

# 2007 Autumn Performance Report

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DFID  
**PSA**  
and Efficiency  
Programme



December 2007





Department for International Development

# 2007 Autumn Performance Report

An outline of progress against the  
2003–06 and 2005–08 Public Service Agreements  
and the Efficiency Programme

Presented to Parliament by the  
Secretary of State for International Development  
by Command of Her Majesty  
December 2007

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# 1 Introduction

**1.1** The Department for International Development (DFID)'s 2003-06 and 2005-08 Public Service Agreements (PSAs) are based on the Millennium Development Goals (MDGs). The MDGs represent a shared vision to reduce world poverty, adopted by 189 nations in September 2000. The central goal is to reduce by half the proportion of people living on less than a dollar a day by 2015. Further information on the MDGs and global and national progress reports towards their achievement can be found at [www.developmentgoals.org](http://www.developmentgoals.org).

## The Millennium Development Goals

- MDG 1 **Eradication of extreme poverty and hunger**
- MDG 2 **Achievement of universal primary education**
- MDG 3 **Promotion of gender equality and the empowerment of women**
- MDG 4 **Reduced child mortality**
- MDG 5 **Improved maternal health**
- MDG 6 **Combating HIV and AIDS, malaria and other diseases**
- MDG 7 **Ensuring environmental sustainability**
- MDG 8 **A global partnership for development**

**1.2** DFID's PSAs set out the targets that have been agreed with HM Treasury for the Department's performance. Progress towards each target is tracked continuously, and formally reported twice a year (in the Autumn Performance Report and the Annual Report). The PSA is used as a tool to manage and improve performance, providing a high-level framework against which policy decisions and financial commitments can be assessed, and successes and underperformance measured. DFID's management processes are set up so that at each level – from divisions to departments, teams and individuals – targets can be set and measured that relate directly to the achievement of the PSA objectives – and ultimately of the MDGs.

**1.3** This Autumn Performance Report (APR) details the most recent progress against DFID's 2005-08 PSA (Section 2), and 2003-06 PSA (Section 3). Section 4 explains the actions that DFID is taking to address underperformance on those PSA targets that are not on course, or are forecast to be so; and Section 5 addresses progress towards DFID's efficiency targets.

## Summary of Public Service Agreement and Efficiency Programme progress

1.4 Progress can be summarised as follows:

### 2005–08 PSA

6 targets  
25 sub-targets  
*of which*  
3 ahead  
10 on course  
5 on course with some slippage  
7 not on course

### 2003–06 PSA

5 targets  
23 sub-targets  
*of which*  
5 met  
7 on course  
1 partly met  
1 on course with some slippage  
2 not met  
7 not on course

### EFFICIENCY

6 targets  
9 sub-targets  
*of which*  
1 met  
1 ahead  
4 on course  
2 on course with some slippage  
1 not on course

1.6 Despite every effort to secure accurate data for all PSA focus countries, it is important to recognise that there are limitations to the data available for reviewing progress.

- Data are unavailable to assess progress towards some sub-targets in some of our PSA countries.
- Where data are available, new figures will generally not be produced each year, so there may be gaps in time series.
- New data becoming available can lead to revisions in the data series for previous years. This means that some of the baselines set out at the time our PSA was written have now altered.

1.7 More information on data issues of relevance to the PSA baselines and outturn figures, and the methods we have employed to deal with these, are discussed in Annex A.

### Further information

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

## A note on data quality

1.5 A number of DFID's PSA targets require progress towards key MDG indicators in Africa and Asia. We use international data sources to monitor progress towards these targets, supplemented by data from developing country sources where we have more up to date information and can verify that the definitions and quality are comparable.



## 2 Progress against the targets in DFID's 2005–08 Public Service Agreement

### Guide to 'traffic light' assessment in this report

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Green

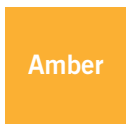
#### Met/Ahead/On course

Means that progress on the target/sub-target/indicator is either exceeding or in line with plans and expectations.

**OR**

Means that the target/sub-target/indicator has been achieved by the target date if we are providing the final assessment.

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Amber

#### Partly met/Broadly on course – minor slippage

Means that progress on the target/sub-target/indicator is broadly on course but there has been minor slippage. Alternatively progress may have been made in some areas but not in others.

**OR**

Means that the target/sub-target/indicator has been partly met, i.e. some, but not all, elements have been achieved by the target date, or we were very close to achieving the target.

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Red

#### Not met/Not on course – major slippage

Means that progress on the target/sub-target/indicator is not on course and there has been major slippage.

**OR**

Means that the target/sub-target/indicator was not met, or was met late.

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The first box of each assessment gives an indication of current progress, while the second shows *likely* or *anticipated* progress against the target. So, for example, if we consider that progress on a particular target is currently broadly on course with some slippage, but we estimate that progress is likely in the future, an amber box will be followed by a green one.

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**For target 5 only** there is one traffic light for each sub-target/indicator. This is a joint target with the Foreign and Commonwealth Office and the Ministry of Defence and it was agreed between the three departments that this was the most appropriate way to report progress.

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Some progress

## Target 1

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





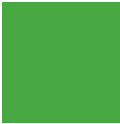



## Progress





### Broadly on course – minor slippage

Sub-Saharan Africa has continued to demonstrate strong growth rates over the past six years, and we expect this to have a positive impact on poverty, albeit with a time lag. It is not clear whether the turning point will occur within the 2005-08 PSA period. Rates of primary school enrolment and under-five mortality are improving, leading us to predict that these targets will be reached. The target for the ratio of girls to boys attending primary school is unlikely to be met, despite the fact that some countries already exceed the target ratio. The target for the number of births assisted by skilled attendants remains off track and, at national and international level, DFID will continue to push for increased priority to be given to maternal health outcomes. The data for HIV and AIDS are incomplete, meaning that it is difficult to assess progress across the region. It appears, however, that the epidemic is levelling off at very high levels of prevalence in most of sub-Saharan Africa. Good progress continues to be made in implementing the commitments made at the 2005 Gleneagles meeting of the G8. For example, in November 2006, the Global Fund for *AIDS, TB and Malaria* approved a sixth round of grants benefiting sixty-three countries and totalling \$846 million. There has also been good progress towards meeting the *Aid for Trade* commitment, with the UK committing to increase support to \$750 million per year by 2010 (up 50% since 2003), and playing a pivotal role in developing and attracting support for the concept.



Sub-target	Progress	Current position	Anticipated progress by 2008
1 a reduction of 4 percentage points in the proportion of people living in poverty across the entire region. <i>Revised baseline 44.9% (1999)</i>	<b>Slippage</b> Data for 2003 show that the poverty rate in Sub-Saharan Africa was then 45.0%, up slightly from the revised baseline of 44.9% in 1999. Stronger economic growth, averaging 5.8% annually from 2004 to 2006, should have led to a reduction in poverty after 2003, albeit with a lag, and this strong growth is expected to continue. But it is too early to say whether the rate of poverty reduction will allow the target to be met by 2008.		
2 an increase in primary school enrolment by 18 percentage points. <i>Revised baseline 69.8% (2000)</i>	<b>On course</b> The latest figure on primary school enrolment rates is 83.6%, and we expect to see an average of 87.5% enrolment by 2008. Against a slightly increased baseline of 69.8% for 2000, this means that this target is virtually on track (we are projected to achieve an increase of 17.7 percentage points by 2008, which is only 0.3 points below the target). The latest figures show that enrolment rates are highest in South Africa, Malawi and Tanzania (all over 90%) and lowest in Ethiopia (61.4%) and Ghana (65%).  However, it should be noted that these figures only include 14 of our 16 PSA countries in Africa. Both DRC and Sudan are excluded due to a lack of data. As these countries are likely to have lower rates of enrolment (especially for girls), they are likely to bring down the average when we obtain data for them in future years.		

Sub-target	Progress	Current position	Anticipated progress by 2008
<p>3 an increase in the ratio of girls to boys enrolled in primary school by 5 percentage points.</p> <p><i>Revised baseline 88% (2000)</i></p>	<p><b>Broadly on course – minor slippage</b></p> <p>Taking into account trends since 1990, the projection to 2008 is a 91% ratio of girls to boys enrolled in primary education. However, rates of progress on this indicator have been greater between 2000 and 2005 than they were between 1990 and 2000. If progress continues to increase at the rate it has since 2000, the target will be met. Lesotho, Rwanda, Uganda, Ghana, Kenya, Tanzania, S. Africa, Zambia and Malawi have all already exceeded the target. Strong progress has also been made since 2000 in Ethiopia, Sierra Leone and Mozambique.</p>		
<p>4 a reduction in under-five mortality rates for girls and boys by 8 per 1,000 live births.</p> <p><i>Revised baseline 157.6 deaths per 1,000 (2000)</i></p>	<p><b>Ahead</b></p> <p>Data are available for 15 of our PSA countries in Africa (not Sudan), and show a current rate of 149.2 deaths per 1000 live births, which is an improvement over the 2000 figure of 157.6. Projections for 2008, which are based on the trend since 1990, indicate that we expect to see a further reduction to 147.2.</p> <p>In 2005, the best performing countries were South Africa, with an under five mortality rate below 100 deaths per 1000 live births, and Kenya and Ghana, with 110-120 deaths per 1000. In terms of progress in since 2000, Rwanda, Mozambique, Malawi and Ethiopia have made the greatest strides followed by Nigeria, Tanzania and Uganda. However, mortality rates are still high in Sierra Leone (286 per 1000), DRC and Nigeria (both around 200 per 1000), and in Lesotho and Zimbabwe under-five mortality rates have increased.</p> <p>It should be noted that the actual MDG target looks for a two thirds reduction in child mortality and that the UN 2007 MDG report rates child mortality in sub-Saharan Africa as red, i.e. 'no progress or a deterioration or reversal'. There would, therefore, need to be significantly greater improvement than currently seen to achieve the actual MDG by 2015. In terms of PSA targets, we were looking for a reduction of 19 child deaths per 1000 live births in the 2003–06 period and, subsequently, 8 deaths per 1000 in the 2005–08 period. DFID's PSA target is significantly below what is required to meet the global MDG target because of the degree of challenge in reducing child mortality in Sub-Saharan Africa. Whilst progress has not been rapid enough to reach the more ambitious 2003–06 target, we are on track to meet that for 2005–08.</p>		
<p>5 an increase in the proportion of births assisted by skilled birth attendants by 11 percentage points.</p> <p><i>Revised baseline 44.4% (2000)</i></p>	<p><b>Not on course – major slippage</b></p> <p>The available data covers 12 of our 16 PSA countries. The latest estimate is that 46% of births were assisted by skilled birth attendants, and this is projected to increase to 47.5% by 2008 (against a revised baseline for 2000 of 44.4%). Rates of progress on this indicator are very low and the target is clearly off track.</p> <p>In Lesotho and Malawi, more than half of births are assisted, and Ghana, Tanzania and South Africa have all seen modest improvements since 2000. Of the PSA countries with available data, the lowest levels of skilled birth attendance are found in Ethiopia, Nigeria and Rwanda.</p>		

Sub-target	Progress	Current position	Anticipated progress by 2008
6 a reduction in the proportion of 15–24-year-old pregnant women with HIV.	<p><b>Some progress</b></p> <p>There has been no updated statistical information on progress from last year for this target.</p> <p>HIV figures are available for nine of our PSA countries covering 2000/01 and for seven countries from 2003 to 2005. For five of the countries figures are available at both time points. Of these, in three countries the situation has improved and in the other two countries it has become worse. On the basis of this limited evidence it is too early to say that where progress has been made it will be sustained.</p> <p>Recent declines in national HIV prevalence have been seen in Kenya and Zimbabwe. In the rest of sub-Saharan Africa the epidemic appears to be levelling off – but at very high levels of prevalence. The number of people receiving treatment increased more than eightfold between 2003 and 2005 and more than doubled in 2005 alone. Most of that trend is due to increases in a few countries. Amongst PSA countries these include Kenya, South Africa, Uganda and Zambia.</p>		
7 enhanced partnership at the country and regional level, especially through the G8, to increase the effectiveness of aid and ensure that international policies support African development.	<p><b>On course</b></p> <p>Good progress has been maintained in implementing the unprecedented package of commitments to support African development agreed at the G8 Gleneagles Summit in July 2005 and in the EU in December 2005. The recent G8 summit in Heiligendamm was valuable in maintaining momentum. It included a reaffirmation of the commitment to provide \$4 billion in Aid for Trade. It also demonstrated renewed support for Gleneagles commitments on helping developing countries adapt to climate change. This is important for Africa: as the continent least responsible for climate change it is nevertheless particularly vulnerable to its effects. Commitments were also made on universal access to AIDS treatment, free basic education and on malaria, and it was agreed that next year's Japanese G8 will take the Africa agenda forward.</p> <p>On the EU side a review of progress against the 2005 EU strategy was released in December 2006. Areas of progress included agreement on financing for the Africa Peace Facility, the launch of the EU-Africa Infrastructure Partnership and agreement to an institutional support package between the European Commission and the African Union. Over the past year the European Union has also been working with the African Union to develop a Joint Strategy to guide the EU-Africa relationship in the future. At the country level we have been working hard to improve partnerships with other donors. In Sierra Leone, DFID and the EC have worked together to develop a Joint Country Strategy for 2007-2012, setting out how both will support the Government's Poverty Reduction efforts. In South Africa, DFID worked with the EC on developing the EU Country Strategy Paper (CSP) for 2007-2013.</p> <p>DFID also supports monitoring efforts, notably the Africa Progress Panel (launched by the UK Prime Minister in 2006, and chaired by Kofi Annan), and the Africa Partnership Forum Support Unit. The composition and independence of the Panel gives it credibility with leaders in Africa and among its partners. There is clear potential for its work to complement other monitoring mechanisms, and help ensure that a global partnership for development accelerates progress on important commitments made by the international community, including the G8, EU, UN, African Union and African States.</p>		



Some progress

## Target 2

Progress towards the Millennium Development Goals in 9 key countries in Asia



## Progress







### Broadly on course – minor slippage

The overall picture for Asia's nine PSA countries is encouraging, with good progress being made towards seven of the nine sub-targets across the region. This includes an assessment that across the region we are ahead on our targets for the ratio of girls to boys in primary school and a reduction in under-5 mortality rates. We are also ahead on our income poverty target for East Asia and the Pacific and on track for our income poverty target for South Asia, reflecting ongoing improvements in economic and living conditions in the region.



