluted. The solution to the global water crisis lies in improved water management and a better and more equitable distribution of water. Both the quantity and quality of water are important criteria in the decision-making process.

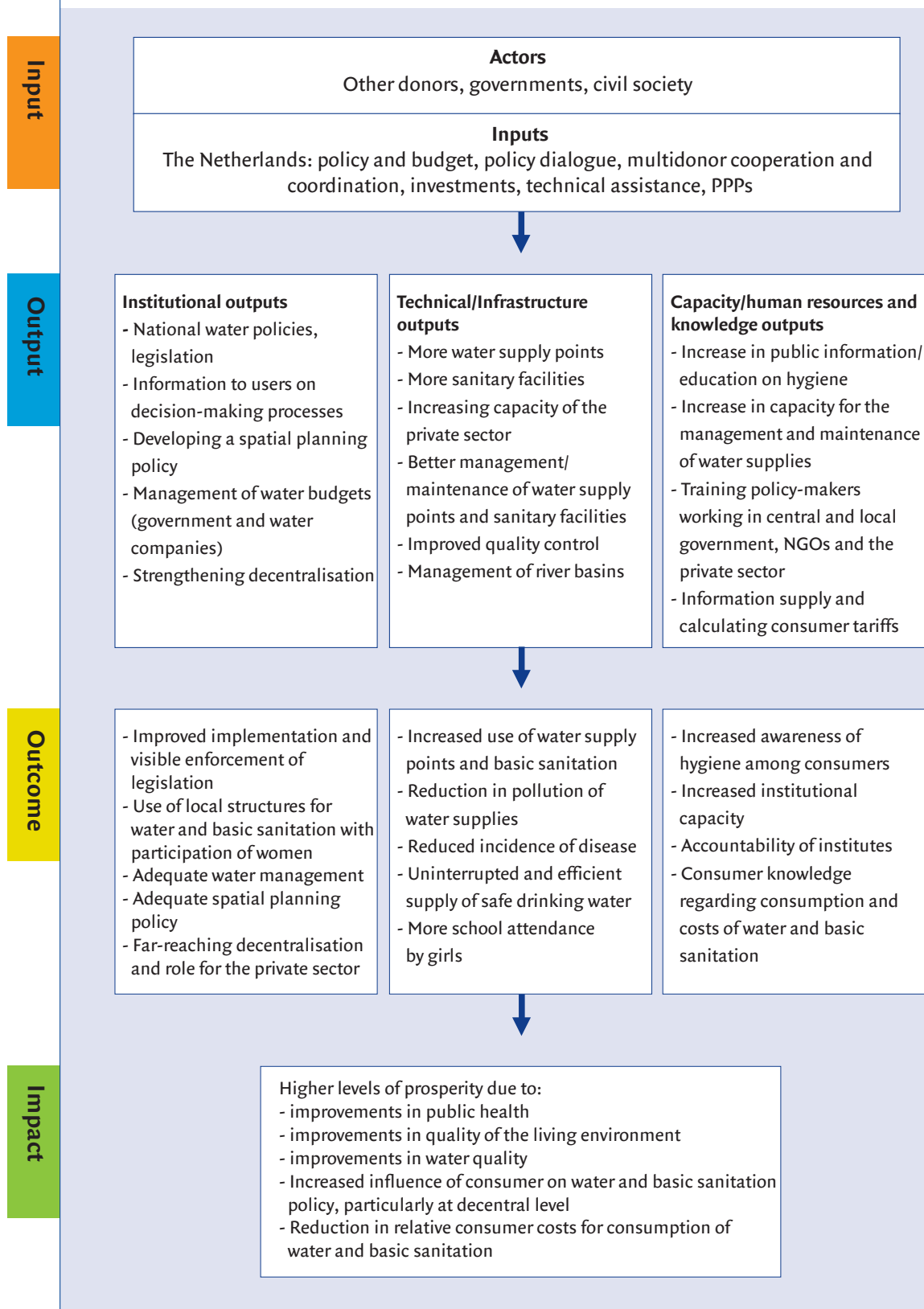
Having concluded that more investments were needed in drinking water and basic sanitation if the Millennium Development Goals (MDGs) were to be met, the 2005/2006 budget of the Ministry of Foreign Affairs committed extra funds through the bilateral channel (programmes in the partner countries), the multilateral channel (World Bank, African Development Bank, UNICEF and UN-Habitat) and the NGO channel (Water Aid, Aqua4All and Simavi). The added value of the multilateral channel lies chiefly in the fact that the organisations involved are represented in many countries, are well equipped to conduct financial assessments and analyses and are in a position to make major investments.

The Netherlands worked with seven partner countries in the water sector in 2005/2006. These were: Bangladesh, Benin, Egypt, Indonesia, Yemen, Mozambique and Vietnam. The Dutch government also supported water management activities in the bilateral programmes of other partner countries, in the context of environment, health and economic development. In the environment partner country Senegal, for example, the Netherlands cofunded a basic sanitation programme.

The diagram below shows the results chain in the water sector. It gives a general impression of how funding leads to short and medium-term effects through a specific choice of interventions. The links cited in the BMA Journal between safe drinking water/basic sanitation and health, education, food security and economic development form a good illustration of the results chain, since it shows how results achieved in the water sector contribute to progress in other sectors.

²³ British Medical Journal, Medical Milestones 2007, 2007.

Figure 6.1 Water and basic sanitation results chain



6.2 Financial and non-financial inputs

The Netherlands is using both financial and non-financial inputs to achieve results in the water sector. The non-financial component consists largely of the policy dialogue conducted through the embassies, a key feature of which is the desire to promote closer cooperation between donors and with recipient governments to improve the effectiveness of aid. Partnerships between the private sector and the government are also becoming increasingly important.

Table 6.1 *Water and basic sanitation: the Netherlands' financial inputs, by aid modality (EUR million)²⁴*

Water		2004	2005	2006
Delegated bilateral	Subtotal	31.2	93.3	106.6
	Project financing	21.6	72.6	89.2
	Sectoral financing	7.2	11.0	8.3
	General budget support and debt relief	2.3	9.7	9.1
Non-delegated bilateral		28.7	29.5	27.8
Multilateral		54.6	57.3	43.2
Total		114.5	180.1	177.6

Source: Ministry of Foreign Affairs

In 2005 and 2006, the Netherlands provided more support through the delegated bilateral channel than through the multilateral channel, in contrast to 2004. The share of delegated bilateral cooperation channelled through the embassies rose dramatically. The EUR 31 million spent via the embassies in 2004 more than trebled in 2006. Project funding was again the most common form of aid, as it was in 2004, rising from 69% to almost 84%, mainly at the expense of sectoral financing, which fell by more than 15%.

Non-financial inputs

Policy dialogue and capacity building are the key elements in the water sector. Dutch input in all countries focuses on strengthening the capacity of institutional organisations. Considerable attention is being given to deconcentration (the transfer of executive powers to regional and local authorities, keeping decision-making powers at central level) and decentralisation (the transfer of tasks, authority, resources and decision-making powers from central government to the regional and local authorities).

The Netherlands has played a leading role in coordinating donor input and aligning aid in various countries (harmonisation) in the context of the Paris Declaration. This is expected to improve the long term effectiveness of aid. The Netherlands has assumed the role of principal donor in the water sector in Bangladesh, Egypt, Yemen, Mozambique and Vietnam.

The Netherlands devoted considerable attention to helping its partner countries integrate water-related themes into their country policies, as it did in 2004. In some countries, this was achieved through the theme of clean drinking water and basic sanitation. In 2006, an initial sector strategy evaluation was carried out in Yemen under the active leadership of the Yemeni

²⁴ See box 1.4 for an explanation of the terms used in this section.

government. The results will be included in the constructive dialogue between the government and the donor community. Benin has now integrated water into its budget cycle. In Mozambique, the government and donors have agreed to include drinking water and basic sanitation in rural areas in a future sector policy and plan (sector-wide approach). Other countries, such as Bangladesh, have given water a prominent place in their national poverty reduction strategies. The Netherlands is also helping to integrate water into budget cycles and public finances (Senegal) and economic investment (Ghana).

6.3 Joint results

These financial and non-financial inputs reflect the Netherlands' contribution to the water sector in its partner countries. The short-term effects (outputs) achieved by these inputs, together with those of other actors, and the specific interventions in each country, are described below. Capacity building is a key prerequisite for achieving results. This is discussed using a case study (box 6.1) and examples (box 6.2).

Progress in the bilateral water programmes of most of the partner countries has been largely satisfactory. Vietnam and Indonesia have made particularly good headway since 2004, due to improvements in water resource management, irrigation, drinking water and basic sanitation. Benin and Egypt have also achieved especially good results, as they did in 2004, based on sound water management policies and effective, coordinated donor input. In Benin, there was a shift from the project-based approach to a sectoral approach and almost all donor aid is now included in the national budget. Progress in the water sector in Yemen is regarded as satisfactory. Bangladesh is also achieving relatively good results. However, the political situation there is undermining governance, and the role of the Water Resources Planning Organisation (WARPO) is underdeveloped.

Unfortunately, the results in Mozambique have not been satisfactory. Mozambique failed to meet its targets for drinking water and basic sanitation and the government lacks adequate implementing and management capacity. The decision-making process on the cross-border management of river basins is also slow. Finally, budgetary problems arose as a result of new debts with the African Development Bank and the European Commission.

Capacity development is high on the agenda of all the partner countries, not just the capacity of government, but also that of partners and local populations to formulate and implement policy. Efforts to boost capacity have led to remarkable improvements in cooperation, coordination and implementation. In Bangladesh, Egypt and Indonesia, Dutch aid has been used to help create water user groups with responsibility for local level water management in agriculture. If poor producers share responsibility for water management and are shown how to distribute water more effectively and gain better access to water supplies, their social and economic position will improve.

Drinking water and basic sanitation programmes also include measures to strengthen local capacity so that local communities can manage and maintain their own water resources. An active civil society is crucial. Civil society organisations can complement and supplement the government's own activities, and they can bring pressure to bear on their governments to improve policy. In Bangladesh, the influence of a strong civil society has led to various

adjustments to water sector policy. For example, the government has agreed guidelines for the participation of landless groups and single women in the maintenance of water supplies and local water management.

Introduction

The Netherlands has been active in the water sector in Bangladesh since the 1970s, focusing mainly on integrated water management. In the early years, activities mainly centred on improvements to the water infrastructure to increase food security. More recently, however, the emphasis has been on strengthening the administrative capacity of the relevant authorities. Key local partners are the Ministry of Water, including the Bangladesh Water Development Board (BWDB) and the Water Resources Planning Organisation (WARPO), the Ministry of Local Governance and the non-governmental organisation BRAC.

Characteristics

The lion's share of Dutch support takes the form of programme aid. Interaction and cohesion between the various programmes is so close that they are indissolubly linked. Many are implemented in cooperation with multilateral organisations such as the World Bank, Asian Development Bank (ADB) and International Fund for Agricultural Development (IFAD). A few are still funded bilaterally, but they will gradually be incorporated into a sector-wide approach.

Dutch aid to the water sector in Bangladesh concentrates on reform and integrated coastal management. The priority is to convert existing technocratic institutions into participatory organisations based on the right of local populations to help formulate and implement policies and gain access to water. These organisations need to radically reform their working methods, and this will have an even more dramatic impact on their staff complements and budgeting processes. Such changes must also percolate through to other official bodies, such as the Ministry of Finance and the Ministry of Establishment. Dutch support includes helping develop and test these new working methods, training staff in their new roles and offering strategic advice on how to manage change. In the longer term, the most important contribution will be to fund the construction and rehabilitation of the water infrastructure. In all these activities, an important factor is the participation of women and the landless in local water management. Wherever possible, interventions are coordinated in order to increase their effectiveness. In this context, the Netherlands has begun a policy dialogue with the Bangladeshi government with a view to setting up an integrated multidonor coastal development programme.

Results

The Bangladeshi government has established a National Water Management Plan (2004) and a Poverty Reduction Strategy (2005) as a guide for all donors. The BWDB has adopted a five-year strategic plan to convert technocratic and hierarchical institutions into decentralised and participatory organisations. It has also devised a strategy to increase participation by women in all aspects of the water sector. Using Dutch aid, WARPO has compiled a detailed organisational development plan for the coordination of integrated coastal management. Practically all the water management and capacity building projects cofunded by the Netherlands have a direct impact on poverty reduction. Ten thousand people were given training, land use rights or the chance to pursue economic activities. Participation by water users in planning, implementation and maintenance are important spearheads of Dutch policy.

So far, the business community has played only a limited role in the water sector. However, a stakeholder meeting has been organised and a study conducted on the opportunities for public-private partnerships in the drinking water sector in medium-sized cities. Opportunities are also being explored for the private sector to contribute to a drinking water and basic sanitation programme which is funded by the embassy and implemented by BRAC.

Challenges

There is still too little funding available for the water sector in Bangladesh, despite verbal commitments from the government. Management tools must be developed and applied, chiefly to improve organisation and finance. To this end, the Netherlands will enter into an active policy dialogue on the subject of public finance. The relevant authorities have also failed to raise the need for far-reaching institutional reforms with higher levels of government. The BWDB, for example, requires more and differently trained staff to implement its new role effectively, but is failing to take this matter up with the Ministry of Establishment and Ministry of Finance. Champions of change do exist and they are needed, which makes donor support more important than ever.

WARPO has also failed to give sufficient lead. The BWDB needs to delegate some of its powers to this planning organisation but has not yet fully done so. The Water Management Improvement Project (WMIP), which will help WARPO to broaden its mission and strategy, is expected to start soon. It will be cofunded by the Netherlands and the World Bank.

Box 6.2 Capacity building

- Fifteen members of staff at the Hanoi Water Resources University in **Vietnam** are being trained to Masters level. Eighty hydraulic engineers are given training in coastal management each year.
- In **Benin**, capacity building in the water sector over the past two years has led to satisfactory progress in compiling, launching and implementing results-driven budgets and plans. A number of detailed studies have recently been carried out to improve the identification, specification and planning of capacity building activities.
- Sectoral reforms in the water sector are high on the agenda in **Bangladesh**. Activities include the Twinning Mission, a partnership between the Dutch Ministry of Transport, Public Works and Water Management and the Bangladeshi Ministry of Water. Dutch aid is being used to help convert technocratic top-down institutions into decentralised and participatory organisations.

Improving water management requires a different approach in each country. Dutch support is generally used to facilitate policy development and help formulate multi-year plans, as it was in 2004. Between 2005 and 2006, the water programme made good progress in integrating the principles of sustainable development into the policies of partner countries. The Netherlands is also supporting moves to strengthen the relationship between poverty reduction and water policy in all countries.

Cross-border river basins are another priority of water management. More efficient water management in catchment areas is one of the prerequisites for attaining MDG 7 (ensure environmental sustainability). The Nile Basin Initiative for example, promotes a fair distribution

of water from the Nile and builds confidence between the 10 countries taking part. Dutch aid is also being used to support the organisations that manage the regional river basins of the Nile, Niger, Senegal, Limpopo, Rovuma and Zambezi rivers. Regional cooperation in a single catchment area is crucial for peace building and conflict prevention.

- Integrated water management is now accepted by the government in **Vietnam** as a key prerequisite for economic development. The catchment area approach is being applied in the Red River Delta, where a water board identifies sectoral water needs.
- A series of round table conferences was organised in 2004, leading to a non-governmental policy dialogue between India and **Bangladesh** on the use of shared rivers. This dialogue was given an added boost in 2006 by the organisation of two meetings between leading representatives of civil society.
- Dutch aid has been used to model a series of upstream climate scenarios which could influence the Nile Basin. In **Egypt**, these have been used to develop policy solutions for water management in the Lake Nasser reservoir and further downstream.

Water sector policies are usually implemented at decentral level. Many countries have adopted new laws to enable further decentralisation of water supply and distribution services. This requires a new way of thinking among stakeholders. Progressive decentralisation, deconcentration and involvement by water users also means making changes to regulations and competences at central and local level. The water programmes in Bangladesh and Egypt include a special focus on the gender aspects of water management and the empowerment of citizens. Bangladesh achieves a high score in encouraging participation of single women and the landless in local water management.

The water sector, and drinking water and basic sanitation in particular, lends itself extremely well to public-private cooperation. As a result, the role of the private sector has increased substantially since 2004. Public-private partnerships are now being actively promoted in six of the seven water partner countries. Dutch water companies have entered into partnerships with local water authorities in Egypt, Indonesia, Yemen, Mozambique and Vietnam. A total of eight PPPs were started up in the water sector in 2005/2006, two by the ministry in The Hague.

- In 2006, the Netherlands launched a PPP to support the Ta'iz drinking water supply company in **Yemen**, in cooperation with Vitens-Evides International B.V. Vitens-Evides helped prepare the project with advice on improving management.
- The private sector will need to become a key player in the development of the water infrastructure in **Indonesia**. The Netherlands is supporting an Asian Development Bank project which was launched in 2006 to support capacity development for public-private partnerships. The Dutch partnership model has an important role to play in professionalising local drinking water companies through technical assistance and capacity building.
- The framework for privatising the management of urban water supply in **Mozambique** has been extended from nine cities to 14 since 2004. The Netherlands' biggest water company Vitens is providing technical assistance to nine of these cities, to help them convert

inefficient municipal water supply services into profitable and independent water companies.

- In **Egypt**, the Egyptian-Dutch Advisory Panel on Water Management (APP) held its 40th conference in 2006. Key topics included policy evaluation and public-private partnerships. Existing PPPs in the Netherlands were also discussed. This contributed to a decision by the Egyptian government to establish public-private partnerships in road-building, irrigation and water management. As a result, the country's first large-scale PPP in water management was launched in the Western Delta, with the North Holland water company Waternet, which is responsible for drinking water and groundwater management.

No two countries are in the same situation or face the same problems. So the strategy chosen in each is the one regarded as most likely to achieve the results described above. Harmonisation between donors and alignment with the policy of the partner government are key. Private sector involvement is becoming increasingly important. For a full summary of the results achieved in each partner country, see the country files in the appendix.

Impact

Outcome

6.4 Development results

These aforementioned short-term results are contributing to the attainment of development results, that is, to medium and long-term effects which will improve people's lives in the partner countries. These development results (outcomes) can be illustrated by examining progress towards the Millennium Development Goals²⁵ and examples from the partner countries.

The following MDGs are relevant for the report on water:

MDG 7: Ensure environmental sustainability

Target 10

Reduce by half, by 2015, the proportion of people without sustainable access to safe drinking water.

Indicators

30 Percentage of population with sustainable access to an improved water source.

31 Percentage of population with access to improved sanitation

Target 11

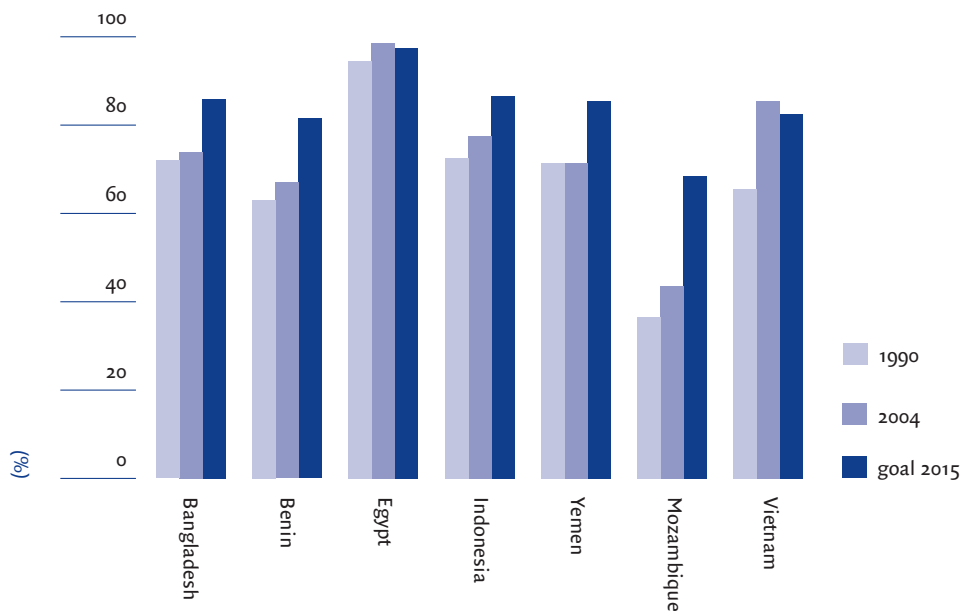
Have achieved, by 2020, a significant improvement in the lives of at least 100 million slum dwellers.

Indicators

32 Percentage of households with access to secure tenure, including access to land to reside and build on.

²⁵ The source used here is the UN central database <http://mdgs.un.org>. The tables referred to in the text can be found in the appendix.

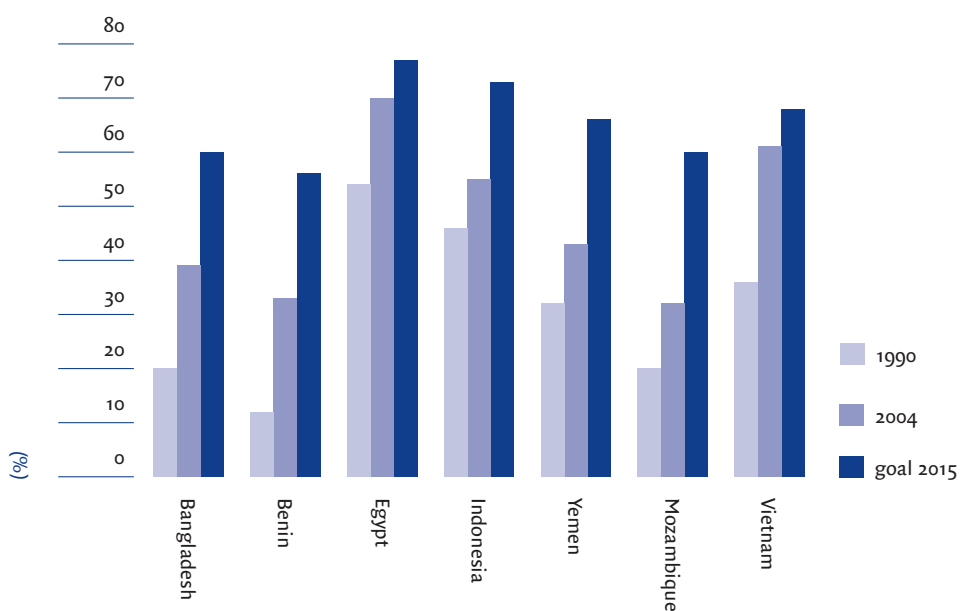
Figure 6.2 Indicator 30 – Access to an improved water source (table 6.2)



Most of the Netherlands' water partner countries are on track to meet their target for sustainable access to an improved water source. Two countries (Egypt and Vietnam) have now met that target, while four are doing reasonably well. One (Yemen) is lagging behind.

When concluding agreements to implement drinking water and basic sanitation programmes with multilateral institutions, NGOs and private partners, the Netherlands tries to work as cost-effectively as possible. Programmes are based on the UNICEF/WHO definition of sustainable access to water; that it should be safe, available, accessible and clean. Results must also be sustainable. This means that infrastructure must be adequately maintained and reinvestments possible in the longer term. The average price per unit per person comes to EUR 40 for access to clean drinking water and EUR 40 for access to basic sanitation.

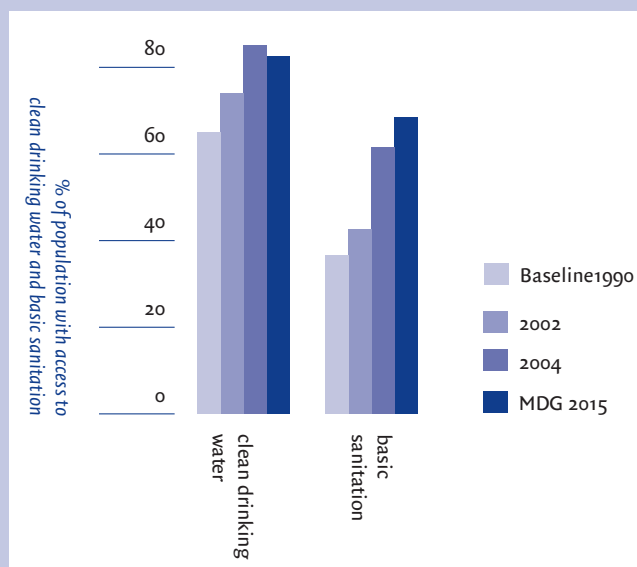
Figure 6.3 Indicator 31 - Access to basic sanitation (table 6.3)



Progress in meeting the target for access to basic sanitation in the Netherlands' water partner countries was largely positive between 2002 and 2004. Only one of the seven partner countries, Bangladesh, achieved a lower score compared with 2002. Here, the percentage of the population with access to basic sanitation fell from 48% to 39%. According to the UN, five of the seven countries will fail to meet their targets by 2015 at the current rate of progress, despite the achievements made.

Here, a distinction can be made between urban and rural areas. In absolute terms, almost all the partner countries are making headway in both rural and urban areas. Bangladesh and Indonesia are at the bottom of the list in terms of basic sanitation in urban areas, compared with the region as a whole. However, Bangladesh has signed an undertaking with BRAC to provide 8.5 million people with access to clean drinking water and 17 million people with basic sanitation by 2011. In absolute terms, only 11% of the rural population in Benin has access to basic sanitation (2002), while in Sub-Saharan Africa the average is 24%.

Progress in Vietnam has been particularly noteworthy. In 2002, the country was still a long way from attaining the MDG target of halving the percentage of the population without access to clean drinking water. However, figures from 2004 suggest it has now met this target. Vietnam thus made enormous strides in just two years, mainly due to its remarkable economic development. A radical social revolution, land reforms and the opening up of the socialist command economy have led to an enormous surge in economic growth. This is creating more opportunities for the government to invest in the productive sector. As a result, there has been a huge increase in the number of wells sunk for water. Substantial investments in infrastructure are also being made throughout the country. Vietnam also achieves a high score for sanitation. Access to basic sanitation has risen from 84% to 92% in urban areas and from 26% to as much as 50% in rural areas. Between 1990 and 2004, the overall proportion of the population with access to basic sanitation therefore rose from 36% to 61%. Vietnam only has to deliver a further 7% increase to meet the MDG target. As a result, it has now included even more ambitious country-specific targets in its policies.



The most recent developments in access to drinking water and basic sanitation can be shown for some countries, based on local data.

- Almost 350,000 people gained access to clean drinking water in Mozambique in 2004, increasing the total coverage from 38% to 39.8%. In 2005, they were joined by an additional 120,000 people, increasing the total coverage from 39.8% to 40.4%. Although this falls short of the country's highly ambitious target of 44.2% for 2005, approximately 7.7 million Mozambicans (out of a total population of 19 million) now have access to clean drinking water.
- In Benin, the construction and modernisation of water supply points between 2004 and 2006 gave over 800,000 people access to clean drinking water, raising the proportion from 36% to 43.9%. These results were achieved partly because the Ministry of Water's results-driven working methods are now fully operational, the government has improved its planning and control methods and the integrated database is working well. The overall conclusion is therefore that Benin is still on track to meet the MDG target (67.5% by 2015).
- The Ministry of Water and Environment in Yemen has drafted a multi-year (2005-2009) policy and strategy for the water sector, in close cooperation with its partners. A rewarding and constructive dialogue has developed between the Ministry and the core donor group. This helped to ensure that by the end of 2006, 61.3% of the urban population had access to clean drinking water and 33.9% of the urban population were connected to the sewers.

Indicator 32: Access to secure tenure (table 6.4)

In 2002, UN-Habitat redefined MDG target 11. The percentage of slum dwellers is now calculated using the following criteria:

- Access to improved sanitation
- Sufficient living area
- Durability of housing
- Security of tenure
- Access to improved water

No new data have become available since the 2004 report. Between 1990 and 2001, the proportion of urban slum-dwellers declined in five of the seven water partner countries, increased in one (Benin, +4%) and remained unchanged in one (Mozambique). Three of the seven countries also outperformed the region as a whole. More recent figures are not available. However, the global picture is that the proportion of slum-dwellers is rising dramatically. According to UN-Habitat, the figure has risen by 40% on average in the past 15 years, with nearly a billion people now living in slums. This is likely to increase by a further 30% over the next 15 years. As a result, the performance of the water partner countries will probably have deteriorated since 2001. Dutch aid is mainly being used to support drinking water and basic sanitation programmes, since they can substantially improve the lives of slum-dwellers.

The long-term results (impact) envisaged in the water sector are highly varied and differ from country to country. The results chain at the beginning of this chapter reflects the relationship between the availability and use of drinking water and sanitation facilities and public health. This relationship is illustrated using the results of an impact assessment carried out by the Policy and Operations Evaluation Department (IOB).

Impact assessment²⁶: Water Supply and Sanitation Programmes Supported by the Netherlands; Shinyanga Region, Tanzania, 1990-2006

Between 1971 and 2006, the Netherlands supported drinking water and basic sanitation programmes in the Shinyanga region in Tanzania. Over the years, these programmes have evolved from traditional project-based programmes into sectoral programmes. The IOB recently conducted an impact assessment in the Shinyanga region. Some of its findings, which were included in a provisional report, are presented below. The final report will be published in 2007.

To begin with, Dutch aid helped to increase rural access to drinking water from 10.5% in 1992 to 43% in 2006. Approximately 1.1 million people gained access to an improved water source. Second, public health has improved. Statistics show evidence of a substantial decline in the number of diseases related to stagnant or polluted water, notably malaria and diarrhoea as well as intestinal parasites. Third, the 'step-by-step' model adopted in the 1980s has been crucial for the success of the programmes. Using this model, the government of Tanzania and the private sector help water users, organised into Water User Groups (WUGs), to manage and operate water facilities. Roles and responsibilities are clearly defined. The capacity of all the parties involved has increased significantly over the years, especially that of the WUGs and the local and regional authorities. Fourth, women in particular have benefited from the programmes. They now spend far less time collecting water, so that girls have more time to attend school. Women also play a role in the WUGs. Finally, water users now have a much greater understanding of the need for good hygiene and the use of basic sanitation. The Participatory Hygiene and Sanitation Transformation (PHAST) training programme has become an integral part of the water strategy. However, although the construction of water supply points in the Shinyanga region is cost-effective, the sustainability of the programme is not yet guaranteed. In many cases, this is due to failure to set aside the necessary funding for maintenance and reinvestment.

The programme findings show that investments in drinking water and basic sanitation can achieve genuine results which benefit the poor in particular. Phasing in the step-by-step model clearly takes considerable time. Demographic and ecological aspects also need to be taken into account, while sustainability and lack of technical and institutional capacity continue to present a major challenge.

The Netherlands' approach to improving drinking water and basic sanitation in the Shinyanga region now serves as an example for the country programme, which is being funded by the World Bank.

6.5 Findings and challenges

Access to water is under growing pressure. The global population is expanding, industrialisation and pollution are on the increase and clean water is becoming scarcer. Farming and industry are claiming a growing share of the water that is available, and in some countries this is having serious consequences for the supply of clean drinking water and the preservation of ecosystems. The poor are often the first to suffer from contaminated water, degraded ecosystems and poor

²⁶ The assessment sought to highlight the effectiveness and impact of aid on water and basic sanitation, and examines the links between inputs and effects in the medium to long-term (outcomes, impact), as reflected in the results chain (fig 6.1).

water management. Nearly two-thirds of people without access to clean drinking water are living on an income of less than two dollars a day²⁷. The problem is not so much the availability of water as its unequal distribution and poor management.

MDG 7 sets targets for access to clean drinking water and basic sanitation. Six of the Netherlands' seven partner countries are on track to meet these targets, and two (Egypt and Vietnam) have already reached them. Mozambique is lagging behind, while Yemen has so far made no progress. All seven partner countries are also making headway in providing access to basic sanitation. Yet despite these achievements, five will not attain their MDG targets by 2015. A comparison between rural and urban areas shows that while there is better overall access to basic sanitation, progress in rural areas is far slower, especially in Africa.

Distribution of water and access to basic sanitation are unequal not only within countries but also within regions in Sub-Saharan Africa and Asia. If the targets of sustainable access to safe drinking water and basic sanitation are to be met, account will have to be taken of this inequality, including in partner countries where the Netherlands is supporting the water sector. In Bangladesh, for example, the government wants to do more to help rural areas through networks of NGOs. Over the next few years, the non-governmental organisation BRAC will be implementing a large programme to substantially reduce the percentage of the population without access to clean drinking water. Similar initiatives will be launched in Benin, Egypt, Mozambique and Indonesia.

Lack of capacity is obstructing progress throughout the water sector at both central and decentral levels. Results from the partner countries show that technical support, improved coordination and cooperation, planning and control and institutional development remain key priorities.

Country policies are usually implemented on a decentralised basis. Decentralisation of responsibility and resources often requires a completely new approach by central government and places extra demands on local authorities. Lack of political will is seen by the UNDP as one of the biggest obstacles to achieving MDG 7.²⁸ Many partner countries regard the development of local government capacity for planning, monitoring, implementation and financial management as a priority. A decentralised policy in the water sector also presents more opportunities for the involvement of users in water management, in particular for the accountability of the relevant authorities towards them.

The private sector has an important role to play in achieving the MDGs. The business community can, for example, manage and/or maintain drinking water and basic sanitation facilities. In Egypt, efforts will be made to replace the decline in public investments with private sector funding. There is also demand for Dutch expertise in the integrated management of rivers and catchment areas, and in coastal protection.

Large amounts of water are needed for food production. Shortages are already causing problems with allocations to various users. The challenge now is to increase global food production on the basis of more efficient water consumption. Cooperation between stakeholders is crucial in

²⁷ UNDP, Human Development Report, 2006.

²⁸ UNDP, *Making Progress on Environmental Sustainability*, October 2006, p. 51.

preventing water-related conflicts and ensuring equitable distribution. It is therefore essential to continue international talks on the management of river basins.

Dutch efforts focus on achieving concrete results in institution building, capacity development and infrastructure. Improved water management and sustained access to clean drinking water and basic sanitation have a positive impact on public health, school attendance among girls and the participation of women on the labour market. Adequate cross-border water management centring on an equitable distribution of water also promotes peace and political stability.

The nature and form of the Netherlands' contribution call for decisions on the most appropriate channel (NGOs, multilateral institutions or the private sector), combined with policy dialogue, financial support and technical assistance (including the sharing of Dutch expertise and efforts to promote the participation of civil society organisations). Although the form of cooperation chosen is generally project aid (89% of bilateral cooperation), efforts are being made to move towards more sectoral cohesion.

The results achieved by the Netherlands, its partners and other donors are encouraging, but they still fall short. The participatory approach is a long process, and must be accompanied by the necessary institutional and political adjustments. These are essential for making sure that results are sustainable. Increased involvement by the private sector is also vital. Dutch aid and expertise will continue to be needed to improve the water infrastructure. The administrative dimension, in the form of decentralisation and the coordination of planning and implementation, is another example of how Dutch input is vital for institutional reform and capacity building.

Recommendations

- *More sector-based cooperation within clear policy frameworks is needed to improve cooperation on programmes with partner countries and other donors.*
- *The focus on poverty in the water sector has important institutional and political dimensions; discussing these issues and seeking solutions require an effective policy dialogue and constructive cooperation.*

7. Good governance and human rights



7.1 Introduction

The main aim of Dutch development cooperation is poverty reduction. Poverty has both material and non-material dimensions.²⁹ Policy on good governance and human rights seeks improvements to the non-material dimensions of poverty, such as legal certainty, human rights, voice, inclusivity and security. It also aims to boost the effectiveness of aid, since good governance and respect for human rights, in particular voice and public accountability, political stability, adequate legislation, effective government, the rule of law and workable anti-corruption measures strengthen the impact of development activities. Activities are conducted in the context of policy articles 1.2 ('protecting human rights') and 2.7 ('good governance in priority countries') of the development budget. Activities to promote good governance are pursued in all 36 partner countries, as prescribed in the policy memorandum *Mutual interests, mutual responsibilities*. Human rights activities are implemented in 24 of these countries.

There are no separate Millennium Development Goals for good governance and human rights. However, there is growing consensus that good governance, and the fight against corruption in particular, is vital for achieving the MDGs. In October 2005, the European Union launched a Governance Initiative as part of the EU Strategy for Africa. And in autumn 2006, the World Bank adopted a Governance and Anti-Corruption Work Plan. Both were prompted by a recognition that the probability of a substantial increase in global development aid will require better systems of governance.

International frameworks for human rights policies are enshrined in international human rights agreements and in the international legal order. Human rights are also enshrined in the MDGs. Linking human rights policy with the Millennium Development Goals will therefore help to attain them.

Good governance and human rights are a feature of all development programmes. There is only limited demand for specific bilateral cross-sectoral activities. The results achieved in 2005-2006 included several lessons which have since been converted into the following shifts in policy.

First, growing awareness of the importance and complexity of institution and capacity building in development cooperation has led to a programme of support for Dutch embassies in the partner countries (SPICAD = Support Programme for Institutional and Capacity Development). Second, there is now more attention for the fight against corruption by and in partner countries. An early lesson learned by the internal Anti-Corruption Task Force (established in mid-2005) was that corruption is endemic and cannot be eradicated through swift technical solutions. It can only be tackled effectively through a coordinated approach by institutions concerned with good governance. This reinforces the view that technical support for good governance will not work if political governance is weak. In Africa in particular, this means that even if formal structures are strengthened, they could still be used covertly to sustain systems of patronage which do little to promote economic growth and exclude large sections of the population. More in-depth analysis is therefore needed at country level. A decision was taken at the end of 2006 to conduct a quick scan of systems of governance in all partner countries in 2007-2008, with specific attention for the quality of political governance and levels of corruption.

²⁹ OECD-DAC: 'Poverty encompasses different dimensions of deprivation that relate to human capabilities including consumption and food security, health, education, rights, voice, security, dignity and decent work.'

The Netherlands' policy on good governance and human rights is based on the Cotonou Agreement (see figure 7.1). Its outcome targets match the six dimensions of good governance identified by the World Bank Institute as having the biggest impact on development. These are: voice and public accountability, political stability, government effectiveness, rule of law, regulatory quality and control of corruption. However, the priorities selected for each dimension (see the list of priorities in the results chain) are more closely aligned with Dutch policy objectives. For example, there are more priorities under human rights than in the WBI list. The reasoning behind the output categories is as follows: the outcome goals can be achieved partly through improvements to legislation and institutional and capacity development within and between sectors. But, as noted earlier, a purely technical approach will not be enough if the political will is lacking. In such cases, good governance and human rights cannot be imposed from outside. Instead, internal champions of reform and improved compliance are needed. Donors can help to raise awareness among different interest groups. Increasing transparency by making governments more publicly accountable for their activities and budgets appears to be a highly effective way of raising awareness, improving the quality of governance and upholding respect for human rights. The inclusion of monitoring in the results chain is chiefly designed to promote accountability.