Primary school enrolment rates and HIV infection rates in vulnerable groups are the only targets currently assessed as demonstrating slippage. For primary school enrolment, we are forecasting forward progress by the end of the PSA period and if the recent increase in progress is maintained there is an opportunity to bring this target back on track. It is difficult to assess progress on HIV infection rates in vulnerable groups due to poor coverage of available data, although existing data indicates that the target is not on course. Several countries have low overall prevalence rates of HIV among the general population, but rates among vulnerable groups are often significantly higher. Countries are focusing their work on scaling up their projects designed to assist these groups.

Sub-target	Progress	Current position	Anticipated progress by 2008
1 a reduction in the proportion of people living in poverty of five percentage points in East Asia and the Pacific. <i>Baseline 17% est. (1999)</i>	<b>Ahead</b> Data for 2003 shows that poverty in East Asia and the Pacific is at 12% – down from 17% in 1999. Assuming the reduction in poverty follows a linear trend predictions for 2006, 2008 and 2015 indicate that numbers will fall from 9% in 2006 to an estimated 3% in 2015. Based on current progress, the sub-target for 2005-08 is ahead.		
2 a reduction in the proportion of people living in poverty of 8 percentage points in South Asia. <i>Revised baseline 35.7% est. (1999)</i>	<b>On course</b> In the year 2003, the World Bank estimate that poverty in South Asia was 33%, down from 36% in 1999. The World Bank predict the reduction in the proportion of people living in poverty will accelerate, and estimate that it will be 16% by 2015. Assuming a linear decrease from 2003, this would mean the proportion of people living in poverty is 26% by 2008, a reduction of 10 percentage points from the 1999 baseline.		

Sub-target	Progress	Current position	Anticipated progress by 2008
<p>3 an increase in net primary school enrolment by 8 percentage points.</p> <p><i>Baseline 81% (2000)</i></p>	<p><b>Broadly on course – minor slippage</b></p> <p>Data are available for seven of our nine PSA countries in Asia (not Afghanistan and China).</p> <p>While Nepal, Pakistan, India and Cambodia have made progress on this measure since 2000, some countries have seen little change, and Vietnam has seen a decline in enrolment rates over this period, albeit from a high starting point.</p> <p>The long-term trend (based on progress since 1990) suggests an increase of 6% over the target period; However, if the recent increase in progress is maintained there is an opportunity to bring this target back on track. The latest outturn data for 2002 to 2004 shows an enrolment rate of 86%, compared to a baseline of 81% in 2000.</p> <p>To achieve universal primary education, increases in enrolment also need to be matched by increases in attendance and improvements in the quality of teaching. For instance in India at the current rates of participation in school, 30% of those children who enrol in grade 1 do not reach grade 5. Overall, the UN estimates that in South Asia 28% of 15-24 year old are not literate.</p>		
<p>4 an increase in the ratio of girls to boys enrolled in primary school by 5 percentage points.</p> <p><i>Baseline 84% (2000)</i></p>	<p><b>Ahead</b></p> <p>Data have been included for all countries for this indicator, with locally available data used for Afghanistan and Pakistan.</p> <p>The figures show that gender equality in primary school has been reached in China, Bangladesh and very nearly in Indonesia (at 98%) and Vietnam (94%). Gender parity is furthest from being met in Afghanistan (just 5 girls to every 10 boys in primary school in 2004). The figures for India, Nepal and Pakistan and Afghanistan have improved markedly since 2000. Overall, the average ratio of girls to boys has increased from 84% in 2000 to 90% in 2005, and the target is assessed as “ahead”.</p>		
<p>5 a reduction in under-five mortality rates for girls and boys by 24 per 1000 live births.</p> <p><i>Revised baseline: 78 deaths/1000 (2000)</i></p>	<p><b>On course</b></p> <p>These figures are from a modelled series produced by UNICEF and include 8 countries for the 2005-08 PSA assessment. Afghanistan has been excluded because there are no data. UNICEF have revised their estimates, which has changed both the baseline and the latest outturn since the last assessment in 2006. The average death rate across the 8 countries is 62 per 1000 live births in 2005, down from 78 per 1000 live births in 2000; this reduction of 16 is on track to meet the target.</p> <p>The lowest rates of under-five mortality are found in Vietnam, China and Indonesia; it is estimated that in these countries the proportion of children who die before their fifth birthday is less than 1 in 20. Pakistan and Cambodia have the highest under-five mortality rates. However, all countries have made progress since 2000, with Nepal and India showing the strongest progress.</p>		



Sub-target	Progress	Current position	Anticipated progress by 2008
<p>6 an increase of 15 percentage points in the proportion of births assisted by skilled birth attendants.</p> <p><i>Baseline 41% (2000)</i></p>	<p><b>On course</b></p> <p>The assessment is based on 8 of the 9 PSA countries with Afghanistan excluded due to insufficient data at the beginning of the period.</p> <p>Overall, on average 53% of births are attended across the 8 countries, based on data from the period 2004-2006. This is an increase of 12% since 2000. The projected figure for 2008 is 59%, an increase of 18 percentage points. This means we are on track to meet the target of 15% by the end of the reporting period.</p> <p>China, Vietnam and Indonesia have the highest rates of births assisted by a skilled practitioner, while less than a third of births are attended in Afghanistan, Bangladesh and Nepal. China and Vietnam have seen the largest rises in births assisted since 2000, while Cambodia and Indonesia have also made significant progress recently. Pakistan is introducing a new cadre of community midwives, in order to accelerate progress.</p>		
<p>7 prevalence rates of HIV infection in vulnerable groups being below 5%.</p>	<p><b>Not on course – major slippage</b></p> <p>It is difficult to assess progress on this target. The available data has poor coverage and is unlikely to represent vulnerable groups accurately. However, available evidence suggests this target is not on course. Data for the most at risk groups in certain selected cities (from 2000 to 2005) show prevalence often above 5%, and rates as high as 65% at some measurement sites. Figures vary significantly between sites, but available data indicate particularly high rates in some, but not all vulnerable groups in Indonesia, Nepal, Vietnam, Cambodia and Pakistan. Rates in Bangladesh, China and India appear lower. No data is available for Afghanistan.</p>		
<p>8 a tuberculosis case detection rate above 70%.</p> <p><i>Baseline 32% (2000)</i></p>	<p><b>On course</b></p> <p>Data are available for all 9 PSA countries for this indicator. The latest figures from the WHO, which relate to 2005, show that Vietnam (84%) and China (80%) have case detection rates above 70%. Cambodia, Indonesia and Nepal are very close to the target with detection rates of 66%, 66% and 67% respectively. The lowest rates are found in Pakistan and Afghanistan. Both countries have shown big improvement in detection rates over recent years from low bases, and are among the 6 Asian PSA countries that have increased their case detection rate by over 30 percentage points. If current strong progress is continued, this target will be reached by 2008.</p>		
<p>9 a tuberculosis cure treatment rate greater than 85%.</p> <p><i>Baseline 86% (2000)</i></p>	<p><b>On course</b></p> <p>China, Vietnam, and Cambodia have the highest treatment success rates of 94%, 93%, and 91% respectively, followed by Bangladesh and Indonesia with rates both at 90%. Pakistan has the lowest rate at 84%.</p> <p>Since 2000 there have been small increases in the proportion of cases which have been detected under the WHO's Directly Observed Treatment Short-Course (DOTS) in some countries, while a few have slipped a little. This is not surprising as over the same period, coverage of DOTS has increased dramatically in many countries and the challenge of retaining high rates of cure while covering a wider population will remain throughout the present PSA period.</p>		



Some progress

## Target 3

### Improved effectiveness of the multilateral system

#### Progress





#### Broadly on course – minor slippage



Progress is good or reasonable against all the indicators supporting the EC target, except the EC flows to low income countries. On financing in general, continued efforts will be needed to ensure the commitments made in 2005 are delivered. The international community also needs to continue to work with developing countries to strengthen the implementation of poverty reduction strategies on the ground. Good progress is being made on humanitarian reform, and a discussion has started with agencies and donors on the future of financing instruments for humanitarian action. The majority of agencies (both UN and IFI) assessed for organisational effectiveness through DFID's Multilateral Development Effectiveness Summaries continue to show good progress against key indicators.






Sub-target	Progress	Current position	Anticipated progress by 2008
1 a greater impact of EC external programmes on poverty reduction and working for agreement to increase the proportion of EC Official Development Assistance (ODA) to low income countries from its 2000 baseline figure of 38% to 70% by 2008.  <i>The EC revised its ODA reporting in 2002, so direct comparisons with figures for 2000 and 2001 cannot be made.</i>	<b>Not on course – major slippage</b> The European Commission (EC) spend in LICs in 2006 was 56% of allocated ODA, according to EC figures. This continues the trend from 2005 and 2004 (where the figures were 56% and 55% respectively), but represents an increase from 51% in 2002. The outcome of negotiations on the next European seven-year budget means that the required progress on this target will not be achieved until 2014 at the earliest. It is expected that LIC spend will average 56% from 2006 to 2013.		

Sub-target	Progress	Current position	Anticipated progress by 2008
<p>2 ensuring that 90% of all eligible Heavily Indebted Poor Countries (HIPC) countries committed to poverty reduction that have reached Decision Point by end 2005, receive irrevocable debt relief by end 2008 [joint target with HMT].</p> <p><i>Baseline now set at 28 countries that had reached Decision Point by the end of 2005. 90% of 28 requires that 25 or 26 countries complete HIPC before the end of 2008.</i></p>	<p><b>On course</b></p> <p>We are on track to exceed this target. There are currently 40 countries identified as HIPCs. By the end of 2005, 28 of these had reached HIPC Decision Point (thereby demonstrating their commitment to poverty reduction) and qualified for interim debt relief. Although not included in the target, three further countries (Republic of Congo, Haiti and Afghanistan) have reached Decision Point since the beginning of 2006.</p> <p>Of the 28 countries that had reached Decision Point, by the end of 2005, 22 (or 79%) have now completed the HIPC process (Sierra Leone in December 2006 and Sao Tome &amp; Principe in March this year being the most recent). Of the six other countries that had yet to reach Decision Point by end 2005, two (The Gambia and Burundi) are expected to reach Completion Point at the end of 2007/early 2008. Two others (Democratic Republic of Congo and Guinea) are likely to do so during 2008. The other Decision Point countries (Guinea-Bissau and Chad) are not expected to complete HIPC until the end of 2009. These estimates are in line with those of the World Bank and the IMF.</p>		
<p>3 international partners are working effectively with poor countries to make progress towards the United Nations 2015 Millennium Development Goals [joint target with HMT].</p>	<p><b>Overall progress</b></p> <p><b>Broadly on course – minor slippage</b></p> <p>We are continuing to measure improvements in the international system through a number of indicators. These include the way in which the international agencies are supporting countries to implement their Poverty Reduction Strategies (PRs); through assessments of the internal effectiveness of international financial institutions and the EC; and through major donors' ODA/GNI ratios.</p> <p>In 2007, DFID led and negotiated an international agreement – the International Health Partnership (IHP) – with key donors, international agencies and country governments. This aims to better support and strengthen country health systems and focuses specifically on addressing off-track health MDGs, including on maternal mortality and HIV and AIDS.</p>		
<p><b>Indicator (i):</b> poor countries and development partners are committed to and supporting effective and sustainable Poverty Reduction Strategies (75% of all countries implementing Poverty Reduction Strategies (PRs) to present satisfactory reports to the Boards).</p> <p><i>(Nb: It is no longer a requirement for WB/IMF Boards to sign off PRS reports.)</i></p>	<p><b>Broadly on course – minor slippage</b></p> <p>The PRS approach has been widely adopted in countries accessing International Development Association (IDA) resources. The latest figures indicate that 54 countries have Poverty Reduction Strategy Papers (PRSPs) and 11 have interim PRSPs.</p> <p>The results of the 2006 baseline survey on monitoring the 'Paris Declaration on Aid Effectiveness' assessed performance against Paris Declaration (PD) indicators across 34 countries, representing 37% of total ODA. The survey reaffirmed that partner country and donor commitment to PRS's remains strong. However, a closer examination of indicators around "ownership" in 29 countries revealed that only five countries (17% of the sample) had national development strategies "largely developed towards achieving good practice" (although a further 18 countries or 62% were considered as "taking action toward achieving good practice"). The 2010 target is for at least 75% of partner countries to have operational development strategies.</p> <p>The key challenges for partner countries to progress further on this indicator would be to improve prioritisation and sequencing and ensure this translates into resource allocation decisions at sector and local government levels. The international community also needs to maintain a concerted effort to help strengthen national ownership in delivering PRS's, including by ensuring full donor compliance with the PD.</p>		

Sub-target	Progress	Current position	Anticipated progress by 2008
<p><b>Indicator (ii):</b> a sustained increase over time in the total net Official Development Assistance (ODA) from Development Assistance Committee (DAC) member countries and multilateral agencies to aid recipients.</p> <p><i>Baseline \$58.3billion (2002)</i></p>	<p><b>On course</b></p> <p>Total net ODA in 2006 was \$103.9 billion. While this actually represents a fall of 5% from the previous year (due mainly to the exceptionally high ODA levels in 2005 caused by debt relief) it is still a significant increase over 2004 figures. The challenge remains to ensure that ODA continues to rise as the impact of debt relief becomes less significant, and that DAC member countries deliver on the aid volume commitments agreed in 2005 (to provide an additional \$50 billion of aid by 2010).</p>		
<p><b>Indicator (iii):</b> improved effectiveness of EC Development Assistance (as demonstrated by 2 out of 3 of the following being achieved):</p> <ul style="list-style-type: none"> <li>• a clear policy framework that puts poverty reduction as its central aim for development co-operation and promotes coherence among EU's policies that affect developing countries;</li> <li>• agreement in Council, Commission and European Parliament to implement these objectives, including by increasing the share of EC ODA going to LICs;</li> <li>• continued reforms and adoption of best development practices during the 2005-2009 Commission.</li> </ul>	<p><b>On course</b></p> <p>Seven years into its reform programme, EC aid is more effective in terms of speedier delivery and improved portfolio performance overall, and progress is being made towards the three indicators.</p> <p>The Council, Commission and Parliament agreed in 2005 the European Consensus on Development (ECD). This two-part statement commits Member States and the Commission (through the EU Vision of Development) to pursue the eradication of poverty in the context of sustainable development, including the pursuit of the MDGs. It also commits the Commission (through the European Community Development Policy) to undertake activities which are complementary to Member States, and to use instruments and policies that will enhance aid effectiveness while respecting country-led approaches. This is an important statement of commitment by Member States and the Commission to implement best practice for development cooperation.</p> <p>The new package of development instruments has been agreed, including the Development Co-operation Instrument, which takes into account the ECD and has poverty reduction as its main aim.</p> <p>The EU has committed to deliver more effective aid, above and beyond the measures in the Paris Declaration agreed by DAC members in March 2005. We are lobbying the Commission to continue its reform process so that advances already made in effectiveness are built upon and strengthened.</p>		