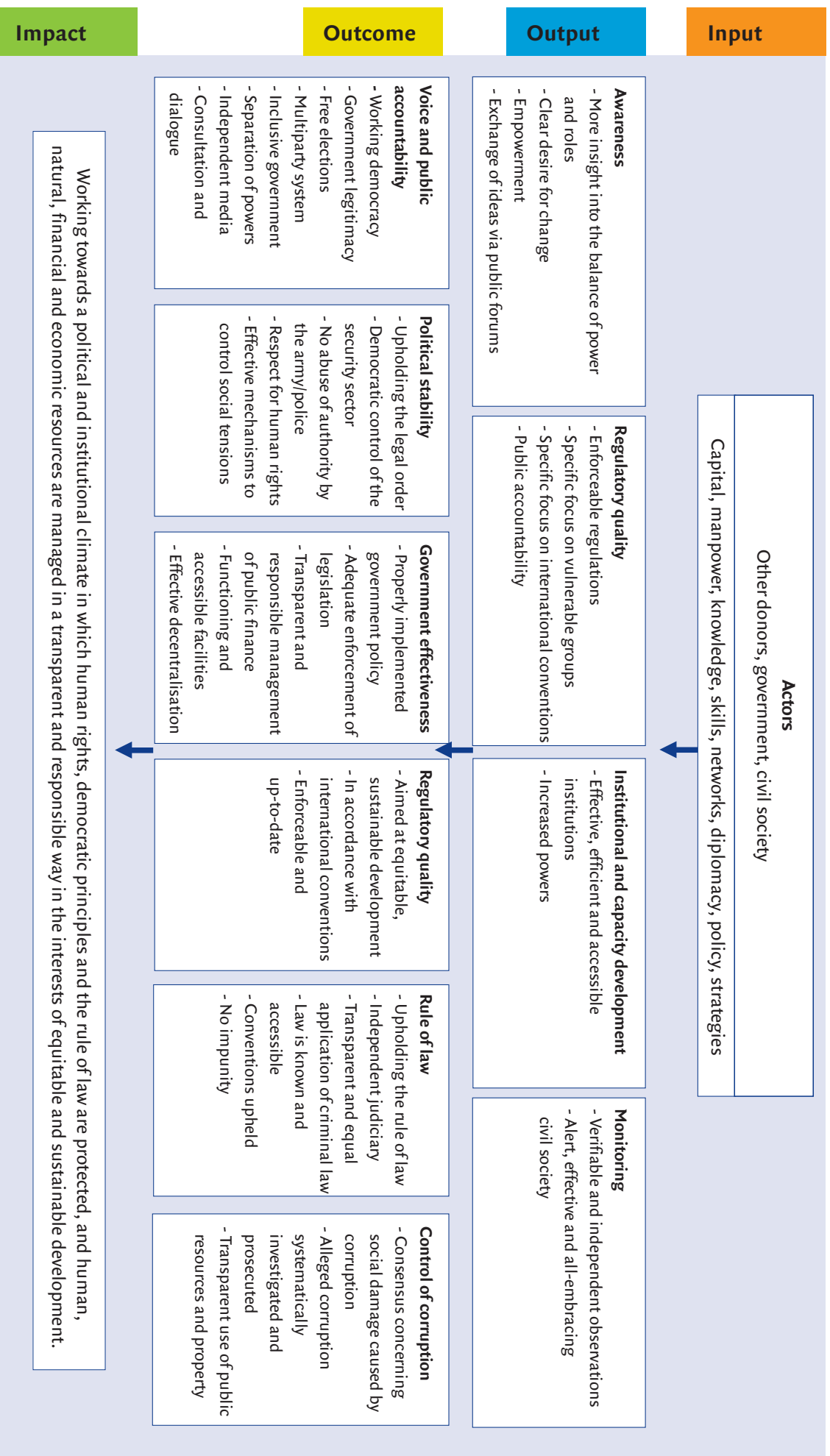


Fig. 7.1 Good governance and human rights results chain

7.2 Financial and non-financial inputs

The Netherlands' financial and non-financial contributions are part of the inputs described in the results chain (figure 7.1). In 2004 and 2005, Dutch financial inputs for good governance and human rights were divided more or less equally between bilateral and multilateral aid (table 7.1). Total financial inputs for good governance and human rights fell by 13% between 2004 and 2006. This was largely due to a decision to reduce multilateral contributions, mainly to the World Bank, and to use some of them for bilateral financing. The proportion of bilateral aid inputs rose from 39% in 2004 to 54% in 2006.

Eighty percent of bilateral sectoral financing consists of sectoral good governance programmes in Uganda, Suriname (since 2005), Tanzania and South Africa (until 2006). Non-delegated bilateral financing is used mainly to fund the Strategic Human Rights and Good Governance Activities Facility (FSA), municipal initiatives, and central funds for human rights and good governance activities in several countries.

Table 7.1 *Good governance and human rights: the Netherlands' financial contribution to partner countries, by aid modality (EUR million)³⁰*

Good governance		2004	2005	2006
Delegated bilateral	Subtotal	142.7	154.0	171.0
	Project financing	117.9	133.7	139.4
	Sectoral financing	23.6	18.4	29.1
	General budget support and debt relief	1.3	1.9	2.5
Non-delegated bilateral		33.1	22.6	26.9
Multilateral		186.2	185.8	117.2
Total		362.0	362.4	315.1

Source: Ministry of Foreign Affairs

The division between bilateral and multilateral financing is easy to explain. Improvements in governance and respect for human rights often call for far-reaching changes that are both technically complex and politically sensitive. They are therefore generally tackled on a multi-donor basis, including through multilateral organisations (notably the UNDP, World Bank, EU and OHCHR). However, not all dimensions of good governance and human rights lend themselves to cooperation with the recipient government. This limits opportunities for alignment and multilateral efforts. Bilateral financing therefore continues to be needed, sometimes through non-governmental channels.

Dutch bilateral aid for good governance and human rights has risen slightly in recent years as a result of a sharper focus on this theme and an increase in general budget support and debt relief, some of which was allocated to it. Most project and sectoral financing is used to fund activities in which the Netherlands occupies a specific niche, providing added value in the form of innovative and catalyst activities or supplementary policy (such as capacity building to accompany budget support).

³⁰ See box 1.4 for an explanation of the terms used in this section.

A large proportion of multilateral financial support for good governance and human rights is channelled through UNDP, the World Bank and the EU. The Netherlands actively encourages multilateral organisations to make administrative reform and respect for human rights an integral part of their activities, raising these issues during discussions on new policies, country programmes and project proposals. A percentage of the Netherlands' contributions to multilateral organisations can therefore be attributed to good governance and human rights.

UNDP's mandate is to support the partner countries' overall development policies, in close correlation with their Poverty Reduction Strategy Papers (PRSPs). Roughly half the activities to which Dutch funding goes contribute to the reform of government and respect for human rights. The Netherlands is also contributing to the Democratic Governance Thematic Trust Fund specifically to boost UNDP's efforts with regard to the more political dimensions of good governance (democratisation, the rule of law, etc). Dutch funding is being used to support a programme to extend the human rights approach throughout UNDP and the UN.

Due to the nature of its mandate, the principal objective of the World Bank's governance work is to help 'capable and accountable states to deliver services to the poor, promote private sector-led economic growth and tackle corruption effectively'³¹. This mandate only covers the political dimensions of governance if they touch on the effectiveness of aid. In recent years, however, there has been growing recognition that this may involve more dimensions than previously thought. The Netherlands-Bank Partnership Programme is cofunding research and measures to raise awareness in this area.

The most important non-financial inputs for good governance are harmonisation and policy dialogue. Harmonisation is achieved by donors and multilateral organisations working closely together in donor groups centring on democratisation, human rights, decentralisation, public finance and the fight against corruption. In some cases, donors agree on a distribution of tasks, sometimes entailing silent partnerships. Due to the financial scope of its programme, the World Bank often takes the lead in these partnerships, especially for activities in the financial sector. However, a policy dialogue with the recipient country is vital in addressing the full spectrum of good governance and respect for human rights. This is a powerful instrument, especially in countries that are receiving budget support and where it is conducted in partnership with other donors. Wherever possible, agreements are concluded with the recipient government on targets and benchmarks to measure progress.

7.3 Joint results

These financial and non-financial inputs reflect the Netherlands' contribution to good governance and human rights in the partner countries. Examples of short-term effects (outputs) and outcomes achieved by these inputs and those of other actors through country-specific interventions are outlined below. Many inputs for good governance and human rights focus on capacity development. This is discussed below using one or two case studies (boxes 7.7 and 7.8). Box 7.1 uses examples to explain why an integrated policy is increasingly being used to achieve good governance.

³¹ Development Committee Communiqué, Singapore, September 18, 2006.

The 2004 report concluded that policy on good governance and human rights was too fragmented and required a more coherent and consistent approach. In 2005-2006, therefore, the Netherlands developed various instruments to remedy this. Control of corruption was explicitly included in the new strategy. The use of these instruments (especially the quick scan to assess quality of governance and levels of corruption) will produce a more substantive and integrated strategy on good governance and human rights in the Dutch Multi-Year Strategic Plans 2009-2012.

Another instrument is the track record. In 2005-2006, the six dimensions of good governance listed under 'outcome' in figure 7.1 were included in the annual track records which the embassies use to monitor developments in the recipient country and on which decisions on budget support are based. New insights into developments in the partner countries are incorporated into existing programmes wherever possible.

Uganda

In Uganda, progress during 2005 was unsatisfactory in a number of areas. These included key dimensions of good governance such as a functioning democracy, government effectiveness and control of corruption. The Netherlands therefore decided to reduce its budget support by EUR six million and channel the funding into emergency aid. This policy was continued in 2006.

For the Netherlands, the multi-donor policy dialogue with the government is a crucial element in assessing progress using benchmarks based on Ugandan government policy. If progress is slow, aid modalities are reviewed. Two of the three sector programmes - justice and local government – focus on good governance. In 2006, the embassy added an anti-corruption strategy to this package.

Outcome

In 2006, Uganda switched to a multiparty system for the first time in 20 years. However, the subsequent election campaign was disrupted by the arrest of the president's main opponent. It is still too early to establish whether the system of multiparty democracy is fully embedded. However, the reform of the public sector has not yet visibly led to more effective government. Nor is there much indication that serious efforts are being made to fight corruption, although Uganda did achieve a slightly higher score on the Transparency International corruption index.

Yemen

At the end of 2005, the Yemeni government acknowledged that it needed to take serious steps to implement its agenda of social and economic reforms. The United States, the Netherlands, the UK and Germany joined forces to step up pressure for reform and call on the government to give priority to the fight against corruption. At the end of 2005, the Yemeni government came up with an action matrix of reforms in all relevant areas, from control of corruption to human rights. As in Uganda, agreement was reached within the multi-donor policy dialogue on benchmarks for assessing progress. At the beginning of 2006, the Netherlands indicated that tangible results (as reflected in a higher World Bank IRAI score) could be rewarded by an increase in Dutch aid to Yemen. However, no decision has been taken so far.

Outcome

Yemen has implemented a number of reforms. Elections have also brought a more reform-minded government to power. However, the rate of change is still too slow for donors. And while various areas have shown a modest overall improvement, the quality of governance in Yemen is not yet satisfactory.

Bangladesh

Developments in Bangladesh reflect a mixed picture. Annual growth figures indicate a sound economic policy. However, the country's record on governance and respect for human rights has deteriorated, with a poorly functioning democracy, continuing widespread corruption and the rule of law backsliding. Good governance is one of the priorities of the Dutch aid programme in Bangladesh, and activities are being implemented in numerous areas. The multi-donor policy dialogue is important but not yet effective enough. In 2006, the Netherlands decided to suspend bilateral aid to Bangladesh due to the risk of corruption. The challenge for the next two years is to see whether the Netherlands, as a medium-sized bilateral donor, can continue to play a strategic and political role.

Outcome

In 2005-2006, the overall quality of governance in Bangladesh was poor. In a country where donor support plays only a limited role in public finance, the effects of donor pressure were not yet measurable (although at the beginning of 2007 the interim government appeared to be taking steps to tackle various ills, including corruption).

Kenya

In 2006, the media and civil society in Kenya, supported by the United Kingdom and the Netherlands, again drew urgent attention to the country's high levels of corruption. The Netherlands suspended its plans to support programmes in the education, water and environment sectors. However, it decided to continue supporting the good governance programme since it provides a springboard for critical dialogue on all aspects of good governance, including the fight against corruption.

The Netherlands is supporting an integrated strategy to fight corruption in Kenya. This centres on diplomatic contacts, policy dialogue and (following the temporary suspension of the education, water and environment programmes) support for a broad government programme to strengthen governance and the judicial process. A large proportion of the programme targets civil society in order to make the public aware of their rights and encourage demand for better governance.

Outcome

A number of investigations have been launched and several prosecutions have been brought, so far only against senior government officials rather than ministers. There is little evidence of political will to tackle large-scale corruption. However, one positive sign is that control of corruption is now on the agenda and can be openly discussed.

Ethiopia

Output

Prior to the 2005 elections, Dutch efforts in Ethiopia supported internal public awareness processes through institutional and capacity development (training National Election Council staff and MPs and helping to meet the equipment costs of 38 political parties). After the elections, donor mediation led to the reform of parliamentary procedures that discriminated against opposition parties.

Outcome

There was an 85% voter turnout and support for opposition parties rose from 2% to 30%. The elections were free, but dissatisfaction with the result led to serious disturbances and human rights abuses. The opposition parties eventually agreed to take their seats and provide a solid counterweight to government. While the multiparty system has been strengthened, the legitimacy of the government has been undermined.

Rwanda

Output

Continuing support for the national audit office in Rwanda led to an increase in the number of performance audits from 57 in 2004 to 72 in 2005 and to 80 in 2006. The office now has better methods for conducting these audits. Between 2005 and 2006, parliament and the media showed great interest in its initial report.

Outcome

Both the Rwandan population and donors now have more insight into the legitimacy and efficiency of government. This is leading to more public accountability.

Indonesia

Output

Since 2001, Indonesia has been taking steps to introduce more community policing. Given the will to bring about political reform, the Netherlands is supporting this process through institutional and capacity development. Some 6,083 police instructors have been trained in seven regions since 2004. In 2006, the programme was extended to Aceh.

Outcome

The police force is now beginning to apply the new approach. This is increasing political stability, respect for human rights and the rule of law. It is also boosting the legitimacy and effectiveness of government.

Indonesia

Output

The Netherlands is backing campaigns to raise awareness of, and monitor, government policy through institutional support for the human rights lobby and the media. The beneficiaries are

the human rights organisations LBH and PBHI and the MDLF (Media Development Loan Fund), in cooperation with the popular local radio station Radio 68H. This has led to better, more independent news-gathering.

Outcome

These activities are helping democracy to function properly and increasing respect for human rights, as well as boosting political stability and strengthening the rule of law.

Bolivia

Output

In 2004, a tax reform programme in Bolivia boosted tax revenue by 24% compared with the previous year. The Netherlands ended its contribution to the programme in 2006. In 2005-2006, it funded improvements to the financial, administrative and public accountability systems of 20% of the country's local authorities, in partnership with other donors.

Outcome

The results of the public sector reform programme have proved only partly sustainable. Municipal systems have been strengthened and are now working effectively.

Burkina Faso

Output

Between 2002 and 2006, 557 community investment plans drawn up in the context of local development plans were defended by their compilers, approved by the provincial authorities and cofunded by the Netherlands. The resulting activities directly and indirectly benefited 1.4 million people and strengthened the voice of farmers, including women. 21% of departmental programme committee members trained under the programme were elected as councillors in the 2006 municipal elections.

Outcome

The programme contributed to more democracy and a more effective government. It led to accessible, adequately functioning services (including water) and paved the way for the central government's decentralisation plans.

Rwanda

Output

The Netherlands is supporting the court system in Rwanda through the provision of ICT, training for all 258 judges and 232 court administrators, reform of the inspection service and refresher courses for the gacaca judges. It is also cofunding public information campaigns on the gacaca system of participatory justice administered by lay judges, the aim of which is reconciliation and justice in the aftermath of the genocide. The number of judgements issued rose from 12,000 in 2003 to 30,000 a year in 2005-2006. By the end of 2006, the backlog of cases had been reduced from 48,000 in 2003 to 18,000, and the gacaca courts had begun their work.

Outcome

Transparency, the application of criminal law and access to the courts have all increased. Independent reports show that judges are better equipped to hear cases and the justice system is more participatory.

South Africa

Output

The number of cases handled free of charge by the legal advice offices of the National Community-Based Paralegal Association (NCPA) fell by approximately one-third in 2005 compared with the previous year. This was due to internal problems and the fact that Dutch funding came to an end in the first half of 2005. The maintenance payments system introduced in 2004 reduced the incidence of fraud and error. In two cases, 1.25 million and 3,750 were recovered.

Outcome

Access to the courts has improved, but only some of the results achieved through institutional and capacity development have proved sustainable.

Bolivia

Output

The Netherlands continues to play a leading role in the implementation of the National Integrity Programme, an integrated anti-corruption programme in Bolivia. The programme gave priority to 30 charges of corruption, only one of which reached the court (resulting in an acquittal).

Outcome

Although the fight against corruption is high on the political agenda in Bolivia, including that of the new president Evo Morales, there is still no effective strategy in place. Nor has any real headway been made.

Indonesia

Output

President Yudhoyono was elected largely on the strength of an anti-corruption platform. Since then, he has established various institutions, notably the independent Commission for the Eradication of Corruption (KPK) and the anti-corruption court. The ultimate aim is to reform mainstream institutions such as the police, the public prosecution service and the courts. In recent years, the KPK has brought to justice a large number of former government officials, many of whom have been sentenced. This sends out the message that corruption is risky. The Netherlands has supported the fight against corruption in Indonesia through a World Bank Trust Fund and the Partnership for Governance Reform, which works closely with the KPK.

Outcome

The systematic investigation and prosecution of alleged cases of corruption contribute to the fight against corruption. It is nevertheless likely to be many years before these practices are eradicated.

Nicaragua is one of the poorest countries in Latin America and heavily dependent on external aid. In recent years, much has been invested in institutional development for government reform (especially public finance), supervision of the banking sector and decentralisation of education and health care. This policy has contributed to increased economic growth, balanced public finances and better access to health care and education.

The Netherlands is a member of the General Budget Support Group (BSG) together with eight other donors, including the World Bank and the European Commission. Every six months, the BSG discusses poverty reduction and measures to strengthen the rule of law and democracy with the Nicaraguan government, parliament and national audit office. These meetings have been held for the past two years. Together, the nine donors fund 9% of Nicaragua's budget. Dialogue with the BSG has led to new legislation on public finance, which has had a positive impact on transparency, mid-term planning and coordination of donor financing. Support for the government focuses on the further development and structuring of administrative reforms, technical competences and financial transparency. Support for non-governmental actors concentrates on increasing access to services and protecting vulnerable groups.

What is unusual about this example?

This case study is an interesting example of direct, intensive cooperation between donors and the recipient government in the context of external support for the national budget, where donor efforts focus on promoting policy dialogue, increasing accountability and boosting capacity on the demand side and the position of non-governmental actors.

Results at central government level

Since 2006, the government has been obliged to register all public expenditure in a central database and have the national budget approved by parliament. The multi-donor programme has also been used to support other financial and management reforms. It is discussed every six months with members of the judiciary, parliament and national audit office. The dialogue is based on a matrix approved by both parties, which contains specific agreements on political actions and the results envisaged. This provides the government with a degree of financial certainty while allowing donors to closely monitor compliance with fundamental principles, such as democracy, free and fair elections, the rule of law and respect for human rights. Donor influence through the BSG has helped to achieve a number of interesting successes. These include parliamentary approval of the state budget, clearer involvement of the national audit office in the 2005 budget audit, and a statutory regulation governing the budget cycle, including use of donor funding.

Results for society

A parallel dialogue is taking place with representatives of civil society and the private sector. The purpose of this BSG dialogue is to ensure that the local population has a say in the prioritising of public works. The embassy also facilitates civil society organisations and training in

participatory planning and gender budgeting at municipal level. The government has improved public information provision. As a result, more information is now available and the population is better informed about national policies.

Consequences for cooperation between donors (harmonisation)

To attract new members, from the outset the Budget Support Group has worked with the government to publish all available information. Other donors have been invited as observers to attend BSG's monthly working meetings and the official six-monthly consultations with the national authorities. However, some donors, such as the US and Venezuela, are unlikely to join the BSG within the foreseeable future. These countries prefer aid modalities that are not part of the national budget.

In 2005, the Yemeni government announced a series of ambitious reforms, partly in response to pressure from donors (see box 7.1). Yemen's Consultative Group development partners agreed to cofund this five-year plan, provided the rate of progress was sustained. In 2006, Yemen converted the proposed reforms into a series of laws which it began implementing. It developed country policies in various sectors (including water and basic education), enabling donors to monitor progress.

The Netherlands has played an active role in several good governance themes in Yemen, including democratisation and public accountability. The embassy is gradually integrating support – which still takes the form of project aid – into the government's five-year plan.

Different groups of donors are working together on aspects of good governance. The Netherlands belongs to all these consortia, some of which take the form of silent partnerships. Donors are also forging more and more partnerships in the water and education sectors. In principle, the government is committed to encouraging harmonisation but in practice it often prefers to carry on negotiating separately with individual donors.

Capacity building supports donor harmonisation in several ways. For example, the Dutch embassy has helped to compile a World Bank handbook on public tenders. The Netherlands and other donors have devised an action plan with the Yemeni finance ministry, and a support unit has now been set up there. The Netherlands is also supporting measures to increase the capacity of the media; in one province, positive results have been achieved through a project to bring government closer to the people. Support for NGOs concentrates on increasing access to services and protecting vulnerable groups. While other donors still rely heavily on external expertise, the Dutch programme mainly uses local knowledge. The Yemeni government also has access to the funds.

The government of Yemen has made progress in the sectors that have been receiving support, for example by improving the regulations that govern public tenders. The Ministry of Finance is negotiating with other institutions, including the central bank, to strengthen its own position in the budget cycle. Yet despite the headway that has been made, there are still many challenges facing good governance in Yemen, and progress is slower than expected. The government is not yet showing sufficient political will to implement the reforms. A distinction must be made here between political will and the capacity of administrative structures. The Yemeni government does not feel under great pressure to push through reforms due to the relatively limited

importance of foreign aid for the Yemeni economy. At the same time, however, capacity for implementing the major central processes of government and public finance reform and decentralisation is still too limited.

This case study is an interesting example of how a fragile state has sought to make progress towards good governance. Application of the Principles for Good International Engagement (developed by the OECD-DAC Fragile States Group) led to closer coordination with the government (to promote ownership and strengthen state structures), improved donor coordination and enabled more pressure to be brought to bear. To encourage progress in implementing the reform agenda, an alliance was concluded with the bilateral donors most closely involved, inside and outside the European group. It was later extended to include the most influential multilateral institutions. However, gradual harmonisation and alignment are not irreversible processes. The current five-year plan was compiled with help from the embassy and other donors in a series of working groups. These were later disbanded, although in fact they are needed to monitor the progress being made towards the MDGs.

7.4 Development results

The previous section on joint results gave a series of examples at output level and qualitative results at outcome level. There are very few global indicators for measuring progress and trends at outcome level for good governance and human rights as a whole. The most appropriate are the World Bank Institute's Kaufmann indicators, which cover all countries and the entire spectrum of good governance. However, they are largely based on the perceptions of experts and local populations rather than on actual developments. Moreover, they only register significant changes in the six identified dimensions of good governance.³²

Another indicator which has been widely available since 2006 is the World Bank IDA Resource Allocation Index (IRAI, previously the Country Policy and Institutional Assessment (CPIA)). This indicator forecasts the effectiveness of IDA loans. Aspects of good governance account for much of the score. However, the method used to put together the IRAI scores is not transparent, while the index only covers countries that are eligible for IDA. Table 7.3B³³ lists the scores of all the partner countries for both indicators.³⁴

The Kaufman indicators show that there has been little overall change in good governance in the partner countries. Nor is there evidence of any clear trend. Table 7.3A lists the partner countries that have shown a significant improvement or deterioration in good governance between 2000 and 2005. Only 11 of the 36 countries achieved a better score in at least one dimension of good governance. Three (Afghanistan, Armenia, Senegal) registered improvements in more than one dimension. However, three registered a decline in the quality of at least one, with two (Bangladesh, Palestinian Territories) undergoing a decline in several. Mali and Zambia achieved both positive and negative scores. Even fewer changes were registered in the 2002-2005 period, and no clear trend is discernible.

³² The Kaufmann indicators were developed by Daniel Kaufmann et al of the World Bank Institute. They have been published since 1996. Relevant data can be viewed at www.govindicators.org.

³³ The tables referred to in the text are included in the appendix.

³⁴ The IRAI data can be viewed at www.worldbank.org/governance/govdata/

Table 7.2 Kaufmann indicator scores, 2000-2005: partner countries registering significant changes (table 7.2)³⁵

Voice & accountability		Political stability		Government effectiveness	
Better	Worse	Better	Worse	Better	Worse
Afghanistan Ghana Senegal Kenya	Moldova	Armenia Indonesia Senegal Sri Lanka Zambia	Bangladesh Egypt	Armenia South Africa	
Regulatory quality		Rule of law		Control of corruption	
Better	Worse	Better	Worse	Better	Worse
Afghanistan Armenia	Bangladesh Bolivia Guatemala Mali Palestinian Terr. Zambia	Mali		Burkina Faso	Bangladesh Benin Ethiopia Rwanda Palestinian Terr.

These results show that the Kaufmann indicators do not accurately reflect the effects of Dutch and international good governance and development policy on the quality of governance. They cannot detect effects at output level, as described in figure 7.1, only results at outcome level. These are limited and do not present a clear trend.

One explanation for the disappointing results could be that for the countries concerned, the benefits of fundamental reforms (donor support) did not outweigh their cost. In 2006, Kaufmann showed that in recent years, a clear improvement in the quality of governance has only been detectable in countries in transition, i.e. countries with the prospect of EU membership. Seemingly this was the only way to generate enough political support to push through the necessary reforms.

These findings match those of the World Bank's *Annual Review of Development Effectiveness 2006*. This shows that the World Bank devotes considerable attention and a quarter of its loans to good governance. The main focus is on public sector reform and management of public finance to increase accountability. In nearly half of the 35 countries in which the World Bank supported public sector reform, there was an improvement in indicators for financial management or public administration. However, the Kaufmann indicators for the higher dimensions of good governance showed little evidence of significant change in these countries.

The World Bank attributes these disappointing results to three factors:

- Initiatives for reform did not match closely enough with political reality;
- They focused too heavily on regulatory quality and institution building, neglecting the development of capacity for enforcement;

³⁵ Only changes that have a larger confidence interval than 70% are included.

- The interface between the public and private sector, where the risk of corruption is greatest, was inadequately addressed.

In Africa in particular, where management of public finance was pivotal in efforts to bring about institutional reform, results were undermined by limited support for and ownership of the reform agenda. The World Bank therefore concludes that a more in-depth analysis of underlying political and institutional constraints is needed. It believes that the solution lies in more accountability and transparency, which can be achieved through institutional support for public administration processes and more participation by the general public.

Some examples in the report reflect the Netherlands' experience in partner countries. For example, technical support for public sector reform in Yemen was hampered by a lack of political will. Despite the fact that all the reforms arranged with the World Bank were at least partially implemented, the number of civil servants doubled, making the goal harder than ever to attain.

In Bolivia, the World Bank supported the National Integrity Programme to fight corruption by improving the efficiency and effectiveness of government officials. Unfortunately, success was limited and the programme had a negligible effect on public sector performance. The reforms were fundamentally incompatible with the administrative system in Bolivia, which is based on patronage.

By contrast, in Senegal there were successes in some sectors due to the formation of coalitions, the building of political consensus and the adoption of a gradual approach. Evidence from other countries, too, shows that a critical mass of support from parliament, oversight agencies, civil society organisations and the media is needed for reforms to be successful.

Attention also needs to be devoted to the feasibility of new rules and regulations. In Albania, for example a small group directly headed by the government is coordinating a broad anti-corruption strategy. Unfortunately, it lacks the authority to enforce the measures it has introduced because it has to hand over its findings to the procurator-general.

Feasibility is often linked to independence, in that an independent position is needed to push through reforms. In Uganda, public procurement offices have a clear mandate, a reasonable degree of independence and financial resources and have successfully contributed to the reform of public procurement policy.

The Netherlands' experiences and conclusions are similar to those of the World Bank, and it is learning from them. However, unlike the World Bank, the Netherlands can focus more on the political aspects of good governance and human rights, and pursue an integrated policy using all the channels and instruments of foreign policy (diplomacy, economic policy, security policy, development cooperation policy). The persistence of the problems undermining good governance and human rights and the importance of tackling them in the interests of poverty reduction mean that this is where future challenges will lie.

7.5 Findings and challenges

There are no Millennium Development Goals for good governance and human rights. The Kaufmann indicators give a broad overall picture of the state of governance in the partner

countries. However, they do not identify a consistent trend in either direction. Some countries have made progress in certain aspects of good governance, while others have experienced a decline.

Quantifiable achievements are discernible at output level. In Rwanda, for example, the national audit office is gradually becoming more effective, giving the population and donors more insight into the legitimacy and efficiency of government. Indonesia is introducing more community policing, which is strengthening political stability, respect for human rights and the rule of law. Under pressure from civil society and the media, some partner countries (Bolivia, Kenya and Indonesia) are increasingly recognising that corruption cannot be tolerated and are stepping up investigations of alleged corruption.

However, the biggest challenge for policy on good governance and human rights is the need to boost effectiveness, and to make improvements in the quality of governance, respect for human rights, poverty reduction and development more visible.

The question is how to set in motion and speed up the process of cross-fertilisation between the increasing quality of governance and the effectiveness of development. Kaufmann demonstrates that better governance leads to more development, and stresses the need for stronger government. Mushtaq Khan³⁶ argues that countries must concentrate on improvements to administrative capacity and institutions that are both politically viable and contribute to the conditions needed for sustainable economic growth. He maintains that this will initially lead to faster economic growth and only later to better governance. Khan bases these recommendations on an analysis which shows that on average, developing countries with a slower rate of economic growth than industrialised nations achieve the same governance scores as developing countries with a higher rate of economic growth. The development path therefore progresses from slow economic growth and weak governance via rapid economic growth and weak governance to moderate economic growth and strong governance.

So far, it is unclear whether this applies equally to all the partner countries. However, international developments and recent experiences gained by the Netherlands highlight a number of opportunities and challenges:

1. More transparency and public accountability are often the key to reform. Opportunities for stakeholders both outside government and sometimes even outside the country to make use of this are underexploited and yet likely to grow (through ICT and global communication). Active support to boost demand for public accountability is both feasible and vital.
2. Strategies to improve good governance must take more account of the political situation in the partner countries. After all, technical approaches will have little effect if the political will for change is absent. This applies not only to reform of the public sector and public finance but also to areas like the functioning of democracy and the rule of law. In countries where governments are defined by systems of patronage, the risk of formal institutions being used to keep such systems afloat is considerable. There is also a substantial risk of technical assistance to such institutions being misused, rendering it ineffectual or even counterproductive.

³⁶ Khan, Mushtaq H., *Governance and anti-corruption reforms in developing countries: policies, evidence and ways forward*, UNCTAD G-24 Discussion Papers, no. 42, November 2006.

3. The need to match aid to the political situation in each country also means that there is no point in imposing conditions on partner governments which will undermine their administrative systems and power base, since they will simply fail to meet them. Suspending partnership agreements is also generally ineffective. Reforms that are both viable and effective are needed instead.
4. The general requirements for a more effective policy on good governance and respect for human rights are:
 - a sound analysis of the political and administrative situation in each country;
 - an integrated approach using all aspects of foreign policy;
 - a better interface with international human rights instruments;
 - a gradual approach and broad coalitions to generate support for and ownership of fundamental reforms;
 - alignment with internal and external reform-minded agents inside and outside government;
 - partnerships between government, the private sector and civil society organisations;
 - codes of conduct and increased peer pressure and accountability between donors;
 - donor harmonisation;
 - a broad, ongoing multi-donor policy dialogue with recipient governments, preferably based on agreements about progress and benchmarks, support for institutional and capacity development (provided there is sufficient political will) and the application of incremental and proportional sanctions in the event of failure to meet obligations.
5. Finally, the international community as a whole must coordinate its efforts and encourage emerging donors like China to align themselves with the rest of the donor community. Involving these emerging donors in existing consultation and coordination forums is therefore essential.

Recommendations

- *The effectiveness of policy on good governance and human rights must be strengthened, and improvements in the quality of governance, respect for human rights, poverty reduction and development must be made more visible. The Netherlands will contribute to this process by launching a series of quick scans over the coming year to assess the quality of governance and levels of corruption in all partner countries.*



Private sector development

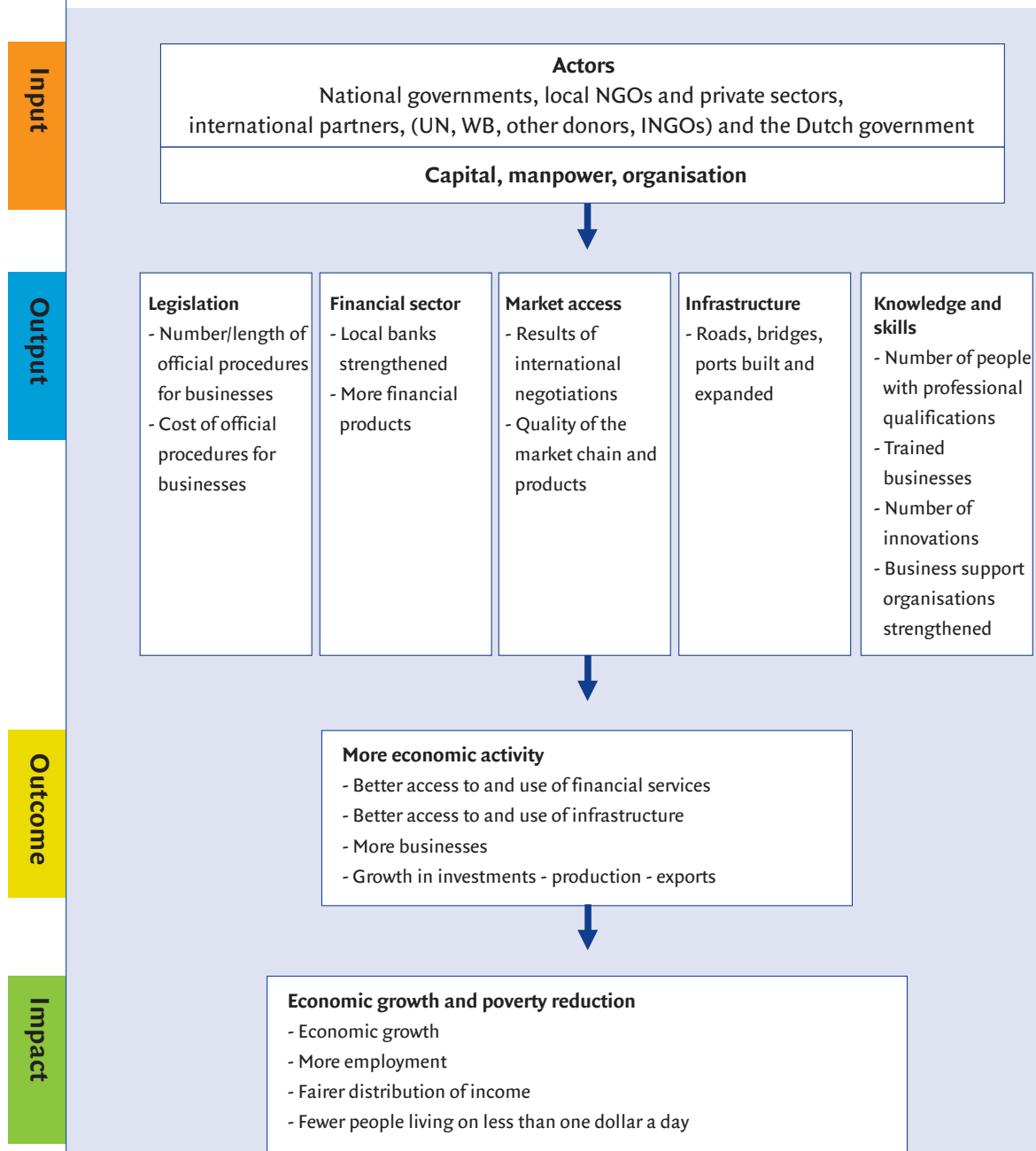


8.1 Introduction

A fifth of the world's population – roughly one billion people – are living below the poverty threshold of one dollar a day. Three-quarters of these people live in Africa and South Asia. Obtaining work and an income is the only way for them to lift themselves out of poverty. The Netherlands is therefore encouraging economic growth and employment through support for private sector development, and is thus contributing to achieving Millennium Development Goal 1 (Eradicate extreme poverty and hunger).

The results chain below illustrates how we hope to achieve this. Interventions focus on improvements to legislation, financial services, access to markets, infrastructure and knowledge and skills. This should stimulate economic activity, leading to economic growth, employment, higher incomes, a fairer distribution of wealth and less poverty. For example, Dutch aid is being used to streamline customs procedures to facilitate imports and exports. This will generate more economic activity, resulting in higher export figures and thus increased economic growth, more employment and a reduction in poverty. Private sector development is also relevant for other Millennium Development Goals, in that economic growth generates the public resources which countries need to finance education and health care.

Fig. 8.1 Private sector development results chain



8.2 Financial and non-financial inputs

Financial inputs

The Netherlands provides financial aid through various channels: bilateral and multilateral, as well as in the form of cooperation with the private sector and civil society organisations. The Netherlands' main bilateral programmes are being implemented in 12 partner countries: Bosnia-Herzegovina, Bangladesh, Bolivia, Ethiopia, Indonesia, Mali, Macedonia, Nicaragua, Rwanda, Sri Lanka, Tanzania and Zambia.

Table 8.1 Private sector development: the Netherlands' financial inputs, by aid modality (EUR million)³⁷

Private sector development		2004	2005	2006
Delegated bilateral	Subtotal	93.8	100.2	81.5
	Project financing	79.9	82.1	63.8
	Sectoral financing	6.6	7.6	8.4
	General budget support and debt relief	7.3	10.4	9.3
Non-delegated bilateral		132.4	166.9	240.3
Multilateral		165.0	157.6	89.0
Total		391.2	424.7	410.8

Source: Ministry of Foreign Affairs

The table above gives a breakdown of government-to-government (bilateral) aid and aid to international organisations (multilateral) for private sector development. Multilateral support consists largely of contributions to the World Bank, IFC and other international organisations. The added value lies chiefly in long-term loans and technical assistance to improve infrastructure and support the financial sector. The scale of these programmes means that the Netherlands cannot supply all the capacity and funding needed on its own.

The Netherlands is actively contributing to a number of central business programmes, such as the Programme for Cooperation with Emerging Markets (PSOM), the Netherlands Management Cooperation Programme (PUM) and the Development Related Export Transactions Programme (ORET). It also funds the Centre for the Promotion of Imports from Developing Countries (CBI) and the Netherlands Development Finance Company (FMO).

Most bilateral contributions through the embassies involve project aid, and, to a lesser degree, sectoral support or macro aid. Donor coordination takes place in most countries; only in Ethiopia is it still at an early stage. The Netherlands seeks to enter into a policy dialogue with the governments of these countries, and joint programmes are becoming increasingly common. The Netherlands is lead donor in Tanzania and Zambia. The World Bank generally plays a prominent role both in the dialogue and in establishing programmes cofunded by several donors (multi-donor funds).

Due to the political problems in Sri Lanka, the Netherlands decided to finance programmes implemented directly with the private sector rather than providing bilateral aid. In Bolivia, the partner government is involved in the programmes but lacks the capacity to implement activities, most of which are therefore managed by private sector organisations (generally foundations).

Non-financial inputs

A few years ago, little specific attention was given to private sector development in poverty reduction strategies. However, it has now become an important theme in the dialogue between donors and governments in developing countries. Partly due to the efforts of the World Bank,

³⁷ See box 1.4 for an explanation of the terms used in this section.

several new poverty reduction strategies now contain a separate chapter on pro-poor economic growth.

8.3 Joint results

These financial and non-financial inputs reflect the Netherlands' contribution to private sector development in the partner countries. Examples of short-term effects (outputs) and outcomes achieved by these inputs and those of other actors through country-specific interventions are outlined in box 8.3. Capacity building is an important prerequisite for achieving results. This is discussed below using a case study and examples of results achieved.

The private sector development programmes supported by the Netherlands and other donors appear to be bearing fruit. Tangible results are discernible, especially in developing countries with reform-minded governments.