Sub-target	Progress	Current position	Anticipated progress by 2008
<p><b>Indicator (iv):</b> improved institutional effectiveness of 4 IFIs (EBRD, WB, AsDB, AfDB). Effectiveness will be measured against 3 criteria identified through DFID's multilateral effectiveness assessment and institutional strategies. The target is for 3 out of 4 of the agencies to be achieving progress in all three indicators.</p>	<p><b>On course</b></p> <p>Good progress is being made within all four IFIs on the implementation of reform initiatives. DFID has developed a new tool, the Multilateral Development Effectiveness Summaries (MDES), to assess organisational performance of the agencies concerned. The MDES have been shared with the agencies concerned and are being actively used to inform our policy dialogue and address areas of weakness.</p> <p>Highlights for the four IFIs over 2007 are as follows:</p> <ul style="list-style-type: none"> <li>• The <b>World Bank</b> agreed a series of measures to improve its ability to respond more quickly and effectively to the needs of fragile states, made further progress on decentralisation, strengthened its administrative budget process and delivered a bigger work programme without having to increase its budget. The UK worked closely with the Bank to develop the Clean Energy Investment Framework and to strengthen its cooperation with the Regional Development Banks on clean energy and climate change issues. The appointment of President Zoellick and the negotiations to replenish the International Development Association (IDA-15) have ensured increased attention on enhancing the Bank's effectiveness.</li> <li>• At the <b>African Development Bank</b>, President Kaberuka has shown a strong commitment to the internal reform programme and the Bank continues to make steady progress. Key achievements include a significant reduction in staff vacancies across the organisation and progress with the decentralisation process. Enhanced Bank field presence is expected to lead to improved implementation on the ground and greater responsiveness to country needs. Further change is being pursued through the negotiations to replenish the African Development Fund.</li> <li>• The <b>Asian Development Bank</b> has agreed a number of initiatives on human resources and through its Management for Development Results programme. Progress has been slower than expected and many of the tougher reforms remain to be tackled. The replenishment round of the Asian Development Fund, which has just begun, will be a key opportunity to influence the Bank to progress further.</li> <li>• <b>The European Bank for Reconstruction and Development</b> continues to deliver well on its transition mandate with 81% of operations in 2006 rated as "excellent – good" in terms of their potential transition impact. It is increasing the size and quality of its country presence to better deliver its Corporate Strategy. It is on track to exceed investment targets under its Sustainable Energy Initiative. It has an independent and well respected Evaluation Department which produces credible reports and lessons, but there is scope for more work on EBRD's impact on outcomes.</li> </ul>		

Sub-target	Progress	Current position	Anticipated progress by 2008
4 improved effectiveness of United Nations agencies and the humanitarian aid system	<p><b>Overall progress</b></p> <p><b>Broadly on course – minor slippage</b></p> <p>The indicators below continue to measure improvements in the effectiveness of the humanitarian system and in the internal effectiveness of various UN and humanitarian agencies. Overall progress against the indicators continues to be good, although concerted action will be required by the UK and other development partners to ensure this is sustained, and that areas of slippage are addressed.</p>		
<p><b>Indicator (i):</b> progress on 2 of 3 indicators in relation to the Good Humanitarian Donorship (GHD) principles:</p> <p>(a) Flexible financing to agencies (% of un-earmarked DFID humanitarian financing greater than previous year). <i>Baseline 25% (2002/03)</i></p> <p>(b) More equitable and complete financing appeals (% of un-financed UN consolidated appeals less than previous year). <i>Baseline 25% (2003)</i> and % gap between five most funded and least funded appeals less than previous year. <i>Baseline 52% (2004)</i></p> <p>(c) Improved Needs Assessment and Evaluation (greater number of countries using the new UN Needs assessment methodology than in previous year and 100% evaluation coverage (either by DFID or a partner) of all major humanitarian crises). <i>Baseline zero (2003)</i></p>	<p><b>Broadly on course – minor slippage</b></p> <p>Overall, we are on course as progress in two out of three indicators is in line with plans and expectations. However, we have assessed future progress as amber because while progress in increasing DFID's un-earmarked humanitarian financing and the use of the UN needs assessment methodology is in line with plans and expectations, progress on more equitable and complete financing of UN appeals is slower than expected. During 2007/08, we will continue to work with donors and the UN to improve the quality and funding of UN appeals.</p> <p>On principle (a), the target has been exceeded. In 2005/06, 37% DFID humanitarian funding was un-earmarked – the target was 30%. This was due to the establishment of the Central Emergency Response Fund and country-level pooled funds in 2006. During 2006/07 and 2007/08 we expect slower but steady progress towards the 45% target for 2008/09.</p> <p>On principle (b), there is some slippage. The percentage of unfinanced UN consolidated appeals in 2006 was 31%. In 2005, the figure was 32%. While there was some progress, there is work to do to meet the 2007 target of 15%. The percentage gap between the five most financed and the five least financed appeals for 2006 was 66%, however if over-funding is taken into account the figure decreases to 52%. There is work to do to meet the 2007 target of 35%.</p> <p>On principle (c), the target of 10 countries using the UN Needs Assessment Framework (NAF) in 2007 has been exceeded. 11 countries used the methodology for 2007 work plans. In 2006, 7 to 8 countries were using NAF. Steady progress is being made towards the 2009 target of 15 countries.</p>		

Sub-target	Progress	Current position	Anticipated progress by 2008
<p><b>Indicator (ii):</b> improved institutional effectiveness of 9 UN and humanitarian agencies (ICRC, UNDP, UNAIDS, UNICEF, UNFPA, WHO, FAO, UNHCR, UNESCO). The target is for 6 out of the 9 agencies to be achieving progress in all 3 indicators.</p>	<p><b>On course</b></p> <p>Progress with the improved institutional effectiveness is broadly on track in 7 out of 9 of the UN and humanitarian agencies. Progress has been made in a range of key areas (reducing mandate/mission-creep, strengthening results-based management systems, working more cooperatively/effectively with government and other actors at the country-level). The 2006 High Level Panel report on System-Wide Coherence has provided an important impetus for ongoing reforms across the UN system. DFID's new Multilateral Development Effectiveness Summaries highlight future challenges as improving the efficacy of governance, financial management, results-reporting and inter-agency cooperation as key future priorities. These second-generation reforms pose major challenges for the agencies concerned. Securing significant gains will be contingent on a range of factors, including commitment from the agencies concerned, as well as continued international political and financial support behind the UN reform agenda.</p>		



## Target 4

Ensure that the EU secures significant reductions to EU and world trade barriers by 2008, leading to improved opportunities for developing countries and a more competitive Europe *[joint target with BERR]*

### Progress

#### Not on course – major slippage

The Doha negotiations of the World Trade Organisation (WTO), where the European Commission negotiates on behalf of EU Member States, are the key vehicle through which progress towards this target can be achieved, although there are other non-WTO processes that can contribute. The UK has been working to achieve an ambitious, pro-development outcome from the Doha negotiations. DFID's priority has been to see that countries currently marginalised from world trade have their concerns addressed within the main negotiations. DFID has provided support to the Least Developed Countries (LDC) negotiating group in Geneva to assist them with the ongoing talks in the WTO, as well as research on how best to secure a deal which benefits them and other developing countries.



Following a period of formal suspension of the Doha negotiations in 2006, talks were resumed by the WTO Director General in early 2007. Negotiations are now ongoing, and although talks between the G4 (EU, US, Brazil and India) ended without success in June, some progress has been made, notably the publication of draft texts of an agreement in July which are now forming the basis for full WTO-membership discussions in Geneva. The plan is to agree the core modalities of the text in early 2008, but a large number of issues remain to be solved for this to happen.

There is a range of other, non-Doha areas where the UK has been working to increase trading opportunities and to reduce trade barriers. Progress in these areas has been more positive. We want to adopt a series of Economic Partnership Agreements (EPAs) that are true tools for development. In line with our UK Position Paper of March 2005, we have continuously worked with the Commission, other Member States and African, Caribbean and Pacific (ACP) countries to ensure ACP concerns are addressed and a pro-development conclusion to negotiations reached by end of 2007. Negotiations in many regions are now ongoing though in the end game. We have witnessed a convergence between the Commission and the UK positions, particularly on ACP flexibility and EU market access offers. We have also worked with partners to press the Commission to bring forward the Generalised System of Preferences (GSP) and EPA rules of origin that are trade liberalising and facilitating.



Progress has been most promising on aid for trade, to help developing countries invest in their capacity to trade and adjust to new international trading conditions (including as a result of reforms to the EU's banana and sugar regimes, which will have significant impact on many ACP countries). The UK has continued to play a major role in maintaining political commitment for aid for trade and pressing for the fulfilment of pledges made at Gleneagles and the WTO Hong Kong Ministerial. We have contributed to the development of an EU Strategy on Aid for Trade which recommends guiding principles on how the EC and Member States manage their Aid for Trade programmes. And we have provided technical and financial support towards the organisation of a series of regional aid for trade meetings, leading up to a first WTO-hosted Annual Global Review of aid for trade in Geneva in November. This will be an opportunity to take stock of the demand for aid for trade from developing countries and the provision of aid for trade finance.

The UK has also championed the development of an Enhanced Integrated Framework (EIF) for Trade Related Technical Assistance to LDCs, and more recently played an active role in the design and the launching of this initiative, due to go live in 2007. The EIF will become an important channel for the delivery of aid for trade finance to the LDCs and, in recognition of this; the UK has pledged a sizeable contribution amounting to £38m over five years. At a pledging conference in Stockholm in September 2007, donors, multilaterals and emerging economies met to endorse the initiative and offer their financial support.

NB: DFID uses the wording "not on course – major slippage" while BERR (formerly DTI) uses the wording "slippage" to describe progress against this target. However, these descriptions are intended to mean the same thing and the assessment of progress is agreed between the two departments.



Progress

## Target 5

Improved effectiveness of UK and international support for conflict prevention, through addressing long-term structural causes of conflict, managing regional and national tension and violence, and supporting post-conflict reconstruction, where the UK can make a significant contribution, in particular Africa, Asia, the Balkans and the Middle East  
*[joint target with FCO and MOD]*

### Progress

#### Broadly on course – minor slippage

HMG continues to make reasonable progress towards achieving the overall PSA target although progress on the Middle East Peace Process (MEPP) and Iraq has been slower than we would like. We are unlikely to meet either of these targets by 2008 without significant changes in current political and security situations but this should not detract from the positive progress we have made against other targets. Nine of the twelve indicators are broadly on course and the UN peacekeeping target was met during 2006/07. However, we accept that if the overall assessment was weighted to take account of the priority attached to Iraq and the MEPP, it would be judged as not on course.

Afghanistan has made encouraging progress in the last six months, especially on upholding the constitution, strengthening democracy and supporting new governance structures. But there is a long way to go and progress in the south of the country, where UK-led coalition forces are actively fighting the Taliban in support of the democratically elected Afghan government, has inevitably been more limited. There has been progress on democratic reforms and human rights in the Balkans, and Macedonia and Montenegro are making progress towards closer EU/NATO integration. Despite serious clashes in eastern Democratic Republic of Congo (DRC), activities by other armed groups continue to diminish and the DRC government is improving regional relations, which is helping to reduce the risk of foreign military interference. In Sierra Leone, elections have shown the strength of democratic government and the accountability of the security services. And some progress has been made in Sudan with the agreement of a joint United Nations (UN)/African Union (AU) force.

1 progress towards durable peace in areas of priority.

#### Overall progress

#### Broadly on course – minor slippage

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## Afghanistan

### Broadly on course – minor slippage

Post conflict reconstruction in Afghanistan is a long-term endeavour. Although there is much more still to do, the first half of 2007/08 saw good progress overall – building on activities in the previous two years – against this sub-target on upholding the constitution, strengthening democracy and supporting new governance structures. However, progress on these in the south of the country, where UK-led coalition forces are actively fighting the Taliban in support of the democratically elected Afghan government, has been more limited.

The disarmament, demobilisation and reintegration (DDR) process has been successfully completed. Capacity of the Afghan National Army (ANA) and Afghan National Police, supported through HMG programme funding, has increased and continues to do so. Latterly, public confidence, especially public perception of physical security, has declined. This is partly due to the evolving tactics of insurgents, with greater use of suicide and other bombs in built-up areas as they shrink from direct contact with the ANA and International Security Assistance Force. It is also partly due to rising criminality.

HMG-funded activities aimed at further strengthening the rule of law and building public confidence in human security have focused on mentoring and training. Police, prisons and governance advisors have been supplemented with a mentor to the Governor of Helmand and an advisor to the Combined Security Transition Command-Afghanistan.

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## Balkans

### Broadly on course – minor slippage

Western Balkan states remain at peace. There has been progress on democratic reforms and human rights, but inter-ethnic tensions persist. Serbia's improved co-operation with the International Criminal Tribunal of the Former Yugoslavia has facilitated renewed negotiations on its Stabilisation and Association Agreement (SAA). Macedonia and Montenegro are making progress towards closer EU/NATO integration. However, the stalling of Bosnia's reform agenda has prevented signature of its SAA.

HMG continues to provide support multilaterally and bilaterally to aid the process of integration, with particular diplomatic focus on efforts to resolve Kosovo's final status. We welcome free and fair elections as further evidence of Kosovo's democratic development. HMG programmes focused on security and justice sector reform, the return of refugees and internally displaced persons and community outreach are helping in these efforts.

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## Democratic Republic of Congo (DRC)

### Broadly on course – minor slippage

There have been serious clashes in eastern DRC involving Congolese armed forces, dissident soldiers loyal to Laurent Nkunda and Mai-Mai/Democratic Liberation Forces of Rwanda (FDLR), causing large-scale civilian displacement. However, activities by other armed groups continue to diminish, with disarmament, demobilisation and reintegration in Ituri starting a new phase.

The DRC government, encouraged by HMG and partners, has pursued a policy of improving regional relations, which is helping to reduce the risk of foreign military interference in eastern DRC.