An important aim of the Netherlands' private sector policy is to strengthen the capacity of businesses and the organisations that support them. This includes measures to improve commercial and technological knowledge and skills. It also involves helping to develop market chains to which different actors contribute. An example of capacity development in Bolivia is described below (box 8.1).

The Bolivian System of Productivity and Competitiveness (SBPC) programme was created to boost levels of productivity and competitiveness in Bolivia in partnership with the private sector. SBPC supports the production chain for quinoa (a semi-grain grown in the Andes), wine/grapes and singani (a liquor distilled from the muscatel grape) and certificated timber. Strategic alliances were formed with three agencies (FAUTAPO, IFC and FAN), which in turn signed contracts for the provision of specific services with financial institutions, research institutes and NGOs. The government of Bolivia is also involved. A special agency within the Ministry of Planning coordinates reported problems and encourages the stakeholders to agree on solutions. Local coordinating bodies are responsible for agreements with the provincial and municipal authorities to ensure the availability of extra funding and guarantee the involvement of local government.

The programme focuses on exchanges of experience and knowledge between stakeholders. This has also proved to be the programme's main advantage. As a result, obstacles to private sector development, notably lack of commercial knowledge and skills, technological know-how, production methods, promotion and exports, are tackled simultaneously rather than in isolation. This improves the entire chain from producer to end-user. The programme has yielded the following capacity building activities and results:

Wine/grapes and singani (liquor) chain:

- Advising small and medium-sized enterprises on how to promote their wine at the EXPOSUR 2006 trade fair (eight large and eight small enterprises);
- Participation by two Bolivian oenologists in an international workshop;

- Participation by 43 representatives of family-run businesses from Tarija and Chuquisaca in a workshop on family businesses and competition;
- Organisation of two technical conferences on micro-irrigation (81 participants from Bolivia);
- First Bolivian obtains a diploma in oenology and viticulture (in Chile);
- Certificates in oenology and viticulture awarded to 48 Bolivians in Chile and certificates in higher management presented to five Bolivians in Tarija;
- Oenologist from Argentina advises wine-houses in Bolivia on process control in production; 40 Bolivians visit Argentina on a fact-finding mission.

Quinoa (semi-grain) chain:

Capacity building initiatives focused on four areas: certification of organic food production; small enterprises; support for promotion and exports; productive systems and technical development. The following results were achieved:

- 53 local teachers and agricultural information officers were trained in sustainable production systems;
- 82 farmers were given training in irrigation systems, pest control and the production, harvesting and post harvesting of quinoa;
- 45 trainers were trained in organic food production;
- 15 businesses were given training in quality control and food safety;
- Training was provided in new IPM;
- Support was provided for the EXPO trade fair in Lipez, for which 83 businesses registered and where the promotion of quinoa was the main focus in 21 of the 49 meetings;
- The Chamber of Quinoa Exporters took part in the BIOFACH World Organic Trade Fair.

The main lessons learned in the context of support for the production chain were (1) the added value provided by the Netherlands in bringing and keeping together the different stakeholders in a chain, and (2) the need to proactively encourage other, mainly local bodies to become involved in and financially support the chain.

Another example of capacity development was the strengthening of government in Macedonia (box 8.2).

The aim of the FIAS Administrative Barriers Implementation Assistance Project was to help the Macedonian government simplify regulations for business and industry. The project was implemented by FIAS, part of the World Bank/IFC, and cofinanced by the Netherlands, the United States and Switzerland. It was prompted by the fact that Macedonia had so far done little or nothing to implement previous FIAS recommendations issued in 2003.

This was due to: (1) poor coordination between ministries, (2) no clear mandate for the Macedonian ministry of economic affairs, (3) an ineffective, understaffed and underfunded interministerial steering group and (4) an inconsistent approach to reforms.

Following initial research, the project focused on helping the Macedonian government to establish an effective institutional framework for the systematic reform of regulations governing

the private sector. The process was launched with a workshop bringing together stakeholders from government, the private sector and the donor community. The following activities were implemented:

- Ensuring the reform process is given the highest priority within the Ministry of Economic Affairs, providing it with an oversight system and holding consultations with the private sector.
- Designing regulatory impact assessments and drafting the necessary reforms.
- Help in implementing the reforms.
- Organising workshops with public and private stakeholders.
- Help in conducting regular surveys to gauge the administrative burden for businesses.

These capacity building measures made it possible to get the reform process under way. Modest successes were achieved early on. They included the establishment of a one-stop-shop for registering new businesses and specific recommendations for the reform of land use rights. The project is now part of a World Bank project which provides long-term assistance to implement the reforms.

In addition to capacity building, specific results have also been achieved in the five private sector development themes. They are described below in box 8.3.

Legislation

- The government of **Tanzania** has made specific improvements to legislation through the multi-donor BEST (Business Environment Strengthening Tanzania) fund, which is cofunded by the Netherlands. They include new laws on land ownership, business licenses and employment legislation.
- The **Zambian** government has improved legislation, ensuring that rules concerning dismissal apply to the lowest paid and reducing the company registration period from nine to between one and three days. Other reforms have recently been set in motion under the Private Sector Development Reform Programme, which the Netherlands is cofunding.
- **Nicaragua** has invested in measures to simplify regulations, for example to promote exports. This includes the establishment of an online one-stop-shop export office.
- The government of **Indonesia** has implemented 35 of the 85 measures included in its policy package to reform financial markets, which was published in March 2006. Technical assistance from the World Bank, funded by the Netherlands, was crucial in producing this package and drafting new legislation on investments. One successful measure was the simplification of company registrations, which reduced the registration period for new companies from 150 to 96 days. The aim is to reduce this period to 30 days over the next few years, subject to parliamentary approval of the legislation on investments.

Financial sector

- The Netherlands supports the development of small enterprises and micro-enterprises in **Macedonia** through the Macedonian Enterprise Development Foundation, which has so far issued 3,537 loans worth a total of EUR 12.1 million.
- The Netherlands has helped 10 financial organisations to reform and restructure the

financial sector in **Tanzania**. In 2005 and 2006, this increased the number of borrowers by more than 15,000 and boosted the value of the loans portfolio by over EUR four million.

Market access and market development

- In recent years, the Netherlands and the United States have cofunded measures to professionalise the mango sector in **Mali**. This, together with a refrigeration centre supplied by the Netherlands and the active involvement of Dutch businesses, could substantially boost mango exports over the coming years. The Netherlands is also cofunding measures to increase exports in other product chains (sesame seeds, sun-dried tomatoes, shea butter).

Infrastructure

- The Netherlands is supporting measures to improve infrastructure improvements using labour-intensive methods in three extensive rural programmes in **Rwanda**. To date, 250 kilometres of roads and more than 1,000 hectares of farming terraces have been constructed, 4,000 kilometres of anti-erosion channels have been dug and over 60 million trees and plants have been planted. Improvements have also been made in agriculture (irrigation and better crop varieties) and fisheries (better organisation and improvement of fish stocks).

Knowledge and skills

- In the context of reconstruction in **Sri Lanka** following the tsunami, the Netherlands funded the Federal Chamber of Commerce Back to Business programme, which has issued advice to 6,200 people and provided 970 loans.
- The Netherlands supported measures to improve the business and investment climate in central **Bosnia-Herzegovina** through the Regional Development Agency, one of five public-private partnerships linking the private sector and local organisations.

Impact

Outcome

8.4 Development results

These results at output level have led to improvements at outcome level in the form of increased economic activity (more loans, exports and employment). To illustrate, examples from partner countries are given below, as well as evidence of progress towards MDG 1 (Eradicate extreme poverty).³⁸

³⁸ These data were provided by the World Bank and the UN.

The following MDG is relevant for the report on private sector development:

MDG 1: Eradicate extreme poverty and hunger

Target 1

Halve, between 1990 and 2015, the proportion of people whose income is less than USD 1 a day

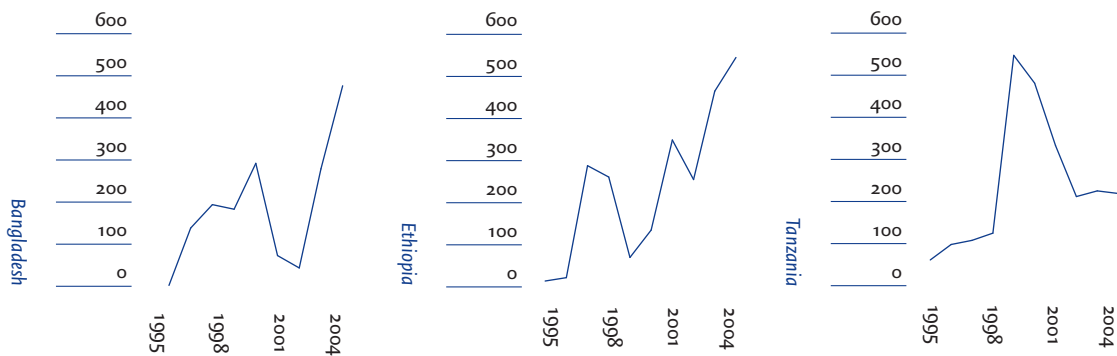
Indicators

1. Proportion of population below USD 1 a day
2. Poverty gap ratio (incidence x depth of poverty)
3. Share of poorest quintile in national consumption

- The results of the Business Environment Strengthening Tanzania (BEST) programme have led to **Tanzania** being ranked among the top ten reforming countries in the World Bank's Ease of Doing Business 2007 report.
- Following the introduction of simplified regulations, **Nicaragua** has achieved a significantly higher score in the World Bank's Doing Business Report for 2007. In cross-border trade, Nicaragua rose from 83rd place in 2005 to 72nd place in 2006.
- Improvements to loan provisions in **Macedonia** have enabled small businesses to fund 4,394 existing staff and create new jobs for a further 993.
- In Dhaka, **Bangladesh**, the International Labour Organisation has gradually removed 30,000 children aged between eight and 15 from the worst forms of child labour. Some 10,000 guardians of such children (80% of whom are women) have been given access to micro-credits to generate an alternative source of income.
- The export of mangos from **Mali** has risen from zero in the late 1990s to 3,000 tonnes in 2005 and to over 4,000 tonnes in 2006, and could carry on rising sharply over the coming years.
- In the context of infrastructure improvements in Rwanda, more than 100,000 people from the poorest sections of the rural population, roughly 50% of whom are women, have found temporary employment. The construction of farming terraces and the draining of marshes have given approximately 6,000 families better prospects in the form of highly productive land or an income from fishing.
- As a result of the Back to Business programme in **Sri Lanka**, 7,500 small enterprises are back in business after a year (75% of the target); 1,800 are managed by women and provide employment for 27,000 people. The first of three proposed vocational training centres was due to open at the beginning of 2007.
- Due to the private sector development programme in **Bosnia-Herzegovina**, the Regional Development Agency is increasingly seen as a focal point for economic regeneration and export promotion.

The aim of private sector development is to encourage economic activity in developing countries and thus to boost economic growth and poverty reduction (impact). This appears to be having some success, since figures indicate that economic activity is increasing, including in the 12 countries where the Netherlands is supporting private sector development. For example, investments are rising, mainly due to foreign direct investment (figure 8.2 and table 8.2).

Figure 8.2 Annual foreign direct investment in three partner countries 1995-2005 (in USD million)

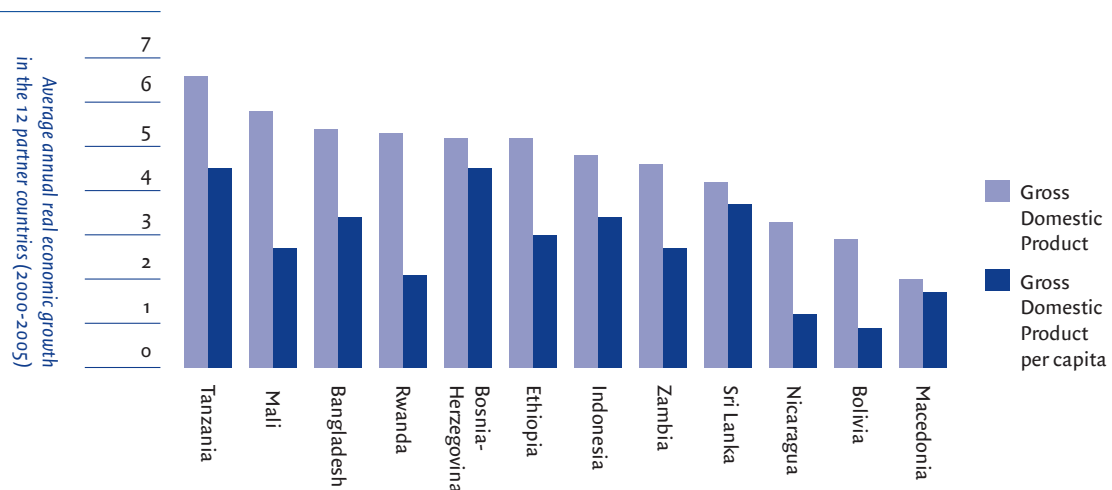


Source: World Bank, World Development Indicators online

Production is also rising in various sectors. Only 'growth of exports as a percentage of GDP' reflects a variable picture. On balance, economic activity and economic growth are therefore on the increase (table 8.3).

All 12 private sector development partner countries are experiencing positive economic growth, including in Sub-Saharan Africa. The economies of the five partner countries in Sub-Saharan Africa have recorded a steady overall growth of 4.5-6.5 % on average over the past five years (figure 8.3 and table 8.4). This matches the generally positive picture for the region as a whole. Due to a more stable political and macroeconomic climate in a number of African countries and genuine efforts by their governments to improve conditions for business and investment, economic activity and economic growth in Africa are increasing.

Figure 8.3 Economic growth in the 12 partner countries

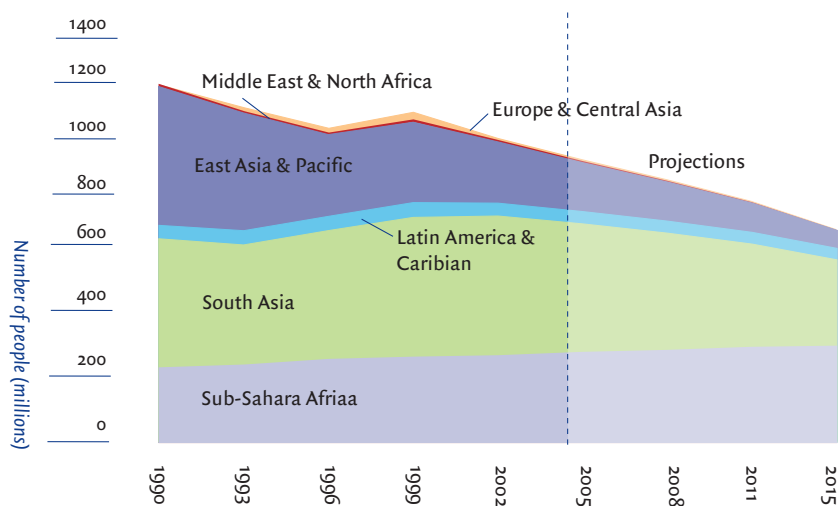


Source: World Bank, World Development Indicators online

Nevertheless, economic growth in Sub-Saharan Africa is modest compared with that in Asia, which has been spectacular. Exceptions include Sri Lanka, Bangladesh and Indonesia, yet even here there have been reasonable 4 to 5.5% growth rates, although this puts them well behind the

rest of Asia. Countries in Latin America and Eastern Europe, by contrast, have shown variable growth rates, evidence of the recession that affected both regions in 2001 and 2002. Even so, developments over the past three years have been positive.

Figure 8.4 Number of people living on less than one dollar a day, 1990-2002, and projections to 2015 (millions)



Source: World Bank, World Development Indicators 2006 and Global Economic Prospects 2006

Target 1

The latest figures on poverty reduction show that the percentage of people living below the poverty threshold is declining and that the world as a whole is likely to meet MDG 1 by 2015 (table 8.5). However, this will mainly be due to the sharp reduction in poverty in East Asia (from 472 million in 1990 to 214 million in 2002) and more recently in South Asia (from 462 million in 1990 to 437 million in 2002). Although African countries are also experiencing a reasonable and rising percentage of economic growth, this has not yet led to a decline in the number of people living below the poverty threshold (in Sub-Saharan Africa, this figure in fact rose from 227 million people in 1990 to 303 million in 2002) (figure 8.4).

There are two reasons for this. First, continued rapid population growth is cancelling out some of the region's economic growth (in Sub-Saharan Africa, growth of per capita GDP is very low; see figure 8.3). Second, economic growth does not always reach the poorest of the poor, many of whom live in the more isolated and impoverished regions. In countries with a highly imbalanced income distribution, economic growth benefits poverty reduction less directly than it does in countries with a more equitable distribution. Bolivia, Nicaragua, Zambia, Rwanda and Mali have particularly high levels of inequality. All five have a Gini coefficient of over 40 (table 8.6).

8.5 Findings and challenges

Programmes for private sector development have contributed to economic growth and poverty reduction in the 12 partner countries. These programmes have helped to substantially improve and simplify rules and regulations (Tanzania, Nicaragua, Zambia and Indonesia), expand

financial services (Macedonia, Tanzania, Bangladesh), professionalise business sectors and open up markets (Mali), upgrade infrastructure (Rwanda) and strengthen knowledge and skills through public-private partnerships (Sri Lanka, Bosnia-Herzegovina). Developing the capacity of businesses and business support organisations is an integral part of these programmes. This has produced tangible results in the form of increased economic activity, investments, production and exports, especially in countries whose governments are strongly committed to reform.

Attention for private sector development has risen sharply among governments in developing countries, including in Africa. Nevertheless, there is still a long way to go. The main obstacles faced by enterprises in developing countries are overregulation or lack of regulation, inadequate market access, weak infrastructure, limited access to financial services and insufficient capacity for businesses to grow and develop. Despite the modest progress made so far by recipient governments, the business and investment climate in partner countries is still poor. The Netherlands' 12 private sector development partner countries achieve low scores on the World Bank's Doing Business 2007 list (with the exception of Nicaragua, which is ranked 67th).

The World Bank's Investment Climate Assessments confirm this picture. They conclude that with one or two exceptions, such as Bosnia, businesses in these countries have limited access to infrastructure (electricity, water, telephone, Internet) and bank loans.

One major problem in implementing measures designed to improve the business climate is weak government and established interests. This affects all sectors. An added difficulty for private sector development is that no single ministry has overall responsibility for it. Responsibility is shared between several ministries and official agencies, coordination between them is poor and not everyone in government is in favour of reform.

The main challenges and strategy for the Netherlands as donor are to:

- *continue to support public sector reform, with specific attention for the five aforementioned priorities and coordination between government agencies;*
- *help build the capacity of private sector organisations, including capacity to lobby on behalf of the sector in the political decision-making process;*
- *using both strategies to promote pro-poor economic growth, that is, economic growth which genuinely benefits the poor.*

Abbreviations used

ADB	Asian Development Bank
ARV	Antiretroviral
BEST	Business Environment Strengthening Tanzania
BRAC	Bengali development agency
BWDB	Bangladesh Water Development Board
CBI	Centre for the Promotion of Imports from Developing Countries
CFCs	Chlorofluorocarbons
CO ₂	Carbon dioxide
CONASIDA	Ministry of Health (Nicaragua)
CPIA	Country Policy and Institutional Assessment
DAC	Development Assistance Committee
DFID	Department for International Development (UK)
DOTS	Directly Observed Treatment Short-course
EFA	Education For All
EFAG	Education Funding Agencies Group (Zambia)
EIA	Environmental Impact Assessment
EU	European Union
FAO	Food and Agriculture Organisation of the United Nations
FIAS	Administrative Barriers Implementation Assistance Project
FMO	Netherlands Development Finance Company
FTI	Fast Track Initiative
GFATM	Global Fund to fight AIDS, TB and Malaria
GNI	Gross National Income
GNP	Gross National Product
GTZ	German development agency
HIP	Harmonisation in Practice (Zambia)
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
HWRU	Hanoi Water Resources University
ICCO	Interchurch Organisation for Development Cooperation
ICPD	International Conference on Population and Development
ICT	Information and Communications Technology
ILO	International Labour Organisation
IMF	International Monetary Fund
INGO	International Non-Governmental Organisation
IOB	Policy and Operations Evaluation Department, Ministry of Foreign Affairs of the Netherlands
IPM	Integrated Pest Management
IPPF	International Planned Parenthood Federation
IRAI	IDA Resource Allocation Index (World Bank)
JESR	Joint Education Sector Review (Zambia)
KPK	Indonesian Anti-Corruption Commission
MAIS	Integrated Health Care Model (Nicaragua)
MDG	Millennium Development Goal
MDLF	Media Development Loan Fund (Indonesia)

MOU	Memorandum of Understanding
MTEF	Medium Term Expenditure Framework
NCPA	National Community-Based Paralegal Association (South Africa)
NGO	Non-Governmental Organisation
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
OHCHR	Office of the United Nations High Commissioner for Human Rights
ORET	Development-Related Export Transactions programme
OVC	Orphans and other Vulnerable Children affected by HIV and AIDS
PEPFAR	President's Emergency Plan For AIDS Relief (US)
PHAST	Participatory Hygiene and Sanitation Transformation (Tanzania)
PMTCT	Preventing Mother to Child Transmission of HIV
PPP	Public-Private Partnership
PRSP	Poverty Reduction Strategy Paper
PSD	Private Sector Development
PSOM	Programme for Cooperation with Emerging Markets
PUM	Netherlands Management Cooperation Programme
SBPC	Bolivian System of Productivity and Competitiveness
SNV	Netherlands Development Organisation
SRHR	Sexual and Reproductive Health and Rights
SWAp	Sector-wide approach
TB	Tuberculosis
TRIPs	Trade-Related aspects of Intellectual Property rights
UK	United Kingdom
UN	United Nations
UNAIDS	United Nations AIDS Fund
UNEP	United Nations Environment Programme
UNESCO	United Nations Education, Scientific and Cultural Organisation
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
UNSD	United Nations Statistical Division
VCT	Voluntary AIDS Counselling and Testing
WARPO	Water Resources Planning Organisation (Bangladesh)
WB	World Bank
WHO	World Health Organisation
WMIP	Water Management Improvement Project (Bangladesh)
WSSD	World Summit for Sustainable Development
WUG	Water User Group (Tanzania)
ZHWRS	Zambian Health Workers Retention Scheme

Appendix: Tables

Table 2.2

EFA Goal 2: Provide free and compulsory primary education for all
 MDG 2 Target 3: Ensure that, by 2015, all boys and girls complete a full course of primary schooling
 MDG 3 Target 4: Eliminate gender disparity in primary and secondary education
 Indicator: Net enrolment ratio in primary education and gender parity index (GPI)

	1990		1998		2001-2002		2002-2003		Index for 1990	
	NER	GPI (B/G)	NER	GPI (B/G)	NER	GPI (B/G)	NER	GPI (B/G)	NER	GPI (B/G)
Bangladesh	71.2	0.87	90.3	0.97	86.6	1.02	84.0	1.04	118	120
Bolivia	90.8	0.92	96.0	0.99	94.2	1.00	95.1	0.98	105	107
Burkina Faso	26.2	0.63	33.5	0.68	35.0	0.71	36.2	0.73	138	116
Ethiopia	23.3	0.75	35.8	0.69	46.2	0.79	51.1	0.85	219	113
Indonesia	96.7	0.96	...	...	92.1	0.99	92.4	0.98	96	102
Macedonia	94.4	0.99	94.5	0.98	92.3	1.01	90.8	1.00	96	101
Mali	20.4	0.61	38.3	0.72	...	...	44.5	0.77	218	126
Mozambique	44.7	0.76	47.3	0.83	59.7	0.88	55.3	0.91	124	120
South Africa	87.9	1.03	91.3	1.01	89.5	1.01	89.0	1.01	101	98
Suriname	90.9	0.99	92.9	1.00	94.1	1.00	90.6	0.99	100	100
Tanzania	49.6	1.02	45.8	1.03	54.4	1.00	77.4	0.98	156	96
Uganda	52.7	0.82	...	...	63.6	...	...	...	...	...
Yemen	51.7	0.38	57.4	0.59	67.1	...	71.8	0.71	139	187
Zambia	79.1	0.96	68.5	0.97	66.0	0.99	68.4	0.98	86	102

Source: UNESCO's Institute of Statistics. EFA Global Monitoring Report 2005. 2006 table 12

Data for Ethiopia and Tanzania shown in column 2002-2003 concern figures for 2003-2004. Data for Uganda shown in column 2001-2002 concern figures for 2000

	1990-1991		1998-1999		2001-2002		Index for 1990	
	NER	GPI (B/G)	NER	GPI (B/G)	NER	GPI (B/G)	NER	GPI (B/G)
World	81.7	0.88	83.6	0.93	84.6	0.96	104	109
Developing Countries	79.5	0.86	82.0	0.92	83.2	0.95	105	110
Sub-Saharan Africa	54.5	0.86	56.2	0.88	63.5	0.90	117	105
South and West Asia	72.7	0.67	78.6	0.83	82.5	0.92	113	137
Latin America and Caribbean	86.4	0.99	94.4	0.99	96.4	0.99	112	100
East Asia and Pacific	95.9	0.96	95.7	1.00	92.1	0.99	96	103
Central Asia	84.8	0.99	88.9	0.99	89.9	0.98	106	99
Central and Eastern Europe	90.1	0.98	87.2	0.97	89.0	0.98	99	100
Arab countries	74.8	0.81	78.1	0.90	82.6	0.92	110	114

Source: UNESCO's Institute of Statistics EFA Global Monitoring Report 2005-2006, table 15, 2006, table 12

Table 2.3 EFA Goal 6: Improve all aspects of the quality of education
MDG 2 Target 3: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling
Indicator: Percentage of pupils starting grade 1 who reach grade 5 and gender parity index (GPI)

	1990-1991		1998-1999		2001-2002		Index for 1990	
	Total	GPI (B/G)	Total	GPI (B/G)	Total	GPI (B/G)	Total	GPI
Bangladesh	...	...	54.7	1.20	53.9	1.20	...	...
Bolivia	...	...	79.4	0.97	84.4	0.98	...	...
Burkina Faso	69.7	0.96	68.3	1.05	66.2	1.05	95	...
Ethiopia	...	...	55.8	1.03	61.5	0.95	...	...
Indonesia	83.6	...	...	...	89.1	1.02	107	...
Macedonia	...	...	...	...	...	...	...	...
Mali	72.5	0.95	78.3	0.97	74.6	0.90	103	95
Mozambique	32.9	0.76	41.8	0.83	49.2	0.85	150	112
South Africa	75.3	1.09	75.9	1.02	64.8	0.99	86	91
Suriname	...	...	...	...	...	...	...	...
Tanzania	78.9	1.05	80.9	1.06	82.0	1.01	104	96
Uganda	...	...	...	...	63.6	1.02	...	...
Yemen	...	...	...	...	75.9	0.89	...	...
Zambia	...	...	78.2	0.87	76.7	0.95	...	...

Source: UNESCO's Institute of Statistics. EFA Global Monitoring Report 2005, 2006 (table 14)

Data for Ethiopia and Tanzania shown in column 2001-2002 concern figures for 2003-2004

Data for Zambia shown in column 2001-2002 concern figures for 2001

Data for South Africa shown in column 2001-2002 concern figures for 1999-2000

	1990-1991		1998-1999		2001-2002		Index for 1990	
	Total	GPI (B/G)	Total	GPI (B/G)	Total	GPI (B/G)	Total	GPI (B/G)
World	...	...	...	...	89.7	...	...	...
Developing Countries	...	...	...	...	81.2	0.98	...	...
Sub-Saharan Africa	64.5	0.80	...	...	68.6	0.88	106	110
South and West Asia	...	...	...	...	64.9	1.06	...	...
Latin America and Caribbean	...	...	...	...	83.9	1.08	...	...
East Asia and Pacific	...	...	...	...	...	...	...	...
Central Asia	...	...	...	...	...	...	...	...
Central and Eastern Europe	...	...	...	...	...	...	...	...
Arabic countries	87.3	...	91.3	1.07	94.3	1.01	108	...

Source: UNESCO's Institute of Statistics. EFA Global Monitoring Report 2005, 2006 (table 14)

Table 2.4 EFA Goal 3: Promote learning and skills for young people and adults
MDG 3 Target 4: Eliminate gender disparity in primary and secondary education
Indicator: Literacy rate among young people (15 to 24 years old) and gender parity index (GPI)

	1990		2000-2004		Index for 1990	
	Total	GPI(B/G)	Total	GPI(B/G)	Total	GPI (B/G)
Bangladesh	42.0	0.65	49.7	0.71	118	109
Bolivia	92.6	0.93	97.3	0.98	105	105
Burkina Faso	...	...	19.4	0.55	...	...
Ethiopia	43.0	0.66	57.4	0.82	133	124
Indonesia	95.0	0.97	98.0	0.99	103	102
Macedonia	...	...	98.7	...	...	...
Mali	...	...	24.2	0.52	...	...
Mozambique	48.8	0.48	62.8	0.64	129	133
South Africa	88.5	1.00	93.9	1.01	...	...
Suriname	...	...	93.5	...	...	...
Tanzania	83.1	0.87	78.4	0.94	...	...
Uganda	70.1	0.76	80.2	0.86	114	113
Yemen	50.0	0.34	67.9	0.60	136	176
Zambia	81.2	0.88	69.4	0.91	...	...

Source: UNESCO's Institute of Statistics. EFA Global Monitoring Report 2005, 2006 (table 12)

	1990		2000-2004		Index for 1990	
	Total	GPI(B/G)	Total	GPI(B/G)	Total	GPI (B/G)
World	88.2	0.91	87.5	0.93	99	102
Developing Countries	85.8	0.88	85.0	0.91	99	103
Sub-Saharan Africa	74.8	0.80	72.0	0.88	96	110
South and West Asia	71.1	0.72	73.1	0.80	103	111
Latin America and Caribbean	92.7	1.00	95.9	1.01	103	101
East Asia and Pacific	97.2	0.96	97.9	0.99	101	103
Central Asia	97.8	1.00	99.7	1.00	102	100
Central and Eastern Europe	99.2	0.98	98.9	0.99	100	101
Arab countries	77.3	0.71	78.3	0.85	101	120

Source: UNESCO's Institute of Statistics. EFA Global Monitoring Report 2005, 2006 (table 12)

Table 2.5 EFA Goal 6: Improve all aspects of the quality of education
Indicator: Number of pupils per teacher in primary education

	1990 1991	1998 1999	2002 2003	Index for 1990
Bangladesh	63	59	56	113
Bolivia	25	...	24	104
Burkina Faso	57	49	45	127
Ethiopia	36	46	67	54
Indonesia	23	...	20	115
Macedonia	21	22	20	105
Mali	47	62	57	82
Mozambique	55	...	67	82
South Africa	...	37	35	...
Suriname	22	...	19	116
Tanzania	35	38	56	63
Uganda	29	60	53	55
Yemen	...	30	...	...
Zambia	44	45	43	102

Source: UNESCO's Institute of Statistics. EFA Global Monitoring Report 2006, table 14

	1990 1991	1998 1999	2002 2003	Index for 1990
World	27	23	22	123
Developing Countries	30	28	28	107
Sub-Saharan Africa	40	43	43	93
South and West Asia	40	35	38	105
Latin America and Caribbean	25	22	21	119
East Asia and Pacific	26	23	25	104
Central Asia	21	22	19	111
Central and Eastern Europe	20	19	17	118
Arab countries	25	25	21	119

Source: UNESCO's Institute of Statistics. EFA Global Monitoring Report 2006, table 14

Table 3.2 MDG 5: Improve maternal health
 Target 6: Reduce by three-quarters, between 1990 and 2015, the maternal mortality rate
 Indicator: Maternal mortality rate per 100,000 live births

	1990	1995	2000
Bangladesh	850	600	380*
Burkina Faso	930	1400	1000*
Ethiopia	1400	1800	850*
Ghana	740	590	540
Guatemala	200	270*	240*
Mali	1200	630*	1200*
Mozambique	1500	980	1000
Nicaragua	160*	250	230
Suriname	...	230*	110*
Tanzania	770	1100*	1500*
Uganda	1200	1100	880
Vietnam	160	95*	130*
Yemen	1400	850*	570*
Zambia	940	870*	750*

Source: <http://mdgs.un.org>

Note: * Survey data (sisterhood method). All other data are model-based estimates

Indicator: Maternal mortality rate per 100,000 surviving infants

	2000
World	400
North Africa	130
Sub-Saharan Africa	920
Latin America and Caribbean	190
East Asia	55
South Asia	540
South-East Asia	210
West Asia	190
Oceania	240
Commonwealth of Independent States	68
Developed regions	14
Developing regions	450

Table 3-3 MDG 5: Improve Maternal Health
 Target 6: Reduce by three-quarters, between 1990 and 2015, the maternal mortality rate
 Indicator: Percentage of births attended by skilled health personnel

	1997	1998	1999	2000	2001	2002	2003	2004	2005
Bangladesh	12.0	...	...	...	13.2	...
Burkina Faso	31.0	...	...	...	30.5*	36.5*	...
Ethiopia	10.0	...	...	6.0	...	...
Guatemala	41.4	...	...	...
Ghana	...	44.0	...	...	...	...	47.1	...	...
Mali	36.0*	40.6	41.0	...	...	...
Mozambique	44.0	...	...	48.0	...	...
Nicaragua	65.0	66.9	...	...	...	...
Suriname	85.0	...	...	...	...	...
Tanzania	36.0	...	...	...	...	...	46.3**
Uganda	38.0	...	39.0	...	...	...
Vietnam	70.0	75.3	85.0	...	...	...
Yemen	22.0	...	...	...	20.8	...	...	22.8*	...
Zambia	47.0	...	43.4	...	...	...

Source: www.millenniumindicators.un.org, April 2005

Note: Data for 2000 (with the exception of Mali and Suriname) is based on ICPD+10 report 2005. Data marked * is based on local sources. Data marked ** refers to figures from 2004-2005

	1990	2004
World	47	58
North Africa	40	71
Sub-Saharan Africa	42	46
Latin America and Caribbean	72	88
East Asia	51	79
South Asia	30	36
South-East Asia	38	68
West Asia	60	66
Oceania	...	...
Developed regions	...	...
Developing regions	43	56

Table 3.4

MDG 5: Improve Maternal Health

Target 6: Reduce by three-quarters, between 1990 and 2015, the maternal mortality rate

Indicator: Contraceptive prevalence

	1990	1991	1992	1993	1997	1999	2000	2001	2002	2003	2004
Bangladesh	...	31.2	...	...	...	...	43.4	...	...	...	47.3
Burkina Faso	4.3	...	4.9	...	...	...	8.6	...
Ethiopia	2.9	...	...	...	...	...	6.3	...	...	...	...
Guatemala
Ghana	10.1	...	13.4	...	...	...	18.7	...
Mali	5.7	...	...	...
Mozambique	5.1	...	...	...	...	11.8	...
Nicaragua	50.0	...	...	...	...	66.1	...	...	...
Suriname	40.6	...	...	...	...
Tanzania	6.7	...	...	16.9	...	...	...	...	...
Uganda	18.3	...	...	...
Vietnam	55.8	...	55.7	...	56.7	...	...
Yemen	6.2	...	9.8	...	...	...	...	...	...
Zambia	8.9	...	...	53.5	...	...	22.6	...	...

Source: <http://mdgs.un.org>

Table 4.2

MDG 6: Combat HIV/AIDS, malaria and other diseases

Target 7: Halt and begin to reverse the spread of HIV/AIDS by 2015

Indicator: Estimated percentage of HIV prevalence among 15 to 49 year-olds

	2001	2003	2005
Bangladesh	...	0,1	0,1
Burkina Faso	4.2	2,1	2,0
Ethiopia	4.1	...	...
Ghana	3.1	2,3	2,3
Mali	1.9	1,8	1,7
Mozambique	12.1	16,0	16,1
Nicaragua	0.2	0,2	0,2
South Africa	20.9	18,6	18,8
Suriname	1.3	1,7	1,9
Tanzania	9.0	6,6	6,5
Vietnam	0.3	0,4	0,5
Yemen	...	...	...
Zambia	16.7	16,9	17,0

Source: UNAIDS Report on Global Aids Epidemic 2004, 2006, annex 2

Note: changes to 2003 data based on above source

	2001	2003	2005
World	1.0	1.0	1.0
Sub-Saharan Africa	7.6	6.2	6.1
South and South-East Asia	0.6	0.6	0.6
Latin America	0.5	0.5	0.5
North Africa and Middle East	0.2	0.2	0.2

Source: UNAIDS Report on Global Aids Epidemic 2004, 2006, annex 2

Table 4.3

MDG 6: Combat HIV/AIDS, malaria and other diseases

Target 7: Halt and begin to reverse the spread of HIV/AIDS by 2015

Indicator: Condom use at last high-risk sex among 15-24 year-olds (male/
female)

	1996		1998		1999		2000		2001		2003		2005	
	m	f	m	f	m	f	m	f	m	f	m	f	m	f
Bangladesh	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Burkina Faso	...	...	...	...	55.0	41.0	...	...	...	...	67.0	54.0	...	...
Ethiopia	...	...	...	...	...	...	30.0	17.0	...	...	...	...	...	...
Ghana	...	...	...	...	...	...	...	...	...	...	52.0	33.0	...	...
Mali	31.0	...	...	...	...	...	...	...	30.0	14.0	...	...	...	...
Mozambique	...	...	...	...	...	...	...	...	...	...	33.0	29.0	...	...
Nicaragua	...	...	...	...	...	...	...	...	...	17.0	...	...	...	...
South Africa	...	...	20.0	...	...	...	...	...	...	...	...	...	...	...
Suriname	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Tanzania	31.0	18.0	...	...	31.0	21.0	...	...	...	...	47.0	42.0	...	...
Vietnam	...	...	...	...	...	...	...	...	...	...	...	...	68.0	...
Yemen	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Zambia	39.0	20.0	...	...	...	...	...	...	42.0	33.0	40.0	35.0	...	...

Source: <http://mdgs.un.org>

Table 4.4
MDG 6: Combat HIV/AIDS, malaria and other diseases
Target 7: Halt and begin to reverse the spread of HIV/AIDS by 2015
Indicator : Percentage of 15-24 year-olds (male/female) with a good understanding of HIV/AIDS

	1996		1998		1999		2000		2001		2003		2005	
	m	f	m	f	m	f	m	f	m	f	m	f	m	f
Bangladesh
Burkina Faso	23.0	15.0	...	...
Ethiopia
Ghana	44.0	38.0	...	...
Mali	15.0	9.0	...	...	...	...
Mozambique	33.0	20.0	...	...
Nicaragua
South Africa	20.0	...	...	...	...	...	...	...	...	...	...
Suriname	27.0	...	...	...	...	...	...
Tanzania	23.0	23.0	...	...	29.0	26.0	...	...	...	...	49.0	44.0	...	...
Vietnam	25.0	...	...	...	...	50.0	42.0
Yemen
Zambia	33.0	31.0	...	...	...	...

 Source: <http://mdgs.un.org>
Percentage of 15-24 year-olds (male/female) with a good understanding of HIV/AIDS (1998/2004)

	m 15-24	f 15-24
Sub-Saharan Africa	31	24
South Asia	17	21
South-East Asia	...	18

1 Percentage of 15-24 year-olds who correctly identify the two major ways of preventing the sexual transmission of HIV (using condoms and limiting sex to one faithful, uninfected partner), who reject two common local misconceptions, and who know that a healthy-looking person can transmit the AIDS virus.