The government continues to demonstrate a lack of will to accommodate opposition views, and has sought military, rather than negotiated, solutions to the crises in Kinshasa and the Kivus.

HMG continues to pursue major programmes to improve democracy and accountability and reform the justice and security sectors and has undertaken lobbying to combat impunity and ongoing human rights abuses by the security services.

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## Iraq

### Not on course – major slippage

Violence and instability continue to be a problem in some parts of the country, weakening efforts at political reconciliation. Although political leaders reiterated their commitment to resolve the key issues affecting reconciliation in August, little progress has been made and the Government of National Unity remains a concern. The UK Government remains committed to supporting the Government of Iraq in the reconciliation process.

Coalition efforts have contributed to some improvement in the capacity of the Iraqi security forces, though the army remains significantly more effective than the police and concerns about sectarian bias and militia influence remain. UK efforts helped secure the appointment of effective new security and police chiefs in Basra in June, contributing to progress there.

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## Middle East Peace Process (MEPP)

### Not on course – major slippage

Intra-Palestinian violence continued, culminating in Hamas seizing control of Gaza. A new Palestinian government was formed in June, made up primarily of independent ministers.

Israel continues military operations in Hamas-controlled Gaza and in the West Bank. The Israeli government has engaged with the new Palestinian Authority (PA). HMG remains actively engaged in supporting the political process.

Most work with the PA was suspended until the new government took office in June 2007, although HMG continued providing direct support to Palestinians throughout that time. HMG remains committed to more effective, accountable and inclusive Palestinian institutions. In June, HMG resumed direct support to the PA, including supporting basic needs, improving freedom of movement and access to justice, building capacity of the institutions of the PA and aiding further development of the PA security forces.

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## Nepal

### Broadly on course – minor slippage

Nepal has continued to make significant progress towards the restoration of democracy. However, elections which were scheduled for November 2007 have recently been postponed. No new date has been set. The Government of Nepal (GoN) has had prolonged negotiations with groups from the Terai region demanding greater representation. Continued unrest in the Terai and elsewhere, and a lack of political will, threaten the political process and are likely to further delay elections until the first half of 2008.

The UK has worked with the GoN, the UN and international partners to maintain momentum towards a sustainable peace. HMG supports work to help: reduce human rights violations; ensure transparent elections with results that are accepted; assist the army to tackle unexploded ordnance; develop the Ministry of Defence and professionalise the security forces; bolster the rule of law; and assist with security sector reform and disarmament, demobilisation and reintegration.

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## Nigeria

### Broadly on course – minor slippage

Politically motivated crime is down following presidential elections in April, but tensions continue due to the reshuffling of government positions. Election-related violence was marked, with 50–200 deaths reported. The Delta is increasingly unstable. A Nigerian joint military and police task force has now been deployed to Port Harcourt in the wake of prolonged bouts of politically-motivated urban violence and a rash of kidnappings. Some progress has been made in Delta State where the incidence of violent crime appears to have decreased.

HMG continues to support efforts to tackle corruption, which remains a major obstacle to our efforts throughout Nigeria, and promote reform. Recent successes include anti-money laundering investigations and engagement with the government on Delta security, including political support for a project tackling oil bunkering.

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## Sierra Leone

### Broadly on course – minor slippage

During August and September, parliamentary and presidential elections were important in showing the strength of democratic government in Sierra Leone and the accountability and effectiveness of the security services. Although there was some evidence before and during the elections of the re-appearance of a number of militia, the security services controlled the situation well and the National Electoral Commission (NEC) performed very well.

Progress on Anti-Corruption Commission prosecutions has, however, remained slow and HMG will need to work with the new government to ensure that corruption is dealt with effectively.

HMG's intense political lobbying and substantial assistance is credited for the professionalism and accountability of the security services and an effective NEC. HMG assistance and lobbying also made effective voter education and a nationwide local electoral observer network possible. HMG continues to provide a large amount of technical assistance to help increase the sustainability of the security sector.

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## Sudan

### Broadly on course – minor slippage

HMG continues to press for full implementation of the southern Sudan Comprehensive Peace Agreement (CPA) and provide technical assistance on disarmament, demobilisation and reintegration planning in support of the CPA.<sup>1</sup> HMG funds are supporting the Sudanese People's Liberation Army's transformation from a guerrilla force to a disciplined armed force operating under civil control with respect for human rights and the rule of law. However, deadlines on the withdrawal of armed forces and on preparations for elections have been missed and the CPA needs more attention from the international community.

#### Darfur

Because the PSA indicator for Sudan was drawn up prior to the beginning of the PSA period, in April 2005, it does not cover the situation in Darfur. If there was an indicator for Darfur, it would be **red – not on course – major slippage**.

Some progress has been made with the agreement of the Hybrid UN/AU force – UNAMID. HMG has renewed its efforts with a comprehensive initiative covering security, political, economic and regional tracks. HMG has stepped up engagement with the Government of Sudan to allow rapid transition to UNAMID, while continuing to provide significant resources to the existing AU mission (AMIS). HMG is working closely with partners in support of AU-UN mediators to draw non-signatory groups of the Darfur Peace Agreement into new talks. But the humanitarian situation has deteriorated with increasing malnutrition, and access to relief agencies has shrunk largely because of increased banditry.

HMG continues to press for full implementation of the southern Sudan Comprehensive Peace Agreement (CPA) and provide technical assistance on disarmament, demobilisation and reintegration planning in support of the CPA. HMG funds are supporting the Sudanese People's Liberation Army's transformation from a guerrilla force to a disciplined armed force operating under civil control with respect for human rights and the rule of law. However, deadlines on the withdrawal of armed forces and on preparations for elections have been missed and the CPA needs more attention from the international community.



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- 2 increased capacity and effectiveness of peace-keeping, conflict prevention and peace support work in the UN and Africa.

## Overall progress

### Broadly on course – minor slippage

**Indicator (ia): UN Peacekeeping.** By end 2007-08: All potential UN peacekeeping missions should follow the principles of integrated and comprehensive planning set out in the Brahimi Report of 2000 incorporating these from the onset of the planning process and carrying them forward into mission deployment with appropriate training of personnel and systematic processes for learning lessons and applying best practice.

### Broadly on course – minor slippage

HMG has been heavily engaged in maintaining momentum on the implementation of the Integrated Mission Planning Process (IMPP) through lobbying in New York and financial support to the UN Department for Peacekeeping Operations (DPKO).

To date, IMPP has had limited input into DPKO mission planning. It was used for the initial DPKO planning for Darfur, but IMPP has not been applied to the subsequent planning for UNAMID, given the hybrid nature of the operation. However, the period saw the restructuring of DPKO with the creation of standing Integrated Operating Teams and an Integrated Planning Unit to support the development and implementation of IMPP at HQ and in the field.

IMPP has not been integrated in all UN entities but has been ad hoc and more extensive at the country level. HMG continues to support the systematic application of IMPP.



1 This progress report covers the period April to September 2007. On 11 October 2007, the SPLM (the political arm of the Sudanese People's Liberation Army) suspended its participation in the Government of National Unity (GNU) because of delays in implementation of the Comprehensive Peace Agreement and the traffic light would therefore now be red. Despite efforts to resolve differences between the SPLM and the National Congress Party (NCP – the main Northern Sudanese party of President Bashir, the other main party in the GNU), the two sides have not reached an agreement and the SPLM have not returned to the GNU. We are now intensifying our efforts to help the parties find a way forward.

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**Indicator (ib):** UN Peacekeeping. By end 2007-08: A 5% increase in the number of effective peacekeepers in regional and international Peace Support Operations (PSOs) under a UN mandate, with adjustments where necessary for changes in the demand for peacekeepers.

**Met**

HMG continues to support work to improve the quantity and quality of UN peacekeepers; 117 countries contribute almost 84,000 personnel.

HMG activity includes work with the UN to develop and deliver standard training modules for senior military and civilian personnel involved in peace support operations (PSOs) and delivery of a range of training courses to build the capacity of current and potential troop contributing countries (TCCs) to participate effectively in international PSOs.

Increases in troop contributions from some of our target TCCs is encouraging. Since 2004, India has increased its troop contribution by 320%, Jordan by 200% and Egypt by 40%.



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**Indicator (ii):** African peacekeeping.

**Broadly on course – minor slippage**

HMG support remains instrumental in helping the AU develop the African Standby Force (ASF). Key conceptual ASF documentation has been prepared for approval by African Chiefs of Defence Staff, but has not yet been signed off.

Progress towards the AU's target of five regional brigades remains very uneven. Short-term crisis response on Darfur and Somalia is diverting resources from long-term ASF development. HMG top priorities remain the Economic Community of West African States (ECOWAS), which is making adequate, if slowing, progress, and the East African Standby Brigade (EASBRIG), which is currently drawing up a consolidated development plan before approaching international donors.

HMG continues to make major contributions to expanding the pool of trained African peacekeeping personnel (some 11,000 African personnel since 2004) with a fresh focus on sharing the training burden with the US and French.







On course



## Target 6



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

Sub-target	Progress	Current position	Anticipated progress by 2008
<p>1 ensure that the proportion of DFID's bilateral programme going to low income countries is at least 90%.</p>	<p><b>On course</b></p> <p>Budgets and current forecasts are in line with the target. Financial reporting procedures are in place to review progress and manage any spending pressures.</p> <p>The figure reported here for the proportion of DFID's bilateral aid that goes to low income countries differs from that in Statistics on International Development (SID). As set out in DFID's PSA Technical Note (<a href="http://www.dfid.gov.uk/pubs/files/PSA/technicalnotes.pdf">www.dfid.gov.uk/pubs/files/PSA/technicalnotes.pdf</a>) the income group classification used for reporting against the PSA is those countries with a GNI per capita in 2001 of less than US\$746. This list is not being changed during the PSA reporting period. In SID, we use more recent World Bank income group classifications. Following changes in these in 2004 some countries (in particular Indonesia) have moved from low income to lower middle income.</p>		
<p>2 increase in the index of DFID's bilateral projects evaluated as successful.</p>	<p><b>Overall progress</b></p> <p><b>On course</b></p> <p>In total, 987 DFID projects and programmes were included in the measure as of end September 2007, with a commitment value of £9,708 million. Of these, 753, or 76% by number and 78% by value, were scored as successful.</p>		



Sub-target	Progress	Current position	Anticipated progress by 2008																																				
<p><b>Indicator (i):</b> increase in the index of DFID's high-risk bilateral projects evaluated as successful.</p> <p><i>Baseline 53% (quarter 4 2004/05)</i></p>	<p><b>On course</b></p> <p>The outturn for the second quarter of 2007/08 is 62% (for projects scored over the preceding 24 months) and is considerably above the baseline. This is a slight increase from the previous quarter, but a fall from the position two quarters ago.</p> <p>There has been a steady underlying positive trend since December 2005, which in 2007/08 appears to be flattening off. In DFID's <i>Annual Report 2007</i>, we assessed future progress on this target as green since at March 2007 figures were considerably above the baseline and the trend was positive. At September 2007, the outturn is marginally lower than at March 2007 but it still sits well above the baseline. The green forecast reflects this. The high-risk portfolio contains notably fewer projects/ programmes than the other risk categories, which means the data will be subject to greater fluctuations than that for the other risk categories.</p> <p>197 projects and programmes, with a commitment value of £1,959 million, are currently in the high-risk portfolio and have been scored. This represents 20% of the total number of projects scored, and 20% of total commitment value.</p>																																						
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<p><b>Indicator (ii):</b> increase in the index of DFID's medium-risk bilateral projects evaluated as successful.</p> <p><i>Baseline 57% (quarter 4 2004/05)</i></p>	<p><b>On course</b></p> <p>The outturn for the second quarter 2007/08 is 79% (for projects scored over the preceding 24 months), and shows an increase each quarter since December 2005/06. The underlying trend is positive, though slowing, and this is reflected in the green forecast for future progress.</p> <p>569 projects and programmes, with a commitment value of £6,377 million, are currently in the medium-risk portfolio and have been scored. This represents 58% of the total number of projects scored, and 66% of total commitment value. This category is therefore most critical in representing the greatest amount of DFID expenditure.</p>																																						
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Sub-target	Progress	Current position	Anticipated progress by 2008																																			
<p><b>Indicator (iii):</b> increase in the index of DFID's low-risk bilateral projects evaluated as successful.</p> <p><i>Baseline 86% (quarter 4 2004/05)</i></p>	<p><b>On course</b></p> <p>The outturn for the second quarter of 2007/08 is 96% (for projects scored over the preceding 24 months), and is above the baseline, with a slight increase over the previous two quarters.</p> <p>There is a steady positive trend although there was an initial drop from the baseline. Progress has been good and with the current position 10 percentage points over the baseline we judge that we are likely to meet the target.</p> <p>221 projects and programmes, with a commitment value of £1,372 million, are currently in the low-risk portfolio and have been scored. This represents 22% of the total number of projects scored, and 14% of total commitment value.</p>																																					
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# 3 Progress against the targets in DFID's 2003–06 Public Service Agreement

## Guide to 'traffic light' assessment in this report

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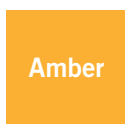
### Met/Ahead/On course

Means that progress on the target/sub-target/indicator is either exceeding or in line with plans and expectations.

### OR

Means that the target/sub-target/indicator has been achieved by the target date if we are providing the final assessment.

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### Partly met/Broadly on course – minor slippage

Means that progress on the target/sub-target/indicator is broadly on course but there has been minor slippage. Alternatively progress may have been made in some areas but not in others.

### OR

Means that the target/sub-target/indicator has been partly met, i.e. some, but not all, elements have been achieved by the target date, or we were very close to achieving the target.

---



### Not met/Not on course – major slippage

Means that progress on the target/sub-target/indicator is not on course and there has been major slippage.

### OR

Means that the target/sub-target/indicator was not met, or was met late.

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Where a target is still ongoing or we are still collecting relevant data, the first box of each assessment gives an indication of current progress, while the second shows *likely* or *anticipated* progress against the target. So, for example, if we consider that progress on a particular target is currently broadly on course but with some slippage, but we estimate that progress is likely in the future, an amber box will be followed by a green one.



Where we are making the final assessment of a target/sub-target/indicator, only one traffic light is shown for the final outcome.