Table 4.5

MDG 6: Combat HIV/AIDS, malaria and other diseases
 Target 7: Halt and begin to reverse the spread of HIV/AIDS by 2015
 Indicator: Estimated number of AIDS orphans x 1,000

	1999	2001 aged 0-17	2003 aged 0-17	2005 aged 0-17
Bangladesh	610	...	...	...
Burkina Faso	320	240	100	120
Ethiopia	1200	560	720	...
Ghana	170	140	130	170
Mali	45	59	83	94
Mozambique	310	330	330	510
Nicaragua	520	...	...	...
South Africa	420	660	780	1200
Suriname	480	...	...	...
Tanzania	1100	790	970	1100
Vietnam	3	...	...	...
Yemen	...	...	...	...
Zambia	650	570	650	710

Source: UNAIDS Report on Global Aids Epidemic 2006 and <http://mdgs.un.org>

Note: Some data is based on small samples

	2001	2003	2005
World	11500	12600	15200
Sub-Saharan Africa	9600	10200	12000
South and South-East Asia	...	...	...
Latin America	...	...	...
North Africa and Middle East	...	...	...

Source: UNAIDS Report on Global Aids Epidemic 2004, 2006, annex 2

Table 4.6

MDG 6: Combat HIV/AIDS, malaria and other diseases

Target 8: Halt and begin to reverse the incidence of malaria and other major diseases by 2015

Indicator: Percentage of children under five sleeping under insecticide-treated mosquito nets

	1999	2000	2001	2002	2003	2004
Bangladesh
Burkina Faso	6.5	...
Ethiopia
Ghana	4.5	...
Mali	8.4	...
Mozambique
Nicaragua
South Africa
Suriname	...	2.7	...	...	...	...
Tanzania	2.1	...	...	...	...	10.4
Vietnam	...	15.8	...	...	...	...
Yemen
Zambia	1.1	...	...	6.5	...	...

Source: <http://mdgs.un.org>**Table 4.7**

MDG 6: Combat HIV/AIDS, malaria and other diseases

Target 8: Halt and begin to reverse the incidence of malaria and other major diseases by 2015

Indicator: Prevalence of tuberculosis per 100,000

	1990	2000	2001	2002	2003	2004	Index 1990
Bangladesh	640	494	485	472	450	435	147
Burkina Faso	322	343	336	341	353	365	88
Ethiopia	256	481	506	511	520	533	48
Ghana	516	389	377	378	376	376	137
Mali	706	595	591	583	580	578	122
Mozambique	275	573	601	616	624	635	43
Nicaragua	198	103	95	94	84	80	248
South Africa	735	655	663	561	630	670	110
Suriname	167	113	109	106	102	98	170
Tanzania	270	475	475	497	488	479	56
Vietnam	499	251	248	240	241	232	215
Yemen	277	165	155	152	150	144	192
Zambia	548	1025	1056	737	663	707	78

Source: <http://mdgs.un.org>

	1990	2000	2002	2004	Index 1990
World	296	264	248	223	75
North Africa	64	54	52	52	81
Sub-Saharan Africa	337	466	475	492	146
Latin America	153	97	90	80	52
East Asia	322	267	255	216	67
South Asia	534	432	382	313	59
South-East Asia	501	337	302	282	56
West Asia	115	80	76	75	65
Oceania	604	437	352	316	52
Developed areas	32	22	19	18	56
Developing areas	372	320	299	267	72

MDG 6: Combat HIV/AIDS, malaria and other diseases

Target 8: Halt and begin to reverse the incidence of malaria and other major diseases by 2015

Indicator: Percentage of tuberculosis detection (DOTS*)

	1999	2000	2001	2002	2003	2004
Bangladesh	24.8	25.9	27.7	32.4	37.7	43.5
Burkina Faso	16.7	17.7	17.1	16.7	17.1	18.1
Ethiopia	25.2	33.2	33.5	34.7	35.9	35.6
Ghana	30.9	38.2	41.2	40.6	39.9	36.9
Mali	16.4	15.0	...	17.7	18.9	18.8
Mozambique	...	44.5	43.9	45.0	45.5	45.9
Nicaragua	84.8	82.9	88.4	80.3	88.7	87.2
South Africa	62.9	65.0	67.8	85.5	92.2	82.7
Suriname	...	...	...	...	...	...
Tanzania	51.1	47.8	46.8	44.0	45.1	46.6
Vietnam	83.0	82.1	83.4	86.9	85.4	88.8
Yemen	50.6	54.7	52.1	47.5	44.2	39.8
Zambia	...	...	...	40.2	61.9	53.7

* Directly observed treatment, short course

	2000	2002	2003	2004
World	28	38	45	53
North Africa	82	83	84	83
Sub-Saharan Africa	36	44	48	47
Latin America	43	45	46	58
East Asia	30	31	44	63
South Asia	15	30	40	51
South-East Asia	39	51	56	65
West Asia	27	27	27	26
Oceania	13	22	24	26
Developed areas	22	40	43	44
Developing areas	29	38	46	54

Source: <http://mdgs.un.org>

MDG 6: Combat HIV/AIDS, malaria and other diseases
Target 8: Halt and begin to reverse the incidence of malaria and other major diseases by 2015
Indicator: Tuberculosis treatment success rate under DOTS*

	1995	2000	2001	2002	2003	Index 1990
Bangladesh	71.4	82.6	84.3	83.9	85.4	120
Burkina Faso	24.5	59.8	64.4	64.5	65.6	268
Ethiopia	60.6	80.1	75.7	76.2	70.2	116
Ghana	53.7	50.1	56.0	60.0	65.9	123
Mali	59.1	...	50.3	50.2	65.0	110
Mozambique	36.0	74.9	77.4	78.1	75.8	211
Nicaragua	80.0	82.5	83.1	82.3	83.6	105
South Africa	69.0	65.7	65.7	67.7	66.9	97
Suriname	...	...	...	...	...	...
Tanzania	73.5	78.5	80.7	80.1	80.9	110
Vietnam	91.3	92.1	92.5	92.3	92.1	101
Yemen	65.6	74.6	79.8	80.4	82.1	125
Zambia	...	...	75.2	83.4	75.0	...

Source: <http://mdgs.un.org>

* Directly observed treatment, short course

	2000	2001	2002	2003
World	82	82	82	82
North Africa	88	84	88	86
Sub-Saharan Africa	72	71	73	72
Latin America	81	82	83	83
East Asia	94	96	92	93
South Asia	83	85	86	86
South-East Asia	86	86	86	86
West Asia	81	83	84	83
Oceania	76	76	64	67
Developed areas	77	77	79	76
Developing areas	82	82	82	83

Table 5.2

MDG 7: Ensure environmental sustainability

Target 9: Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources

Indicator: Percentage of land area covered by forest

Region	1990	2000	2005	Index for 1990
	%	%	%	
North Africa	1.3	1.5	1.5	115
Sub-Saharan Africa	29.2	27.3	26.5	91
Caribbean	23.4	24.9	26.1	112
Latin America	50.3	47.5	46.3	92
East Asia	16.5	18.1	19.8	120
South Asia	14	14.3	14.2	101
South-East Asia	56.3	49.9	46.8	83
West Asia	3.3	3.4	3.5	106
Oceania	68.3	65	63.4	93
Commonwealth of Independent States (Asia)	3.9	3.9	3.9	100
Commonwealth of Independent States (Europe)	46.6	46.7	46.7	100
Developed regions	30.4	30.7	30.8	101
World	31.0	30.6	30.3	98

	1990	2000	2005	Index for 1990	Δ region
	%	%	%		
Albania*	28.8	28.1	29.0	101	0
Cape Verde	14.3	20.4	20.7	145	54
Colombia	59.1	58.7	58.5	99	7
Ghana	32.7	26.8	24.2	74	-17
Guatemala	43.8	38.8	36.3	83	-9
Mali	11.5	10.7	10.3	90	-1
Mongolia	7.3	6.8	6.5	89	-31
Pakistan	3.3	2.7	2.5	76	-25
Senegal	48.6	46.2	45.0	93	2
Sri Lanka	36.4	32.2	29.9	82	-19
Suriname	94.7	94.7	94.7	100	8
Vietnam	28.8	36.0	39.7	137.8	55

Source: www.millenniumindicators.un.org

Note: Albania is compared to developed regions

Table 5.3**MDG 7: Ensure environmental sustainability**

Target 9: Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources

Indicator: Area protected to maintain biological diversity (land and sea)

	1995	2000	2004	2005	Index for 1995 1990
North Africa	4.1	4.3	4.5	4.7	115
Sub-Saharan Africa	10.8	11	11.1	11.2	104
Latin America and Caribbean	15.3	16.3	17.3	17.7	116
East Asia	11.5	13.4	14	14.4	125
South-Central Asia	5.1	5.3	5.5	6	118
South-East Asia	7.4	9.2	9.5	9.5	128
West Asia	17.8	17.9	18	19	107
Oceania	1.5	1.6	1.6	1.6	107
Developed regions	10.8	11.4	11.7	12.2	113
World	...	...	...	...	...

	1995	2000	2004	2005	Index for 1995 1990	Δ region
Albania	2	3	3	3	150	37
Cape Verde	...	...	...	...	...	...
Colombia	31	31	32	32	103	-13
Ghana	15	15	15	15	100	-4
Guatemala	26	31	31	31	119	3
Mali	2	2	2	2	100	-4
Mongolia	9	14	14	14	156	31
Pakistan	9	9	9	9	100	...
Senegal	11	11	11	11	100	-4
Sri Lanka	15	15	15	17	113	...
Suriname	14	11	12	12	86	-30
Vietnam	3	3	4	4	133	5

Expressed as the percentage of protected area with respect to territorial area (land and sea)

Source: millenniumindicators.un.org

Table 5.4**MDG 7: Ensure environmental sustainability**

Target 9: Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources

Indicator: Energy consumption per unit of GNP (as a yardstick for energy efficiency)

	1990	2001	2003	Index for 1990 1990
Latin America and Caribbean	167	177	162	97
North Africa	164	196	165	101
Sub-Saharan Africa	360	406	363	101
East Asia	419	216	219	52
South Asia	245	256	201	82
South-East Asia	203	237	211	104
West Asia	250	327	287	115
Commonwealth of Independent States (Europe)	625	644	519	83
European countries in transition	415	484	261	63
High-income countries	216	214	189	88
World	...	...	...	...

	1990	2001	2003	Index for 1990 1990	Δ region
Albania	262	140	158	60	-3
Cape Verde	...	...	...	...	...
Colombia	119	108	99	83	-14
Ghana	219	206	199	91	-10
Guatemala	150	160	153	102	5
Mali	...	...	...	...	...
Mongolia	...	...	...	...	...
Pakistan	258	238	236	91	9
Senegal	199	213	191	96	-5
Sri Lanka	137	126	113	82	0
Suriname	...	...	...	...	...
Vietnam	303	234	227	75	-29

Energy consumption in kg of oil per USD 1,000 of GNP (corrected to take account of purchasing power)

Source: millenniumindicators.un.org

Table 5.5

MDG 7: Ensure environmental sustainability

Target 9: Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources

Indicator 28: Carbon dioxide and CFC emissions

	1990	2000	2003	Index for 1990 1990
Developed Countries	12.6	11.27	12.9	102
Developing Countries	1.6	2.01	2.2	138
World	4	4	4	100

	1990	2000	2003	Index for 1990 1990	Δ region
Albania	2.2	0.7	1	45	-57
Cape Verde	0.2	0.3	0.3	150	13
Colombia	16.3	13.8	12.6	77	-60
Ghana	0.2	0.3	0.4	200	63
Guatemala	0.6	0.9	0.9	150	13
Mali	0	0	0	0	-138
Mongolia	45	30	31	69	-69
Pakistan	0.6	0.7	0.8	133	-4
Senegal	0.4	0.4	0.4	100	-38
Sri Lanka	0.2	0.5	0.5	250	113
Suriname	45	49	51	113	-24
Vietnam	0.3	0.7	0.9	300	163

Expressed as CO₂ emissions in 1,000 kg per capitaSource: <http://mdgs.un.org>

Table 6.2**MDG 7: Ensure environmental sustainability**

Target 10: Reduce by half, by 2015, the proportion of people without sustainable access to safe drinking water

Indicator: Percentage of population with sustainable access to an improved water source (urban/rural)

	1990			2004			2004 index for 1990		
	total	urban	rural	total	urban	rural	total	urban	rural
North Africa	88	95	82	91	96	86	103	101	105
Sub-Saharan Africa	49	82	36	56	80	42	114	98	117
Latin America and Caribbean	83	93	58	91	96	73	110	103	126
East Asia	72	99	60	78	93	67	108	94	112
South Asia	71	90	64	85	94	81	120	104	127
South-East Asia	73	91	65	82	89	77	112	98	118
West Asia	83	94	65	91	97	79	110	103	122
Oceania	51	92	39	51	80	40	100	87	103
Commonwealth of Independent States (Europe)	92	97	83	92	99	80	100	102	96
Developed regions	100	100	99	99	100	95	99	100	96
World	...	...	...	83	95	73	...	...	...

	1990			2004			2004 index for 1990			Δ region		
	total	urban	rural	total	urban	rural	total	urban	rural	total	urban	rural
Bangladesh	72	83	69	74	82	72	103	99	104	-17	-6	-22
Benin	63	73	57	67	78	57	106	107	100	-8	9	-17
Egypt	94	97	92	98	99	97	104	102	105	1	1	1
Indonesia	72	92	63	77	87	69	107	95	110	-5	-3	-9
Mozambique	36	83	24	43	72	26	119	87	108	5	-11	-8
Vietnam	65	90	59	85	99	80	131	110	136	18	12	17
Yemen	71	84	68	71	71	65	100	85	96	-10	-19	-26

Expressed as percentage of the population

Source: <http://mdgs.un.org>

Table 6.3
MDG 7: Ensure environmental sustainability
Target 10: Reduce by half, by 2015, the proportion of people without sustainable access to safe drinking water
Indicator: Proportion of population with access to sanitation (urban/rural)

	1990			2004			2004 index for 1990		
	total	urban	rural	total	urban	rural	total	urban	rural
North Africa	65	84	47	77	91	62	118	108	132
Sub-Saharan Africa	32	52	24	37	53	28	116	102	117
Latin America and the Caribbean	68	81	36	77	86	49	113	106	136
East Asia	24	64	7	45	69	28	188	108	400
South Asia	20	54	8	38	63	27	190	117	338
South-East Asia	49	70	40	67	81	56	137	116	140
West Asia	81	97	55	84	96	59	104	99	107
Oceania	54	80	46	53	80	43	98	100	93
Commonwealth of Independent States	82	92	63	83	92	67	101	100	106
Developed regions	100	100	99	99	100	98	99	100	99
World	...	...	...	...	...	...	...	...	...

	1990			2004			2004 index for 1990			Δ region		
	total	urban	rural	total	urban	rural	total	urban	rural	total	urban	rural
Bangladesh	20	55	12	39	51	35	195	93	292	5	-24	-46
Benin	12	32	2	33	59	11	275	184	550	159	82	433
Egypt	54	70	42	70	86	58	130	123	138	11	15	6
Indonesia	46	65	37	55	73	40	120	112	108	-17	-3	-32
Mozambique	20	49	12	32	53	19	160	108	158	44	2	65
Vietnam	36	58	30	61	92	50	169	159	167	33	43	27
Yemen	32	82	19	43	86	28	134	105	147	31	6	40

Expressed as percentage of the population

 Source: <http://mdgs.un.org>

Table 6.4

MDG 7: Ensure environmental sustainability

Target 11: Have achieved, by 2020, a significant improvement in the lives of at least 100 million slum dwellers

Indicator 32: Percentage of households with access to secure tenure (including access to land)

	Absolute (million)			Proportional (%)		
	1990	2001	2001 (index 1990)	1990	2001	2001 (index 1990)
North Africa	21.7	21.4	99	37.7	28.2	75
Sub-Saharan Africa	101	166.2	165	72.3	71.9	99
Latin America and Caribbean	110.8	127.6	115	35.4	31.9	90
East Asia	150.8	193.8	129	41.1	36.4	89
East Asia excluding China	12.8	15.6	122	25.3	25.4	100
South Asia	198.7	253.1	127	63.7	59	93
South-East Asia	49	56.8	116	36.8	28	76
West Asia	28.6	40.7	142	34.4	35.3	103
Oceania	0.4	0.5	125	24.5	24.1	98
Commonwealth of Independent States (Asia)	9.7	9.8	101	30.3	29.4	97
Commonwealth of Independent States (Europe)	9.2	8.9	97	6	6	100
Developed regions	41.8	45.2	108	6	6	100
Least Developed Countries	46.5	47.3	102	48.4	56.5	117
Small island states	5.7	7.3	128	24	24.4	102
Landlocked developing countries	81.9	140.1	171	76.3	78.2	102
All low- and middle-income countries	...	...	...	19	18	95
Poor countries with high debt burden	...	...	...	20	9	45

	Absolute (million)			Proportional (%)		Δ region	
	1990	2001	2001 (index 1990)	1990	2001	2001 (index 1990)	
Bangladesh	87.3	84.7	97	4
Benin	80.3	83.6	104	5
Egypt	57.5	39.9	69	-5
Indonesia	32.2	23.1	72	-4
Mozambique	94.5	94.1	100	0
Vietnam	60.5	47.4	78	2
Yemen	67.5	65.1	96	-6

Expressed as absolute number (millions) of slum dwellers, and as a proportion of the urban population

Source: <http://mdgs.un.org>

Table 7.3A

WBI Ranking 2005 (per indicator)

Pos. '05 ¹	NL Partner Country	Pos. '04 ²	Voice and Accountability	Political Stability	Government Effectiveness	Regulatory Quality	Rule of Law	Control of Corruption	Average
1	Afghanistan	1	11.6	2.4	9.1	5.4	1.4	2.5	5.4
2	Palestine terr./W-Bank & Gaza	7	13.5	5.2	11.0	12.9	39.1	9.9	15.3
3	Rwanda	10	10.6	12.7	12.9	23.8	15.9	24.1	16.7
4	Bangladesh	4	31.4	6.6	21.1	14.9	19.8	7.9	17.0
5	Yemen	2	21.3	7.1	18.2	21.3	13.0	34.0	19.2
6	Eritrea	6	3.4	25.9	14.4	2.5	25.6	45.8	19.6
7	Pakistan	3	12.6	5.7	34.0	27.7	24.2	15.8	20.0
8	Ethiopia	5	19.3	8.0	15.8	13.9	28.0	25.1	18.4
9	Kenya	11	43.0	14.6	25.4	42.1	18.4	14.8	26.4
10	Indonesia	9	40.6	9.0	37.3	36.6	20.3	21.2	27.5
11	Guatemala	13	35.7	21.7	29.7	46.5	14.5	17.7	27.6
12	Bolivia	19	44.0	15.1	23.9	32.7	27.1	23.6	27.7
13	Uganda	14	30.9	10.4	36.8	53.0	30.0	20.2	30.2
14	Zambia	16	36.2	45.3	19.6	26.7	34.3	23.2	30.9
15	Moldova	12	32.4	27.8	27.8	38.1	35.3	27.1	31.4
16	Georgia	8	39.1	24.1	37.8	30.7	23.7	38.4	32.3
17	Vietnam	15	7.7	59.0	45.0	25.7	42.0	26.6	34.3
18	Albania	21	49.8	27.4	35.9	45.0	21.3	27.6	34.5
19	Bosnia-Herzegovina	17	43.5	24.5	33.5	31.7	30.4	46.3	35.0
20	Egypt	24	18.4	21.2	43.1	34.7	54.6	43.3	35.9
21	Tanzania	18	37.7	33.0	42.1	33.7	41.1	28.6	36.0
22	Nicaragua	25	46.9	39.6	24.9	42.6	32.9	35.0	37.0
23	Benin	28	55.1	57.5	30.6	30.2	35.7	16.3	37.6
24	Mozambique	22	44.4	47.2	44.0	28.2	31.4	31.0	37.7
25	Colombia	20	36.7	4.2	53.1	54.0	32.4	53.2	38.9
26	Sri Lanka	29	39.6	10.8	40.7	50.0	54.1	47.3	40.4
27	Burkina Faso	27	35.3	42.9	32.5	35.6	38.2	58.1	40.4
28	Macedonia	26	48.3	19.3	47.4	48.5	43.5	40.4	41.2
29	Armenia	23	30.4	38.2	49.3	56.9	41.5	33.5	41.6
30	Mali	31	60.4	48.1	38.3	34.2	50.7	47.8	46.6
31	Senegal	30	54.6	42.0	49.8	43.1	47.3	52.5	48.2
32	Ghana	32	58.9	50.5	53.6	49.5	48.3	45.3	51.0
33	Mongolia	33	56.0	79.2	43.5	41.6	46.9	38.9	51.0
34	Suriname	34	68.6	54.7	56.5	36.1	50.2	57.6	54.0
35	Cape Verde	35	71.0	77.4	52.6	48.0	58.0	61.6	61.4
36	South Africa	36	70.5	41.5	75.6	67.3	57.0	69.5	63.6
	Netherlands		98.6	72.6	97.1	96.5	94.2	95.6	92.4

1. Please note that these are relative positions. Data is therefore not suitable for comparison of position of countries over time.