# Target 1

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

Please see map in chapter 2 for PSA countries











## Progress

### Broadly on course – minor slippage

Time lags in data availability and revisions to baselines mean we are not yet able to make a final assessment against the Africa target, but the overall picture is mixed. We have reached our target on primary school enrolment, but are unlikely to meet the target for the ratio of girls to boys attending primary school. The target for under-5 mortality rates will not be met, although notable success has been made in a few countries. The evidence for HIV and AIDS remain incomplete but the overall UN 2007 assessment is that this target is off track.



Sub-target	Progress	Current position	Anticipated progress or final outturn by 2006
1 a sustainable reduction in the proportion of people living in poverty from 48% across the entire region. <i>Revised baseline 44.8% (1998)</i>	<b>Not on course – major slippage</b> Data for 2003 show that the poverty rate in sub-Saharan Africa was then 45.0%, up slightly from the revised baseline of 44.8% in 1998. However, stronger economic growth in recent years should have led to a reduction in poverty after 2003, which we expect to see when 2006 data becomes available.		
2 an increase in primary school enrolment from 58% to 72%. <i>Revised baseline 66.3% (1998)</i>	<b>On course</b> The latest figure on primary school enrolment rates is 83.6%, and we anticipate seeing this rise to 85% by 2006. We do not, however, have valid data for DRC or Sudan, countries in which there has been war and conflict, and for which enrolment rates are likely to be lower than in other countries. Their inclusion would reduce the average.		
3 an increase in the ratio of girls to boys enrolled in primary school from 89% to 96%. <i>Revised baseline 89% (1998)</i>	<b>Not on course – major slippage</b> Data are available for 14 PSA countries, and show that the current ratio of girls to boys enrolled in primary education is 92%, against a revised 1998 baseline of 89%. The projected ratio in 2006 is slightly lower than this, at 91%. However, this is based on trends since 1990, and rates of progress on this indicator have been greater between 2000 and 2005 than they were between 1990 and 2000. Lesotho, Rwanda, Uganda and Malawi have all already exceeded the target, having reached gender parity rates of at least 98%. Strong progress has also been made since 2000 in Ethiopia, Sierra Leone and Mozambique.		

Sub-target	Progress	Current position	Anticipated progress or final outturn by 2006
<p>4 a reduction in under-5 mortality rates for girls and boys from 158 per 1,000 live births to 139 per 1,000.</p> <p><i>Revised baseline 159.3 deaths per 1,000 (1998)</i></p>	<p><b>Not on course – major slippage</b></p> <p>Data are available for 15 of our PSA countries in Africa (not Sudan), and show a current rate of 149.2 deaths per 1000 live births, which is an improvement over the revised 1998 baseline of 159.3. However, current projections indicate that this sub-target will be missed.</p>		
<p>5 an increase in the proportion of births assisted by skilled birth attendants from 49% to 67%.</p> <p><i>Revised baseline 43.6% (1998)</i></p>	<p><b>Not on course – major slippage</b></p> <p>The data available cover 12 PSA countries. 46% of births are currently assisted by skilled attendants, and this is projected to increase slightly to 46.7% by 2006 (against a revised 1998 baseline of 43.6%). Rates of progress on this indicator are very low and the target will not be met.</p>		
<p>6 a reduction in the proportion of 15-24 year old pregnant women with HIV from 16%.</p>	<p><b>Some progress</b></p> <p>There has been no updated statistical information on progress from last year for this target.</p> <p>HIV figures are available for nine of our PSA countries covering 2000/01 and for seven countries in 2003-05. For five of the countries figures are available for both of these periods in time. Of these, in three countries the situation has improved and in the other two countries it has become worse. On the basis of this limited evidence it is too early to be confident that where progress has been made it will be sustained.</p>		
<p>7 Improved effectiveness of the UK contribution to conflict prevention and management as demonstrated by a reduction in the number of people whose lives are affected by violent conflict and a reduction in potential sources of future conflict where the UK can make a significant contribution <i>[joint target with FCO and MoD]</i>.</p>	<p><b>Partly met</b></p> <p>Medium- to longer-term trends in Africa continue to show an overall reduction in violent conflict. However, areas of instability persist, most notably in Darfur. The UK is a major donor to the African Union (AU) Mission in Sudan set up for peacekeeping in Darfur.</p> <p>The UK continues to play an important role in supporting the AU Peace and Security agenda. It has responded to AU conflict prevention priorities, through the Africa Conflict Prevention Pool (ACPP), by supporting the development of a detailed roadmap for a Continental Early Warning System, the setting up of the Panel of the Wise, and the design and planning of the Africa Standby Force.</p> <p>Work is ongoing at regional and country levels to support demilitarisation and peacebuilding and also to build the capacity of African countries to undertake Peace Support Operations.</p> <p><b>This final assessment of the sub-target appeared in DFID's Annual Report 2007. It is reproduced here to explicate our judgement on our overall progress towards Target 1.</b></p>		
<p>8 effective implementation of the G8 Action Plan for Africa in support of enhanced partnership at the regional and country level.</p>	<p><b>Met</b></p> <p>This target has been met. The Update Statement on Africa issued by G8 Leaders at their 2006 Summit confirmed that good progress has been made and set out priorities for continuing work. The main exception is trade, where progress has been disappointing. Further progress will be reported under the 2005-08 PSA.</p> <p><b>This final assessment of the sub-target appeared in DFID's Annual Report 2007. It is reproduced here to explicate our judgement on our overall progress towards Target 1.</b></p>		



## Target 2

Progress towards the Millennium Development Goals in 4 key countries in Asia

Please see map in chapter 2 for PSA countries

### Progress

#### Broadly on course – minor slippage

The overall picture for Asia at the end of the PSA period is encouraging. Six of the nine sub-targets are on course to be met, with progress assessed as being ahead across the region on targets for primary school enrolment and the ratio of girls to boys in primary school. We are also ahead on our target for income poverty in East Asia and the Pacific and on track to meet our target for income poverty in South Asia, reflecting the ongoing improvements in economic and living conditions in the region.











Three targets have been assessed as demonstrating slippage. Since the baseline for the target for births assisted by skilled birth attendants was set, there has been a marked reduction in the baseline position which makes achieving this target more challenging. Nonetheless it is estimated that when they become available 2006 figures will demonstrate substantial progress (an improvement of 15 percentage points on the 1998 revised position compared to a change of 18 percentage points sought by the original target). It is difficult to assess progress on the target for HIV infection rates in vulnerable groups due to poor coverage of existing data, but available evidence suggests that this target is not on course. Nonetheless, in some areas high prevalence rates have been reduced or low prevalence rates maintained. While it seems unlikely that the PSA target for TB detection rates will be achieved for 2003-2006, if the current rate of progress is continued it is possible that the target will be achieved by 2008.

Sub-target	Progress	Current position	Anticipated progress or final outturn by 2008
1 a sustainable reduction in the proportion of people living in poverty from 15% to 10% in East Asia and the Pacific ( <i>includes China and South East Asia</i> ).  <i>Revised baseline 18.5% est. (1998)</i>	<b>Ahead</b> Based on estimates by the World Bank, the region has made excellent progress since 1999 with the proportion of the population living in poverty in East Asia and the Pacific falling from 17% in 1999 to a predicted 9% in 2006. Despite the movement in the baseline from 19% to 17% in 1999 and assuming that the reduction in poverty follows a linear trend, this target is expected to be met.		

Sub-target	Progress	Current position	Anticipated progress or final outturn by 2008
<p>2 a sustainable reduction in the proportion of people living in poverty from 40% to 32% in South Asia.</p> <p><i>Revised baseline 36.3% est. (1998)</i></p>	<p><b>On course</b></p> <p>In the year 2003, the World Bank estimate that the proportion of the population in poverty in South Asia is 33%, down from 36% in 1998. The World Bank predict that proportion of people who live in poverty in South Asia will have reduced to 16% in 2015. Assuming a linear decrease from 2003, this suggests that the target will be met. However the target has become less challenging as the baseline in 1998 has been revised downwards from 40% to 36%.</p>		
<p>3 an increase in gross primary school enrolment from 95% to 100%.</p> <p><i>Revised baseline 101% (1998)</i></p>	<p><b>Ahead</b></p> <p>The assessment includes all four 2003-06 PSA countries in Asia (Bangladesh, China, India and Pakistan). The gross primary enrolment rate includes all children in primary school, including those who are older than primary school age, and expresses these enrolments as a percentage of the primary school age population. Therefore the figures often exceed 100%.</p> <p>The average gross enrolment rate across the 4 countries in Asia for the 1998 baseline year is now calculated as 101%, due to China (120%) and Bangladesh (116%). Since 1998, there has been a steady fall in gross enrolment rates in China and Bangladesh which may reflect an improving education system where fewer children above primary age are included in primary classes. In India and Pakistan, where the enrolment rates began below 100%, there has been good progress in recent years. The estimate for 2004 stands at 106%, so the target is assessed as "ahead".</p>		
<p>4 an increase in the ratio of girls to boys enrolled in primary school from 87% to 94%.</p> <p><i>Revised baseline 89% (1998)</i></p>	<p><b>Ahead</b></p> <p>Data have been included for all countries for this indicator, with locally available data used for Afghanistan and Pakistan.</p> <p>The figures show that gender equality in primary school has been reached in China and Bangladesh. The rates for India and Pakistan have improved markedly since 2000. Overall, the average ratio of girls to boys has increased from the revised baseline of 89% in 1998 to 95% in 2005, and the target is assessed as "ahead".</p>		
<p>5 a reduction in under-five mortality rates for girls and boys from 92 per 1000 live births to 68 per 1000.</p> <p><i>Revised baseline 89 deaths/1000 (1998)</i></p>	<p><b>On course</b></p> <p>These figures are from a modelled series produced by UNICEF. They have revised their estimates, which has changed both the baseline and the latest outturn since the last assessment in 2006. The latest estimate of the average death rate across the 4 countries is 68 per 1000 live births in 2005, down from 89 per 1000 live births in 1998; this reduction suggest that we are on track to meet the target.</p> <p>The lowest rate of under-five mortality is found in China, where less than 1 in 20 under-five year olds die. Pakistan has the highest under-five mortality rates. All countries have made progress since 2000, with India showing the strongest progress.</p>		



Sub-target	Progress	Current position	Anticipated progress or final outturn by 2008
<p>6 an increase in the proportion of births assisted by skilled birth attendants from 39% to 57%.</p> <p><i>Revised baseline 34% (1998)</i></p>	<p><b>Not on course – major slippage</b></p> <p>Since the baseline for the 2003-06 PSA was set there has been a marked reduction in the baseline position which makes the target more challenging. The target figure therefore may not be reached. The current estimate of births assisted is 49%, which is based on data for the period 2004 to 2006, compared to a revised baseline of 34%. If the long term trend continues, it is estimated that by 2006 there will have been an improvement of 15 percentage points in this indicator on the 1998 (revised) position. Comparing this to the percentage point change of 18 sought by the original target suggests that there has been substantial progress.</p>		
<p>7 prevalence rates of HIV infection in vulnerable groups being below 5%.</p>	<p><b>Not on course – major slippage</b></p> <p>It is difficult to assess progress on this target, as the available data has poor coverage and is unlikely to represent vulnerable groups accurately. However available evidence suggests that this target is not on course. The existing data from the time period 2000 to 2006 shows rates in one or more of the most high risk groups to be above 5% in China, India and Pakistan. This is counterbalanced by success in some areas, where high prevalence rates have been reduced or low prevalence rates maintained.</p>		
<p>8 a tuberculosis case detection rate above 70%.</p> <p><i>Revised baseline 15.5% (1998)</i></p>	<p><b>Not on course – major slippage</b></p> <p>Data are available for all four PSA countries for this indicator. The latest figures from the WHO, which relate to 2005, show an average rate of 59% although China, at 80%, has a case detection rate significantly above the target of 70%. The lowest rate is found in Pakistan. All countries have shown substantial increases from 2000 to 2005. These increases vary between 33 to 49 percentage points.</p> <p>While it seems unlikely that we will meet the PSA target for 2003-2006, if the current rate of progress is continued it is possible that the target will be achieved by 2008.</p>		
<p>9 a tuberculosis cure treatment rate greater than 85%.</p> <p><i>Revised baseline 82% (1998)</i></p>	<p><b>On course</b></p> <p>Data are available from the World Health Organization for all countries on this indicator. The current rate for the tuberculosis cure rate under the WHO's Directly Observed Treatment Short-Course (DOTS) scheme is above the target rate in 3 of the 4 countries, and Pakistan was near at 84% in 2006. Since 2000, for those countries that were already above the target, there has at best been little improvement, while China rate has fallen by 1%. This is not surprising as over the same period, coverage of DOTS has increased dramatically in many countries and the challenge of retaining high rates of cure while covering a wider, and more difficult to reach population will remain throughout the present PSA period.</p>		

## 4 Tackling underperformance

**4.1** This section provides further information on targets or sub-targets where progress is not on course, or has slipped since the return given in DFID's Annual Report 2007.

### Target 1: Africa

#### Income poverty

*2003–06 and 2005–08*

**4.2** The most recent data on poverty levels is for 2003, when the headcount rate was 45%, slightly higher than the baseline years 1998 (for 2003-06 PSA) and 1999 (2005-08 PSA). The baseline figures have recently been revised downward by the World Bank; each year the estimates for previous years are revised in the light of the latest data.

**4.3** The World Bank project that the headcount poverty rate will fall to 37.4% by 2015<sup>1</sup>. It is expected that the poverty rate will have declined by 2006 and further by 2008, reflecting the more rapid economic growth achieved by Sub-Saharan Africa in recent years (5.8% per annum for 2004-06, compared with 3.1% for 1997-2001<sup>2</sup>). But it is still too early to tell how big the poverty impact of this growth will be, and whether the 2005-08 PSA target will be met.

#### What is DFID doing?

**4.4** DFID is working closely with African governments and regional institutions to accelerate poverty-reducing growth by addressing the investment climate, the infrastructure gap, trade and regional integration and agricultural productivity and

livelihoods. DFID has been actively involved in launching initiatives like the Investment Climate Facility, Infrastructure Consortium for Africa, Aid for Trade and the Comprehensive African Agricultural Development Programme in order to unlock Africa's growth potential. DFID, along with other donors, is also helping countries to develop strategies to ensure that the poorest people can participate in and benefit from economic growth.

#### Ratio of girls to boys in primary school enrolment

*2003–06 and 2005–08*

**4.5** The ratio of girls to boys enrolled in primary school has increased to 91% from a baseline of 88% in both 1998 (2003-06 PSA) and 2000 (2005-08 PSA), and is projected to remain at this level to 2008. National statistics from **Ethiopia, Ghana, Rwanda, Tanzania** and **Uganda** support this overall picture of increasing enrolment rates for girls and progress towards gender parity. **Sudan, Ethiopia, Nigeria, Mozambique, DRC** and **Sierra Leone** continue to face significant challenges in terms of girls' enrolment and have furthest to go in terms of girls completing primary school.

#### What is DFID doing?

**4.6** DFID has been actively supporting the development of 10 year education plans during 2007, and, with other development partners, has started providing financial support for some of them (e.g. **Ghana, Mozambique**). Most of the 25 countries in Africa involved in the 10 year education planning process, in

1 Global Economic Prospects 2007

2 IMF Regional Economic Outlook 2007

response to the Abuja Commitment to Action (May 2006), are putting renewed emphasis on reaching gender parity at primary and secondary levels. **Tanzania, Rwanda** and **Zambia** are among those countries that mainstream gender in their long term plans.

- 4.7 Under our Girls' Education Strategy, we continue to ensure that gender has a high profile in our discussions with country partners both nationally and internationally (for example, in the Education for All Fast Track Initiative). We support the abolition of direct and indirect cost of schooling as one of the most significant ways of improving girls' participation in education (e.g. **Tanzania, Malawi, DRC**). However, experience on the Girls' Education Project in Northern **Nigeria** and in **Ghana, Kenya** and South **Sudan**, has shown that sustained progress towards improving education opportunities for girls requires particular emphasis on community awareness-raising strategies, in order to combat dropout due to traditional cultural practices, such as early marriage. Having been an early advocate of the importance of undertaking research into gender-based violence, DFID has continued to stress the importance of addressing this other major cause of low female achievement at primary level, and is seeking to encourage partner countries (e.g. **Sierra Leone**) to address gender parity issues more systematically in their long term plans for reaching the Education and Gender Millennium Development Goals.

## Under-5 mortality

2003–06 only

- 4.8 In 2005, worldwide over 10 million children died before their fifth birthday. Although many countries in sub-Saharan Africa saw little or no decline in child mortality (and in some cases saw increases), there have been some notable success stories, including **Malawi, Mozambique** and **Tanzania**. If current trends continue, however, the MDG will not be

achieved until 2045. Most deaths of children under five years are attributable to acute respiratory infections, diarrhoea, malaria, measles, HIV and AIDS and neonatal conditions. These are all avoidable through existing interventions but one in seven of the world's children has no access to healthcare. In contrast, countries that have adopted well-known and effective anti-measles strategies, including **Malawi** and **South Africa**, have reduced measles deaths to near zero since 2000.

## What is DFID doing?

- 4.9 DFID is addressing child mortality through a variety of channels, including bilateral health sector support, support through health multilaterals and Global Funds and support to other relevant sectors such as education, water and sanitation. In 2007, DFID led and negotiated an international agreement – the International Health Partnership (IHP) – with key donors, international agencies and country governments. This aims to better support and strengthen country health systems and focuses specifically on addressing off-track health MDGs, including on maternal mortality and HIV and AIDS. DFID will also double our spending on water and sanitation activities to £95 million by 2007/2008.
- 4.10 In **Nigeria**, we are providing £20 million to rebuild routine immunisation services and a further £80 million for malaria control. In **Tanzania**, we continue to provide support for the social marketing of bednets as part of the national Insecticide Treated Net Programme, and in **Sierra Leone** we are designing a new long term Child Survival and Maternal Health Programme with the World Bank and national partners. In **Malawi**, we are contributing £100 million over six years to the Government's essential health and human resource programme. Similarly, in **Zambia**, we are major donors to the National Strategic Health Plan, which includes a focus on improving child

health through expanded vaccination services, curative care and improving access to services.

**4.11** In malaria endemic countries, the use of insecticide treated bed nets has been shown to reduce under-five mortality rates by up to 20%. In 2005, DFID **Kenya** committed a further £19.6 million to a programme providing 11 million bed nets treated with insecticide. They will be available to over 75% of the vulnerable population by 2007/08, allowing them to sleep safely and free from the threat of malaria. It is estimated that the lives of 167,000 children in **Kenya** will be saved as a result of this programme. DFID played a central role in the International Finance Facility for Immunisation (IFFIm) launched in 2005, which will disburse \$4 billion over the next 10 years. DFID also pledged long term support to UNITAID, the International Drug Purchase Facility, starting with £15 million in 2007, to ensure poor countries benefit from lower prices for drugs to treat AIDS, TB and malaria.

## Maternal mortality

*2003–06 and 2005–08*

**4.12** These MDG and PSA targets are proving some of the hardest to achieve. Despite data inadequacies, it is clear that maternal mortality remains unacceptably high in our PSA countries and while skilled attendance varies widely between countries it is, on the whole, very low. The primary determinant of maternal mortality is the functioning of health services including the availability of staff and drugs.

## What is DFID doing?

**4.13** Increasingly, DFID's support to reduce maternal mortality is delivered through general budget support or health sector budget support. Experience has led country programmes to move away from funding specific safe motherhood programmes, towards supporting more general programmes for essential health services, crucial for improving maternal and

child health. However, it remains important to find ways of maintaining a focus on maternal health outcomes as there is evidence that, despite DFID advocacy and increasing budget support, governments – short of financial and human resources – are not managing to give maternal health the priority it needs.

**4.14** Nonetheless, there are a range of examples of specific funding for maternal health to supplement other, broader health sector support. In **Malawi** and **Uganda**, for instance, DFID continues to work with national partners to strengthen health services, particularly human resources for health, and is pressing for the expansion of evidence-based sexual and reproductive services. The Emergency Human Resource Programme in **Malawi** aims to double the number of nurses and triple the number of doctors working in the health services.

**4.15** In **Sudan**, DFID is supporting the provision of emergency obstetric care through NGOs such as Médecins Sans Frontières (MSF) and Merlin, who provide a basic package of services for women and children. A number of malaria investments (for example in **Nigeria**, **Uganda** and **Malawi**) target pregnant women through providing insecticide treated bednets or appropriate prophylactic malarial drugs for pregnancy. In **Zimbabwe**, DFID will invest £25 million pounds over 5 years to improve maternal and newborn health. The project will reduce the number of maternal deaths and reduce the number of children becoming infected or dying from HIV infection. In **Sierra Leone**, DFID will invest £50 million over 10 years into the health sector to improve sexual, reproductive and child health. The programme will strengthen the health system as a whole and address human resources for health, supplies of commodities, policy planning and financing, as well as contribute towards reducing key social, cultural and economic barriers to accessing basic health services.

## HIV and AIDS

2003–06 and 2005–08

**4.16** In 2005, 24.5 million people in sub-Saharan Africa were living with HIV. In 2005, an estimated 3.2 million people became newly infected with AIDS and 2.4 million adults and children died. All African PSA countries have generalised epidemics (i.e. HIV prevalence greater than 1%). Most epidemics in sub-Saharan Africa are showing little sign of slowing but there are examples of modest declines in prevalence in **Kenya, Uganda** and **Zimbabwe**.

**4.17** The epidemic disproportionately affects young women and, in addition, the increasing number of orphans and vulnerable children (OVC) remains a major issue. In **Zimbabwe**, one in three children are now orphans and in **Malawi**, over a million children under 18 years old are orphans, half of those due to AIDS.

**4.18** The long term nature of the epidemic, particularly for treatment over decades, requires long-term and predictable financing. However, the current volume of vertical/off budget funding for HIV and AIDS is detracting from efforts to strengthen national systems. In addition, more thought is needed into how best to tackle the HIV and AIDS epidemic in fragile states and programmes need to be designed accordingly. In all contexts, HIV prevention is critical.

### What is DFID doing?

**4.19** DFID continues to tackle HIV and AIDS within the priorities set out in the UK AIDS strategy and has committed to spend £1.5 billion on this between 2005 and 2008. Using new methodology, we estimate that DFID spent £170m on HIV and AIDS in Africa in 2005/06, compared to £135m in 2004/05. This annual increase of over 25% is broadly in line with the overall rise in DFID funding.

**4.20** At the country level, DFID has focused support on comprehensive multi-sector national responses to provide HIV prevention, treatment and care services along with impact mitigation. Depending on the context, a range of approaches has been used, including support to strengthen government and civil society responses and direct service delivery via UN and civil society agencies. Some of Africa Division's more recent commitments include £9 million for Phase 2 of the HIV AIDS Umbrella programme in **Uganda** and £45 million to increase the comprehensiveness of the HIV and AIDS response in **Zimbabwe** and reduce mother to child transmission.

**4.21** DFID has committed £359 million to the Global Fund to fight AIDS, TB and Malaria (GFATM) through to 2008. All Africa PSA countries have received funding from the GFATM. More than one million people in sub-Saharan African were receiving anti-retroviral therapy (ART) by June 2006, a tenfold increase since December 2003. DFID supports ART alongside other HIV prevention, treatment and care programmes.

## Target 2: Asia

### Primary School Enrolment

2005–08 only

**4.22** While **Nepal, Pakistan, India** and **Cambodia** have made progress on this measure since 2000, some countries have seen little change and **Vietnam** has seen a decline in enrolment rates over this period. However, educational enrolment is a measure that can change quickly given changes in policy.

**4.23** Only two countries for which there is data (**Nepal** and **Pakistan**) have enrolment rates below 90%. As high enrolment rates are achieved, improving enrolment becomes increasingly challenging as the remaining children are more difficult to reach.



## What is DFID doing?

- 4.24** DFID provides support worth £55 million to the Afghanistan Reconstruction Trust Fund (ARTF), which supports the Government of **Afghanistan's** operating costs. Education is a key component of this and indicators for the performance of the Trust Fund include specific commitments to achieve 90% gross enrolment in schools, and increase the number and qualifications of teachers. DFID's contribution has helped 5.4 million Afghan children gain an education (an increase from 2 million in 2002). In addition, DFID provides policy and financial support to Afghanistan's National Development Strategy (ANDS), which helps develop, improve, implement and monitor strategies and policies, including for education. DFID also supports public sector reforms, which are essential to underpin the delivery of better education services.
- 4.25** In **India**, DFID is providing support worth £360 million to the Sarva Shiksha Abhiyan (SSA) – the Government of India's (GoI) universal elementary education programme launched in 2001. The programme has seen some significant achievements; the number of children out of school fell from 25 million in 2003 to below 10 million in 2006; drop out rates have fallen by 4% at the primary stage and 2% in the upper primary stage; and encouraging progress has been made towards achieving gender and social equity targets. DFID is also providing £35 million towards the expansion of the Government of India's Education for Women's Equality Programme which increases the potential for getting all girls in school. Primary enrolment in India has increased from 160 million in 2003 to 187 million in 2006 – the net primary enrolment is now 94%. The ratio of girls to boys enrolled in primary school in India has increased from 0.89 in 2003 to 0.92 in 2006 and almost matches girls' share in the population as a whole at this age.
- 4.26** In **Bangladesh**, DFID is contributing £100 million to a sector-wide Primary Education Development Programme (PEDP II), which aims to improve quality in primary education as well as enrolment and completion rates. It will also support the establishment of better data on enrolment rates and numbers of children out of school. Nearly 4,000 schools have benefited to date, with another 3,500 in process. Additional classrooms have been provided, and over 14,000 new teachers have been recruited to teach in these. Training is ongoing and that number continues to rise. Additional toilet facilities have also been provided in over 5,000 schools. DFID is also contributing £32 million to the NGO Bangladesh Rural Advancement Committee's (BRAC) Basic Education Programme, to improve primary school access and enrolment, particularly for extremely poor, marginalised and ethnic minority children. This caters for some 1.3 million children who would otherwise not be in school.
- 4.27** DFID is supporting the Government of **Pakistan's** efforts to improve girls' enrolment; assess learning outcomes in key subject areas; strengthen community involvement in schooling; improve access and quality for children with special educational needs; and rebuild to a higher standard following the October 2005 earthquake. DFID has also supported the development of the new 10-year National Education Policy, including by leading donor contributions to Pakistan first-ever White Paper on Education. DFID Pakistan is strengthening its education team and has prepared a portfolio CN to scale up support to 150m over the next CAP period (2008-2013).
- 4.28** DFID is contributing £20 million over the four years to the Government of **Nepal's** Education For All (EFA) programme. A large focus of the programme is to improve the quality of education by providing regular grants to schools and additional bonuses to well performing

schools. The programme is helping to increase poorer children's access to school through the national distribution of scholarships, particularly for girls and Dalit children who are more likely to miss school. It is also helping to reduce the gap between boys and girls attending school by developing gender-friendly curricula, providing free textbooks and hiring more female teachers. DFID has been asked by the Ministry to take the lead in supporting Nepal's plan to join the Education Fast Track Initiative which is a global partnership to help more children to go to school. Our support has helped to improve some key education indicators. For example: Net Enrolment Rate was 87.4% in 2006 and has been increasing since 2004; the Gender Parity Index (ratio of girls to boys) for net enrolments is 0.95 compared to 0.86 in 2003. This is progress made during an active conflict.

**4.29** In **Vietnam**, DFID support to Government's National Targeted Programme for Education For All seeks to improve the quality of basic education while ensuring that rural and ethnic minority children have similar access to basic education as the more prosperous urban areas.

**4.30** DFID contributes over £10 million a year to Government programmes targeted at improving the access and the quality of schooling for disadvantaged children. In addition to Education for All DFID supports the Primary Education for Disadvantaged Children Project and the Primary Teachers Development Project. The benefits of this extra support for teacher training, school construction, teaching materials and new approaches to learning are clear: more children, especially girls, are completing primary school and there is an increasing demand for lower secondary school places.

**4.31** In **Cambodia**, good progress is being made nationally as the gender gap is closing at primary level. Gender equity at secondary level is an issue in Cambodia. Education is not a focus for the DFID Cambodia bilateral

programme as the sector is well funded by other donors. Primary Education is a priority sector for the European Commission, and DFID contributes indirectly through our core support for the European Commission development programme. Cambodia has also recently had \$57.4 million Education Fast Track funding approved and we are confident the sector will be well resourced.

## Skilled birth attendance

*2003–06 only*

**4.32** **China** has the highest rates of births assisted by a skilled practitioner, of close to 100% in 2004, while in 2006 the rates are lowest at 18% in **Bangladesh** and 39% in **Pakistan**. China has seen largest rises in births assisted since 2000, while Pakistan has also made some progress recently. Slow start up of the Health, Nutrition & Population Support Programme has held up progress in Bangladesh; however some progress is being made as the latest data shows that with the proportion of births assisted have risen by 5% between 2004 and 2006. In India, a new conditional cash transfer scheme has dramatically increased the rate of deliveries that take place in hospital or health centre, which will lead to an improvement in the number of births attended by a skilled practitioner.