2. Calculated on the basis of the updated indicators for 2004, see also: <http://web.worldbank.org/WBSITE/EXTERNAL/WBI/EXTWBIGOVANTCOR/o,,contentMDK:21045419ffimenuPK:1976990ffipagePK:64168445ffipPK:64168309ffitheSitePK:1740530.00.html>

Table 7.3B 2005 IDA Resource Allocation Index (IRAI) *a/*
(Countries Ranked by IRAI)

Rank	Country	A. Economic Management			B. Structural Policies			C. Policies for Social Inclusion/Equity						D. Public Sector Management and Institutions						IDA Resource Allocation Index (IRAI)		
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	Av.				
1	Armenia	5.5	5.0	5.5	4.5	3.5	4.0	4.0	4.5	4.0	4.5	3.5	3.5	4.0	4.0	4.0	3.5	4.0	4.0	3.5	3.8	4.3
2	Cape Verde	4.5	4.0	4.0	4.0	4.0	4.0	4.0	4.5	4.0	4.5	4.0	4.3	4.5	3.5	4.0	4.5	4.0	4.0	4.5	3.9	4.1
3	Samoa	4.0	3.5	4.0	4.5	4.0	4.0	4.2	4.0	4.0	3.5	4.0	3.9	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
4	St. Lucia	4.5	3.5	4.0	4.0	4.0	4.5	4.2	4.5	4.0	3.5	3.5	3.8	3.5	4.0	4.0	4.0	3.5	3.5	4.5	3.9	4.0
5	Tanzania	5.0	4.5	4.0	4.0	3.5	3.5	3.7	4.0	4.0	3.5	3.5	3.8	4.0	4.5	4.0	4.0	3.5	3.5	4.5	3.8	4.0
6	St. Vincent & The Grenadines	4.0	4.0	4.0	4.0	4.0	4.5	4.2	4.5	4.0	3.5	3.5	3.8	4.0	3.5	4.0	3.5	3.5	4.0	4.0	3.7	3.9
7	Honduras	4.5	4.5	4.0	4.5	3.5	4.0	4.0	4.0	4.0	4.0	3.0	3.8	4.0	3.5	4.0	3.0	3.0	3.0	3.0	3.5	3.9
8	Uganda	4.5	4.5	4.5	4.0	3.5	4.0	3.8	3.5	4.0	3.5	4.0	3.9	4.0	3.0	4.0	3.0	3.0	3.0	3.0	3.3	3.9
9	Ghana	4.0	4.5	4.0	4.0	3.5	4.0	3.8	4.0	3.5	3.5	3.5	3.7	4.0	4.5	3.5	3.5	3.5	3.5	3.5	3.7	3.9
10	Georgia	4.5	4.0	4.0	3.5	3.5	4.0	3.7	4.5	4.0	3.5	3.5	3.9	4.0	4.0	3.5	3.5	3.5	3.5	3.5	3.6	3.8
10	Maldives	3.5	3.5	4.5	4.0	4.0	4.0	4.0	4.0	4.0	3.5	4.0	3.9	4.0	4.0	4.0	3.0	3.0	4.0	3.0	3.6	3.8
12	Bhutan	4.0	4.0	4.0	3.0	3.0	3.5	3.2	4.5	4.0	3.5	4.5	4.2	4.0	4.0	4.0	4.0	4.0	4.0	4.0	3.8	3.8
13	Dominica	4.0	4.0	3.0	4.0	4.0	4.5	4.2	4.5	4.0	3.5	3.0	3.7	4.0	3.5	3.5	4.0	3.0	3.0	4.0	3.6	3.8
14	India	4.5	3.0	4.5	3.5	4.0	3.5	3.7	3.5	4.0	3.5	3.5	3.7	4.0	4.0	4.0	3.5	3.5	3.5	3.5	3.7	3.8
15	Burkina Faso	4.5	4.5	4.5	4.0	3.0	3.0	3.3	3.5	4.0	3.5	3.5	3.6	4.0	3.5	3.5	4.0	4.0	4.0	3.5	3.6	3.8

Rank	Country	A. Economic Management			B. Structural Policies			C. Policies for Social Inclusion/Equity							D. Public Sector Management and Institutions						IDA Resource Allocation Index (IRAI)
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	Av.			
47	Niger	3.5	3.0	3.5	4.0	3.0	3.5	2.5	3.5	3.0	3.0	3.0	3.0	3.5	3.0	3.0	3.0	3.2	3.3		
48	Mauretania	2.0	2.5	4.0	4.5	2.5	3.5	3.5	3.5	3.5	3.5	3.4	3.0	2.0	3.0	2.5	2.9	3.2	3.2		
49	Kitibati	2.5	2.5	5.0	3.0	3.0	3.0	3.0	2.5	3.0	3.0	3.0	3.0	3.0	3.0	3.5	3.3	3.2	3.2		
	Djibouti	3.5	3.0	3.0	4.0	3.5	3.0	3.0	3.5	3.0	3.0	3.1	2.5	3.0	2.5	2.5	2.8	3.1	3.1		
50	Nigeria	4.0	4.0	3.5	2.5	3.0	3.0	3.0	3.0	3.0	3.0	3.1	2.5	3.0	2.5	3.0	2.8	3.1	3.1		
	Vanuatu	3.0	3.0	4.0	4.0	3.0	3.0	3.0	2.5	2.0	3.0	2.8	3.0	3.5	2.5	3.0	3.1	3.1	3.1		
53	Sierra Leone	4.0	3.5	3.5	3.5	3.0	2.5	3.0	3.0	3.0	2.5	2.9	2.5	3.5	3.0	2.5	2.9	3.1	3.1		
54	Papua New Guinea	4.0	3.0	3.5	4.0	3.0	3.0	2.5	2.5	3.0	1.5	2.5	2.5	3.5	3.0	3.0	3.1	3.1	3.1		
55	Cambodia	4.0	3.5	3.5	3.5	2.0	3.5	3.0	3.5	3.0	2.5	3.1	2.5	2.5	2.5	2.5	2.6	3.1	3.1		
56	Gambia. The	3.5	3.0	2.5	4.0	3.0	3.0	3.5	3.5	2.5	3.0	3.1	3.5	2.5	3.0	2.0	2.9	3.1	3.1		
57	Guinea	2.5	3.0	2.5	4.5	3.0	3.0	4.0	3.0	3.0	2.5	3.2	2.0	3.0	3.0	2.5	2.7	3.0	3.0		
58	Uzbekistan	3.0	3.5	4.0	2.5	2.5	2.5	3.5	3.5	3.5	3.5	3.6	2.0	3.0	2.5	1.5	2.4	3.0	3.0		
59	Lao. PDR	4.0	3.5	3.5	3.5	1.5	3.0	3.5	3.0	2.0	3.5	3.1	3.0	2.5	2.5	2.0	2.5	3.0	3.0		
60	Sao Tome and Principe	3.0	3.0	2.5	4.0	2.5	3.0	3.0	2.5	2.5	2.5	2.8	2.5	3.0	3.0	3.5	3.1	3.0	3.0		
61	Burundi	3.5	3.5	3.0	3.0	3.0	2.5	3.5	3.0	3.0	2.5	3.0	2.5	3.0	2.5	3.0	2.7	3.0	3.0		
62	Tonga	3.0	2.0	3.5	3.0	3.0	3.0	2.5	4.0	3.0	3.0	3.2	3.5	2.5	2.0	2.0	2.7	2.9	2.9		
63	Chad	4.0	3.0	3.0	3.0	3.0	3.0	2.5	3.0	3.0	2.5	2.8	2.0	3.0	2.5	2.0	2.4	2.9	2.9		
64	Congo. Dem. Rep.	3.5	3.5	2.5	4.0	2.0	3.0	3.0	3.0	3.0	2.5	2.9	2.0	2.5	2.5	2.0	2.3	2.8	2.8		
65	Solomon Islands	3.5	3.5	2.5	3.0	3.0	2.5	3.0	3.0	2.5	2.0	2.7	2.5	3.0	2.0	3.0	2.6	2.8	2.8		
66	Congo. Rep.	3.5	3.0	2.5	3.0	2.5	2.5	3.0	3.0	2.5	3.0	2.9	2.0	3.0	2.5	2.5	2.6	2.8	2.8		

67	Haiti	3.5	3.0	2.5	3.0	4.0	3.0	2.5	3.2	3.0	2.5	2.5	2.5	2.5	2.0	2.5	2.5	2.0	2.3	2.8
68	Guinea-Bissau	2.5	2.5	2.0	2.3	3.5	2.5	3.0	3.0	3.0	2.5	2.5	2.5	3.0	2.5	2.5	3.0	2.5	2.6	2.7
69	Sudan	3.5	3.5	1.5	2.8	3.0	2.5	3.0	2.8	2.0	2.5	2.0	2.5	3.0	2.0	2.5	3.0	2.0	2.4	2.6
70	Angola	3.0	2.5	2.0	2.5	4.0	2.5	2.0	2.8	3.0	2.5	2.5	2.5	2.5	2.0	2.5	2.5	2.5	2.4	2.6
71	Eritrea	2.0	2.0	2.5	2.2	1.5	2.0	2.0	1.8	3.5	3.0	3.0	3.0	3.0	2.5	3.5	3.0	2.5	2.8	2.5
72	Côte d'Ivoire	2.5	2.0	1.5	2.0	3.5	3.0	3.0	3.2	2.5	1.5	2.0	2.5	3.0	2.0	4.0	2.0	2.0	2.5	2.5
74	Togo	2.5	2.0	1.5	2.0	4.0	2.5	3.0	3.2	3.0	2.0	3.0	2.5	2.5	2.0	2.5	2.0	2.0	2.2	2.5
74	Comoros	3.0	2.5	1.5	2.3	2.0	2.5	2.5	2.3	3.0	3.0	3.0	2.5	2.0	2.5	2.5	2.0	2.5	2.3	2.4
75	Central Afr. Rep.	3.0	3.0	1.5	2.5	3.5	2.5	2.0	2.7	2.5	2.0	2.0	2.0	2.5	2.0	2.5	2.0	2.5	2.2	2.4
76	Zimbabwe	1.0	1.0	1.0	1.0	2.0	2.5	2.0	2.2	2.5	1.5	2.0	1.5	2.5	1.0	3.5	2.0	1.5	2.1	1.8

a/ Five IDA countries excluded since not rated in IRAI 2005 exercise (Afghanistan, Liberia, Myanmar, Somalia, and Timor-Leste).

For calculation of the cluster averages, all criteria are equally weighted within a cluster; IRAI is calculated as the mean of the score of four clusters.

Scale: 1 = Lowest, 6 = Highest.

Rankings are based on un-rounded data.

Table 8.2 Annual foreign direct investment 1995-2004 (million US\$)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Bangladesh	2	14	139	190	180	280	79	52	268	449
Bolivia	393	474	731	949	1011	736	706	677	197	116
Bosnia Herzegovina	0	-2	1	67	177	146	118	268	382	613
Ethiopia	14	22	288	261	70	135	349	255	465	545
Indonesia	4346	6194	4677	-241	-1866	-4550	-2977	145	-597	1023
Macedonia		11	16	128	33	175	442	78	96	157
Mali	111	45	63	9	2	82	122	244	132	180
Nicaragua	89	120	203	218	337	267	150	204	201	250
Rwanda	2	2	3	7	2	8	5	3	5	8
Sri Lanka	56	120	430	193	176	173	172	197	229	233
Tanzania	120	150	158	172	517	463	342	243	254	249
Zambia	97	117	207	198	162	122	72	82	172	334

Source: World Development Indicators online

Table 8.3 Exports as a percentage of Gross Domestic Product (%)

	2000	2001	2002	2003	2004	2005
Bangladesh	14.5	15.4	14.3	14.2	15.5	16.1
Bolivia	18.3	20.0	21.6	25.5	30.9	...
Bosnia Herzegovina	28.0	26.8	24.1	25.5	26.0	28.9
Ethiopia	12.5	12.4	13.4	14.3	15.4	16.4
Indonesia	41.0	38.2	32.0	30.8	31.3	37.7
Macedonia	48.6	42.7	38.0	37.9	40.2	45.0
Mali	26.8	33.3	31.9	26.4	27.5	25.7
Nicaragua	23.9	22.6	22.4	24.5	26.7	...
Rwanda	8.3	9.2	7.6	8.3	10.3	9.6
Sri Lanka	39.0	37.3	36.1	35.9	36.4	34.0
Tanzania	14.4	16.3	17.1	18.3	17.8	17.1
Zambia	21.1	26.9	23.7	20.6	19.5	16.4

Source: World Development Indicators database

Table 8.4 *Actual annual GDP growth (%)*

	2000	2001	2002	2003	2004	2005
Bangladesh	5.9	5.3	4.4	5.3	6.3	5.4
Bolivia	2.5	1.7	2.5	2.9	3.9	4.1
Bosnia Herzegovina	5.5	4.3	5.3	4.4	6.2	5.3
Ethiopia	5.4	7.9	-0.0	-3.1	12.3	8.7
Indonesia	4.9	3.8	4.4	4.7	5.1	5.6
Macedonia	4.5	-4.5	0.9	2.8	4.1	4.0
Mali	3.2	12.1	4.2	7.4	2.2	5.4
Nicaragua	4.1	3.0	0.8	2.5	5.1	4.0
Rwanda	6.0	6.7	9.4	0.9	4.0	5.0
Sri Lanka	6.0	-1.5	4.0	6.0	5.4	5.3
Tanzania	5.1	6.2	7.2	7.1	6.7	7.0
Zambia	3.6	4.9	3.3	5.1	5.4	5.1

Source: World Development Indicators online

Table 8.5 Number of people living on 1 US dollar a day (percentage of total population)

Country	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	most recent poverty figure
Albania	2	...	...	...	...	2	...	...	2%
Armenia	6.7	...	...	5	...	...	...	2	...	2%
Bangladesh	35.9	...	...	...	26.7	...	...	...	36	...	...	...	...	36%
Benin	30.9	...	31%
Bolivia	20.4	...	14.4	...	...	23.2	...	...	23%
Burkina Faso	62.7	...	...	...	29.2	...	...	...	...	27.2	...	27%
Colombia	...	2.8	...	...	...	3.1	5.3	...	14.5	8.2	...	...	...	7	...	7%
Egypt	...	4	...	...	...	3.8	...	...	...	...	3.1	...	...	...	...	3%
Ethiopia	31.3	...	...	...	...	23	...	...	...	...	23%
Georgia	2	...	...	2.6	...	2.7	...	6.5	...	7%
Ghana	18.2	29.4	...	...	...	...	45.1	44.8	...	...	...	...	...	45%
Guatemala	7.9	...	3.5	...	13.5	...	...	14%
Indonesia	17.4	...	...	13.9	...	...	...	7.2	...	7.5	...	...	8%
Kenya	33.5	...	...	...	...	22.8	...	...	...	...	...	...	...	23%
Macedonia	2.0	...	...	...	...	2.0	...	2%
Mali	72.3	...	...	...	...	...	...	...	...	...	...	72%
Moldova	7.3	...	...	...	...	2.0	...	32.2	...	21.8	...	...	...	22%
Mongolia	13.9	...	...	27	...	...	...	...	...	...	27%
Mozambique	37.9	...	...	...	...	...	...	...	38%
Nicaragua	47.9	...	...	...	...	44.7	...	...	45.1	...	...	...	45%
Pakistan	...	47.8	...	33.9	...	...	...	...	...	13.4	...	...	17	...	...	17%
Rwanda	51.7	...	...	...	...	52%
Senegal	...	45.4	...	...	...	22.3	...	...	...	...	...	17	...	...	...	22%
South Africa	10	...	6.3	...	...	...	...	10.7	...	...	...	...	11%
Sri Lanka	3.8	...	...	...	...	...	6.6	...	...	...	...	...	5.6	...	...	6%
Tanzania	...	48.5	...	...	...	...	...	...	...	...	57.8	...	...	...	...	58%
Vietnam	14.6	...	...	...	...	3.8	...	...	...	2.2	...	...	2%
Yemen	3.6	...	...	...	...	...	10.2	...	...	...	...	...	...	10%
Zambia	...	64.6	...	73.6	...	...	72.6	...	64.8	...	...	...	...	75.8	...	76%

Source: <http://mdgs.un.org>

Countries for whom no results were available have not been included in the table

Table 8.6 Gini Coefficient

Country	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	most recent GINI figure
Armenia	...	...	...	...	...	...	44.4	...	...	...	...	...	...	33.8	...	33.8
Bangladesh	...	28.3	...	...	...	...	...	...	...	...	31.8	...	...	...	...	31.8
Benin	...	...	...	...	...	...	...	...	...	...	...	...	...	38.6	...	38.6
Bolivia	42	...	...	...	...	...	...	...	...	...	...	...	60.2	...	...	60.2
Burkina Faso	...	...	...	...	50.7	...	...	...	...	...	...	...	...	39.6	...	39.6
Colombia	...	51.3	...	...	...	...	...	...	...	...	...	...	...	58.8	...	58.8
Egypt	32	...	...	...	...	...	...	...	...	34	...	...	...	...	...	34
Ethiopia	...	...	...	...	...	40	...	...	...	...	30	...	...	...	...	30
Georgia	38.9	...	...	...	...	...	...	...	...	...	...	...	...	40.4	...	40.4
Ghana	...	...	38.1	...	...	...	...	...	...	40.8	...	...	...	...	...	40.8
Guatemala	59.6	...	...	...	...	...	...	...	...	...	55	...	...	...	...	55
Indonesia	33	...	...	...	...	...	...	...	...	...	...	...	34.3	...	...	34.3
Kenya	...	...	57.5	...	...	...	...	42.5	...	...	...	...	...	...	...	42.5
Macedonia	...	...	...	...	...	...	...	...	28.2	...	...	...	...	39	...	39
Mali	36.5	...	...	...	...	...	...	...	...	...	...	40	...	...	...	40
Moldova	29	...	...	...	...	...	...	...	...	...	...	...	...	35.1	...	35.1
Mongolia	...	...	...	...	...	33.2	...	...	...	...	...	...	32.8	...	...	32.8
Mozambique	...	...	...	...	...	...	...	39.6	...	...	...	...	...	...	...	39.6
Nicaragua	...	...	...	50.4	...	...	...	...	...	...	...	43.1	...	...	...	43.1
Pakistan	33.2	...	...	...	...	...	30.3	...	...	...	...	...	...	...	...	43.1
Rwanda	35.5	...	...	...	...	...	...	...	...	45.4	...	...	...	...	...	45.4
Senegal	...	54.1	...	...	...	...	...	...	...	...	...	41.3	...	...	...	41.3
South Africa	...	...	...	59.3	...	...	...	...	...	...	57.8	...	...	...	...	57.8
Sri Lanka	30.1	...	...	...	...	...	...	...	...	...	...	...	40.2	...	...	40.2
Tanzania	...	33.8	...	...	...	...	...	...	...	...	34.6	...	...	...	...	34.6
Vietnam	...	...	...	35.7	...	...	...	...	...	...	...	...	...	...	37	37
Yemen	...	...	39.5	...	...	...	...	...	33.4	...	...	...	...	...	...	33.4
Zambia	...	60.1	...	...	...	...	...	...	...	...	...	...	42.1	...	...	42.1

Source: World Bank 2006 (PovCalNet)

Countries for whom no results were available have not been included in the table