## What is DFID doing?

**4.33** DFID has committed £252 million to the Government of **India's** Reproductive and Child Health II Programme (2005 – 2011), which is improving access to skilled birth attendance and emergency obstetric care for pregnant women; expanding newborn care, immunisation and other health services for children; and reducing unmet need for contraception. The programme is also fostering innovative approaches to increasing skilled attendance at birth, including a cash incentive for women to deliver at a health facility. This scheme has sharply increased demand for

institutional deliveries – the number of beneficiaries increased from 570,000 in 2005/06 to 2,960,000 in 2006/07. According to India's National Family Health Survey 48.3% of women giving birth were assisted by trained medical personnel, up from 42.4% in 1998/9. Infant mortality continues to decline in India, dropping from 79 per 1,000 live births in 1992-93 to 57 per thousand births in 2005-6.

**4.34** DFID is contributing £100 million to **Bangladesh's** Health, Nutrition and Population Support Programme (HNPSP), in which maternal health is a key priority. DFID is working with other donors for faster progress on implementation. DFID is also developing a maternal/neonatal health programme with UN agencies which should be approved by end 2006, and exploring options for supporting maternal health work through NGOs to fill key gaps until HNPSP can ensure sufficient coverage. Whilst capacity is being built, ongoing work in the health sector, through HNPSP, continues and includes a recently implemented scheme to provide vouchers to pregnant women to improve access to routine and emergency obstetric services.

**4.35** DFID **Pakistan** has committed up to £90m for 2006-11 for a new National Maternal, Newborn and Child Health Programme. The Government of Pakistan intends to provide most of the rest of the financing required. The programme includes the creation of a new cadre of community midwives. The target is for 10,000 to be trained by 2010 (in order to meet a 2010 target of 70% of births attended by skilled birth attendants, on the way to a 90% target by 2015).

**4.36** The multi-donor **Afghanistan** Reconstruction Trust Fund (ARTF), to which DFID is contributing £55 million, includes a specific commitment to increase the coverage of skilled birth attendants to 25%.

**4.37** In **Nepal**, DFID has been the largest donor of assistance to maternal mortality reduction over the last decade, including significant support to scaling up skilled attendance at birth through training and cash incentives for women to deliver at a health facility. Since the launch of the scheme in 2005, skilled birth attendance has risen from 20% to 30%. The national target is 60% by 2017. Nepal has made extraordinary progress in reducing maternal mortality; the ratio has dropped from 539/100,000 live births (one death every 2 hours) in 1996 to 281/100,000 live births (one death every 4 hours) in 2006.

### HIV in vulnerable groups

#### *2003–06 and 2005–08*

**4.38** The target is to keep HIV prevalence rates below 5% in groups at the highest risk of being infected with HIV; these groups are commercial sex workers, men who have sex with men, injecting drug users and patients with sexually transmitted diseases. It is difficult to assess progress on this target, the available data have poor coverage and unlikely to represent vulnerable groups accurately.

### What is DFID doing?

**4.39** The International Health Partnership (IHP), an international agreement with key donors, international agencies and country governments, was led and negotiated by DFID in 2007. This aims to better support and strengthen country health systems and focuses specifically on addressing off-track health MDGs, including HIV and AIDS.

**4.40** HIV prevalence in **India** is relatively low (currently estimated at 0.4%). However, prevalence rates remain high among certain vulnerable groups – in particular injecting drug users, men who have sex with men and commercial sex workers. DFID has been supporting the national response to HIV and AIDS for over a decade and recently approved



£102 million to support the new, third phase of the National AIDS Control Programme (2007-2012). DFID's contribution will primarily support prevention efforts among high-risk and vulnerable groups. This will be done by increasing the coverage of high risk groups from current levels to more than 80% with targeted interventions. Prevention services for truck drivers and mobile populations will also be scaled up and information and services will be provided to vulnerable populations, including women and children. The programme will also scale up care, support and treatment for people living with HIV.

**4.41 In Pakistan**, DFID's health sector support of £68.5m includes supporting the AIDS Control Programme to scale up services for high risk groups. DFID is also funding advocacy and monitoring and evaluation work through UNAIDS, and quantitative and qualitative research on high risk and bridging populations. Latest surveillance data show 16.1% HIV prevalence among injecting drug users but prevalence well below 5% in other vulnerable groups. There are indications that services for high risk groups are affecting behaviour (e.g. increasing condom use). DFID has helped develop a new national strategic plan (2006-11) that aims to further scale up services.

**4.42** The HIV and AIDS situation in **Nepal** is categorised as a "concentrated epidemic" because while the prevalence amongst the general population is around 0.3% (2005), in some vulnerable groups it is high. Injecting drug users (IDUs) have the highest prevalence level (52%) although the mobile population has the greatest numbers of infected people. In the absence of a massive scale up of interventions, there may be a generalised epidemic by the end of the decade. To combat this, DFID is funding 73 projects through 59 partners in 27 districts. The projects cover the delivery of comprehensive package of care to most vulnerable groups, including male sex

workers, men having sex with men, injecting drug users, mobile population and people living with HIV and AIDS.

**4.43 In China**, DFID has recently launched a new £30 million package of support for HIV prevention and care among vulnerable groups. This is a joint programme with the Government of China and the Global Fund to fight AIDS, TB and Malaria. DFID has been at the forefront of piloting harm reduction strategies among injecting drug users and commercial sex workers in China, and many of the approaches have now been incorporated into national policy and are being rolled out across the country. This new joint programme covers a total of 126 relatively high prevalence counties and is expected to reach at least 440,000 people that belong to high risk groups, as well as providing HIV and AIDS education to about 4.5 million vulnerable children and youth. Although the Chinese Government is now making a concerted effort to tackle HIV and AIDS, prevalence among high-risk groups is still rising, fuelled by changing behavioural norms, including widespread high-risk behaviours, and very low levels of awareness among the general population. This year commercial sex has overtaken injecting drug use as the primary transmission route in China.

**4.44 In Indonesia**, DFID is providing £25 million to support the national response to the epidemic. Funds are managed by UNDP, and implementation managed by the National AIDS Commission with support from UNAIDS. The purpose of the support is to increase capacity to halt and begin to reverse the spread of HIV and AIDS infection among core transmitters and in areas of concentrated epidemic transmission. The NAC has set ambitious targets for high levels of coverage of prevention interventions amongst those most at risk of infection (Sex Workers and Injecting Drug Users) and DFID funding is contributing to rapid increases in coverage.

**4.45 Indonesia** is also experiencing a concentrated HIV epidemic, with high infection rates in sex workers and IDUs. DFID has funded two International NGOs who are working through a wide range of national NGOs and Community Based Organisations to accelerate coverage of these key populations. Achievements include a steady growth in the condom market leading to increased use of condoms in sex work settings, a large programme of periodic presumptive treatment of sexually transmitted infections among women sex workers (which reduces the risk of HIV transmission), a reduction in the sharing of drug injection equipment by IDUs, and a rapid increase in methadone treatment availability for opiate users with almost one thousand users begun on therapy. DFID is also supporting the National AIDS Commission Secretariat, which is now fully staffed and operational at the central level. It is taking a clear and effective role in leading monitoring and evaluation, and preparation of a national HIV and AIDS Strategic Plan and costed operational plan.

**4.46 In Vietnam**, since the first recorded AIDS case in 1990, reported HIV infections and AIDS cases have risen rapidly. The number of people living with HIV and AIDS is estimated to have increased to 260,000 by the end of 2005, with the number of annual AIDS deaths rising between 2003 and 2005 from 9,000 to 14,000. Latest national figures place the prevalence rate among the general population at 0.3% whilst the UN estimates a rate of 0.5%. This is low by international comparison. There are many donors working on HIV and AIDS but “prevention” activities remain underfunded. Ensuring that HIV infection does not get established in the general population is fundamental to avoiding a widespread epidemic. DFID resources are helping fill this funding gap. We have pioneered work with Government to introduce clean needle programmes and promote widespread access to condoms. This has built Government capacity to deliver effective services to injecting

drug users, sex workers and other vulnerable groups. It has had a positive impact on condom use with 60% of sex workers reporting regular use of condom (see case study below). It has also contributed to the adoption of a legal framework supportive of harm reduction and previously illegal activities.

**4.47** The overall DFID-supported **Cambodian** response to HIV has been highly successful with reduction in overall prevalence rates from 2.0% in 1998 to 0.9% in 2006. Accessibility of services for vulnerable groups has dramatically improved over the last few years by opening new testing and treatment centres across the country, through outreach and through training staff to be sensitive to the specific needs of vulnerable groups. We will continue to provide core support for HIV treatment and care through the Ministry of Health and support their plans to continue to increase accessibility of services for vulnerable groups such as brothel based and non-brothel based sex workers, men who have sex with men and injecting drug users.

#### Tuberculosis detection rate

*2003–06 only*

**4.48** While Asia is off track to reach the target, all countries have shown substantial progress since 2000, with increases of between 33 to 49 percentage points. If current progress is maintained, the target will be achieved by 2008.

#### What is DFID doing?

**4.49** The multi-donor **Afghanistan** Reconstruction Trust Fund (ARTF) will provide \$60 million this year to the health sector with DFID’s contribution accounting for 6%. The Trust Fund includes specific commitments to increase the coverage of Basic Health Services to 90% of the population, improve training and supervision of health workers, and improve quality of care in hospitals by 2008. DFID also

provides policy and financial support to the Afghanistan's National Development Strategy (ANDS). The ANDS helps develop, improve, implement and monitor strategies and policies, including for health. In addition, DFID supports public sector reforms, which are essential to underpin the delivery of better health services.

**4.50** There has been a small improvement in vaccination coverage in **India**, with 44% of children ages 12-23 months receiving all recommended vaccinations in 2005/6, up from 42% seven years earlier. Substantial improvements in full vaccination coverage have been recorded in West Bengal (from 44% to 64%), Orissa (from 44% to 52%), and Madhya Pradesh (from 23% to 40%).

**4.51** In **Pakistan**, DFID supports the National TB Control Programme, as part of a £68.5m programme of health sector budget support and related assistance. This support has contributed to dramatic recent progress on the case detection rate, reaching a target of 70% detection rates in early 2007.

**4.52** The national TB programme in **Nepal** is exemplary in the region (67% of estimated cases are detected, with an 85% treatment success rate). Ten years ago, 16,000 died a year – this figure is now only 5 to 7,000 a year. DFID was the lead donor to the national TB programme and provided £5.4 million from 2001-2005.

**4.53** In **Bangladesh**, DFID is contributing £100 million to the government's Health, Nutrition & Population Support Programme (HNPS) and using our position as chair of the HNP Consortium to work with other donors to push for faster progress on its implementation. Establishment of the HNPS Management Support Agency will speed up the distribution of funding to NGOs which play a key part in TB case detection and treatment in

Bangladesh. Whilst capacity is being built, ongoing work in the health sector continues through support to programmes such as the national TB Programme. This works in partnership with NGOs with the aim of achieving TB case detection rates of 70%, and 85% cure rates.

### Target 3: Effectiveness of the multilateral system

#### EC Aid Effectiveness

*2003–06 and 2005–08*

**4.54** According to data produced by the European Commission, the EC low income focus was 56% in 2006, maintaining 2005 levels. This is compared to 55% in 2004, 56% in 2003 and 51% in 2002. The EC revised its ODA reporting in 2002, so direct comparisons with figures for 2000 and 2001 cannot be made.

**4.55** An overall budget for EC External Actions (which consists of spending on Humanitarian, Development and other activities), was agreed at the European Council (i.e. by the Member States and the European Commission) in December 2005. The ceiling on commitments was set at around €57bn over the period 2007-2013. However, the financial breakdown of the different instruments within the External Actions budget means that the 70% low-income focus for development spending will not be met until 2014 at the earliest.

#### What is DFID doing?

**4.56** DFID works with other UK Government Departments, other Member States, the European Commission and the European Parliament to try to increase the proportion of EC Development Assistance going to Low Income Countries (LICs).

**4.57** The UK has been lobbying for increased volumes to the poorest countries in the annual budget negotiations and the now completed Financial Perspective (FP) negotiations, also arguing for the next FP to introduce a global resource allocation model based on needs and performance, with the expectation that this would redirect funds to the poorest countries. It has also lobbied to protect the low-income focus of the European Development Fund.

**4.58** DFID is continuously striving to ensure that poverty reduction and achievement of the MDGs become the main objectives of all EC development programmes and actions. This is done by reviewing country strategy papers and actively participating in the Member State management committees with oversight of EC programming, and by working with the Presidency to influence the strategic direction of the European Commission's development cooperation.

**4.59** DFID consistently lobbies to increase the volume and quality of commitments to LICs and to increase funding for global initiatives likely to have the greatest impact on poor countries.

#### Poverty Reduction Strategy Implementation 2005–08 *only*

**4.60** Our expectations of progress against this indicator by 2008 have been downgraded from green to amber since the last report. While we not believe the situation on the ground has deteriorated we now have more information on PRS implementation, which has led to a revision of earlier judgements. Information from the 2006 Paris Declaration (PD) baseline survey and other sources shows mixed progress around PRS implementation in some areas, although the overall trajectory remains positive.

#### What is DFID doing?

**4.61** DFID is committed to following a country-led approach to development. This highlights the importance of country ownership, leadership and national politics in determining development strategies and outcomes.

**4.62** The DAC survey results and our own internal analysis have been used to update our UK DFID medium-term action plan (MTAP) on aid effectiveness.

**4.63** The MTAP sets out 14 priority actions across the organisation to improve aid effectiveness at country level, corporately and in multi-lateral organisations. It includes priority actions with targets in all Divisions, which will be incorporated into the 2008-11 Divisional Performance Frameworks. Progress under the MTAP will be monitored via corporate systems and participation in DAC surveys. We are also working through the DAC to promote improved monitoring, especially around results; greater country involvement in the peer review mechanism; and to influence other donors to meet their Paris commitments.

**4.64** As part of our multilateral influencing agenda, we are striving to ensure:

- better tracking and evaluation of multilateral performance;
- increased decentralisation of World Bank and Regional Development Banks;
- meeting of UN performance targets on the PD, with 40 countries having a One UN strategy by 2010;
- implementation of the PD by all EC Directorates; and
- compliance by vertical Global Funds with PD principles.

**4.65** Through these various interventions we aim to ensure a positive outcome from the 3rd High

Level Forum meeting due to take place in Accra in late 2008. This will signal a broader and deeper commitment from the international community and partner countries to the implementation of the PD at the country level.

#### Target 4: Trade [joint with BERR]

2005–08 only

**4.66** WTO negotiations are now ongoing and the next weeks will be determinant. There is still a real difference of priorities between many groups of countries and among the G4 as to the core triangle of issues at the heart of the talks: cuts in subsidies paid to farmers (particularly by the US); market opening in the agricultural sector (particularly the EU); and increased market opening for industrial goods (in which Brazil and India are key). It will also be challenging to conclude all six Economic Partnership Agreements (EPAs) by the 2007 deadline. The UK has made it clear that there should be an improvement of the ACP's market access to the EU at the end of 2007.

#### What is HMG doing?

**4.67** The ability of DFID, and the UK as a whole, to influence progress on WTO discussions, depends on its credibility and influence with the European Union (both the European Commission, which negotiates on behalf of all EU members, and other Member States), and with key WTO members. However, the UK is working hard to encourage all WTO members to be flexible in the ongoing negotiations, seeks to stress the global benefits of an ambitious, pro-development outcome to the DDA, and liaises with developing countries on priorities.

**4.68** DFID also continues to finance and produce robust research in a number of areas of the WTO discussions important to developing countries, to ensure policy is underpinned by sound evidence. DFID also provides capacity-building to developing countries and the least developed countries to participate more actively

in negotiations, including supporting more informed analysis of their trade policy objectives and development of negotiating strategies.

**4.69** We also continue to work with the ACPs, other EU Member States and the Commission to achieve EPAs that bring real benefits to the ACPs by the deadline. We provide support for research on EPAs and provide technical and financial assistance to ACPs, to help them in analysing emerging EPA proposals and develop their positions.

#### Target 5: Conflict [joint with FCO and MOD]

Progress towards durable peace in areas of priority

2005 – 08 only

#### Iraq

**4.70** Iraq is subject to continuing high levels of violence and insecurity. Political instability and uncertainty together with Sunni withdrawal from government and militia infiltration of Iraqi security forces makes effectiveness at all levels extremely difficult. Set against these difficult circumstances, UK transition plans in the south have continued and will culminate with the transfer of Basra to Provincial Iraqi Control, hopefully during autumn 2007. But this can and will only take place once the political and security conditions are right and we judge that the Iraqi authorities are capable of discharging effectively security responsibility for Basra province.

#### What is HMG doing?

**4.71** HMG have been running and will continue to run a wide range of projects and programmes to support the Government of Iraq to achieve a peaceful, democratic and law abiding state. Among these will be continued support to the military and police/security forces through training and secondments as well as economic and institutional development programmes.



## **MEPP**

**4.72** The main reasons for slippage are:

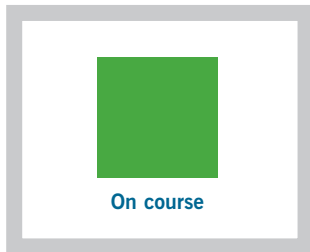
- Hamas' failure to comply with the Quartet Principles of: non-violence; recognition of Israel; and acceptance of previous agreements and obligations including the Roadmap, leading most of the international community to suspend financial and technical assistance to the Palestinian Authority from January 2006 until March 2007;
- the inclusion of Hamas ministers who did not accept the three Quartet Principles in the National Unity Government between March and June 2007, which limited our ability to work with that government; and
- Hamas' takeover of Gaza in June 2007 which has in the short term limited the scope of our work.

### **What HMG is doing**

**4.73** The establishment of a new Palestinian Authority has enabled us to resume our technical assistance and provided further impetus to the political process. The UK is actively supporting US, EU and Quartet efforts to re-invigorate the peace process and move towards a two-state solution. The UK remains closely engaged with the PA, the Quartet Representative and EU to ensure continued support to the Palestinian people and to facilitate the return to direct financial support.

**4.74** We are looking at possible security sector reform work, once the situation on the ground becomes clearer, and are in discussion with international partners. At the same time we are increasing our funding to NGO-implemented projects. We have taken positive steps to increase our oversight of projects in the Occupied Palestinian Territories and improved our risk management procedures.

# 5 Progress towards the efficiency targets



## Efficiency programme

### Progress

#### Headline efficiency target

Strong progress has been made in some areas of our efficiency programme over previous quarters. By the end of September 2007, efficiency gains continue to accumulate. We judge that we will exceed our target for 2007/08 of **£420 million sustainable efficiencies**.









#### Workforce reductions

By the end of September 2007, DFID had reduced its headcount to **1675 UK-based Full Time Equivalent** (FTEs), a reduction of **232** posts since 2004. We have further reductions planned for the remainder of the year as we continue to work towards a target of 1610 FTE but achieving the target now appears unlikely for reasons explained further on p.53.

#### Relocation of posts out of London and the South East

By the end of March 2006, **88 posts had been relocated** from DFID's London office to the office in East Kilbride. We have therefore already surpassed the target to relocate 85 posts.

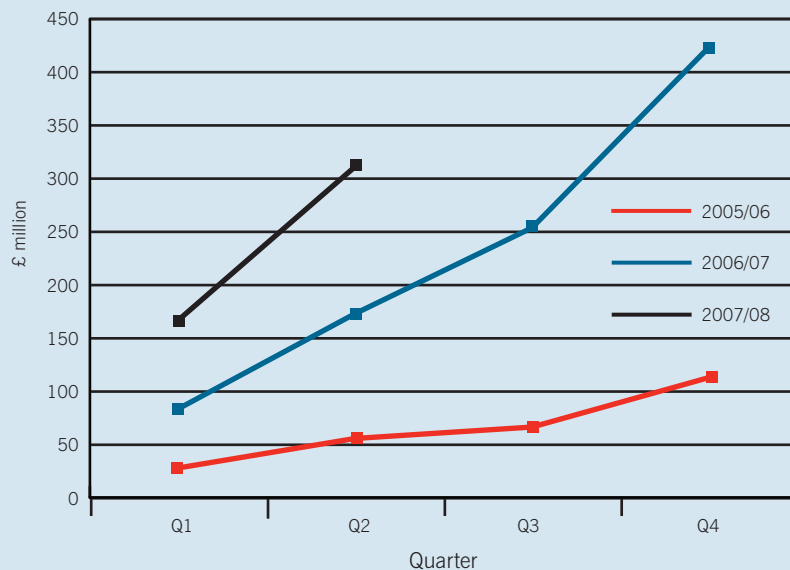
Sub-target	Progress	Current position	Anticipated progress or final outturn by 2008
<p>1 To increase the proportion of country programmes channelled in the form of programme based approaches from 39% in 2004/05 to 53% in 2007/08.</p> <p><i>Baseline £680 million (DFID funds given as programme based approaches 2004/05)</i></p>	<p><b>Not on course – major slippage</b></p> <p>We estimate that the proportion of funding provided through programme based approaches by quarter 2 2007/08 is <b>42%</b>. While this gives an <b>efficiency gain of £14.5 million</b> (through the last four quarters), we are not on track to achieve the target of 53% in 2007/08. We have investigated the reasons for this shortfall and regional divisions are following up with country offices and we hope to improve further. Nonetheless we judge the target to have been overly optimistic. Savings will not be cashable.</p> <p>A comprehensive assessment of fiduciary risk is made before a decision to support a programme-based approach is made. This is complemented by support to increase financial management capacity of the developing country governments with which we work. Public financial management is now assessed annually in conjunction with the World Bank and IMF.</p>		

Sub-target	Progress	Current position	Anticipated progress or final outturn by 2008
<p>2 To increase DFID's contributions to low income countries through EC aid funding from £445 million in 2004/05 to £508 million.</p> <p><i>Revised baseline £445 million (2004/05)</i></p>	<p><b>On course</b></p> <p>In 2006/07, we achieved provisional efficiencies of <b>£28 million</b>, contributing <b>£501 million</b> to low income countries (LICs) through EC aid but missing our target for that year. Due to an increased European Development Fund forecast for 2007/08, we are back on track to meet our target efficiencies of <b>£31 million</b> by March 2008. Savings will not be cashable.</p> <p>This target is predicated on the increased impact of development expenditure in low income countries. DFID is monitoring closely the performance of EC regional programmes and in particular the impact of the introduction of Results Orientated Monitoring. The quality of Public Financial Management within recipient countries is also subject to close monitoring.</p>		
<p>3 To save 1% pa in value for money (VfM) savings on procurement over and above current savings of 4% pa.</p> <p><i>Baseline 0% (2004/05)</i></p>	<p><b>On course</b></p> <p>Savings from the first two quarters of 2007/08 show <b>£2.4 million</b> of cashable savings. This represents <b>8%</b> of total procurement spend, and is above the target. Although we are ahead on our percentage based target, as our procurement spend is lower than forecast, the overall efficiency savings that this produces will be less than the anticipated March 2008 savings.</p> <p>This target is based on the money saved by post-contract negotiations. We ensure that cost savings do not lead to lower quality services by agreeing quality standards with contractors.</p>		
<p>4 Increase by 2% pa of projects in DFID's portfolio rated as wholly or largely meeting their objectives.</p> <p><i>Revised baseline 62% (2004/05)</i></p>	<p><b>Ahead</b></p> <p>Our performance remains very strong. Data from quarters 1 and 2 2007/08 show an average rate of near <b>78%</b>, almost 16% above the baseline. This is ahead of our target trajectory and results in efficiency gains to date in 2007/08 of <b>£219.5 million</b>. These are not cashable. We anticipate that we will exceed our efficiency target.</p> <p>DFID's overall portfolio is categorised according to risk and the composition of the portfolio has been closely monitored to ensure that we achieve success while maintaining our risk appetite.</p>		
<p>5 Increased support to the International Development Association (IDA) by £130 million in 2005/06, £300 million in 2006/07 and £300 million in 2007/08 over the last three year agreement.</p> <p><i>Revised baseline £322 million per year (IDA 13 replenishment)</i></p>	<p><b>Broadly on course – minor slippage</b></p> <p>IDA is the arm of the World Bank that provides concessional loans and grants to the world's poorest countries. The conclusion of negotiations for IDA 14 resulted in a <b>48%</b> increase in the basic contribution (core plus incentive) over IDA 13 (the increase is <b>86%</b> when our support for scaling up Bank development assistance and for debt relief is included). Efficiency gains are declared as promissory notes are deposited and when payments to ACGF, Education FTI and IDA MDRI are made. As at the end of quarter 2 (FY 07/08), <b>£553 million</b> has been deposited for FY 07/08 (this includes a contribution to the ACGF) resulting in gains of <b>£58 million</b>. Current deposits and future forecasts suggest we will be slightly under target for the duration of the programme. To reach the target we need to deposit £622 million in FY 07/08 which would result in £75 million efficiency savings. Rather, we forecast to deposit £589 million, which will result in £67 million savings. We therefore judge this target to have minor slippage. Savings on this target are not cashable.</p> <p>IDA expenditure is subject to a range of quality measures. Country allocations are directly linked to performance, funds are specifically channelled to LICs and all expenditure is subject to cross-donor initiatives to monitor and improve public financial management.</p>		

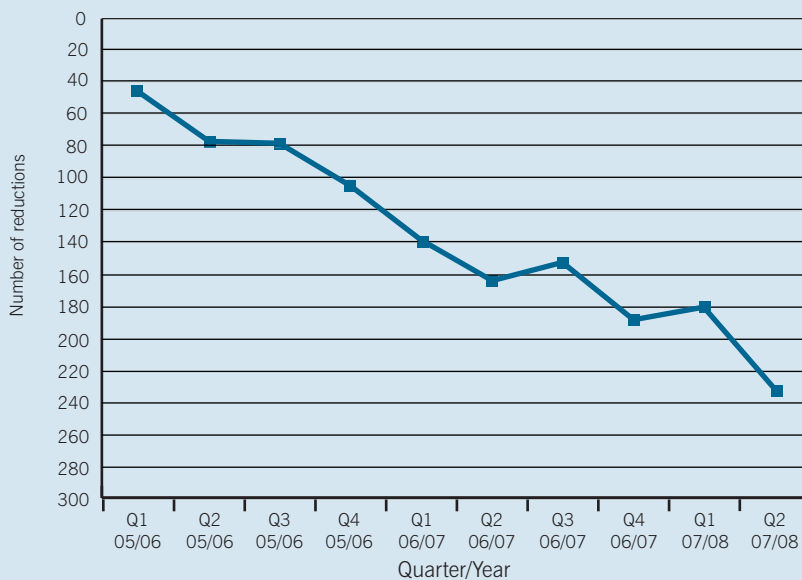


Sub-target	Progress	Current position	Anticipated progress or final outturn by 2008												
<p>6 To reduce administration costs to £232 million in 2007/08.</p> <p><i>Baseline £239 million (2005/6)</i></p>	<p><b>On course</b></p> <p>By the end of September 2007, we had spent <b>£89 million</b> against our annual (FY07/08) admin budget of <b>£232 million</b>. This has resulted in efficiency gains of <b>£19 million</b> (savings are calculated as the difference between spend at quarter 2 in 07/08 and what spend would have been if our budget had not been reduced but increased at the rate of inflation since 2005/06). We expect savings to increase to £20.5 million by the end of the financial year in line with our target. Efficiency gains for this target are cashable.</p> <p>Costs will be reduced through addressing the two sub-targets below (in addition to a sub-target on relocations that we achieved in March 2006 and gave the final assessment of in the Annual Report 2007).</p>														
<p>a. To reduce support service costs by 4% in 2006/07 and 10% in 2007/08.</p> <p><i>Baseline £46.9 million (2005/06)</i></p>	<p><b>On course</b></p> <p>We are on course to achieve the <b>10% reduction</b> target by the end of the financial year, by which time, a forecasted <b>£7 million efficiency savings</b> will accumulate.</p> <p>Savings will primarily be achieved through new business practices and other efficiency measures encompassed in our Catalyst programme. Support services budgets will be capped within the target. The maintenance of system and service quality standards is built into overall system development.</p>														
<p>b. To reduce staff from a revised March 2004 baseline of 1907 Full Time Equivalents (FTEs) to <b>1610 FTEs</b> – a reduction of 297 posts. To reduce Staff Appointed In Country (SAIC) from a March 2004 baseline of <b>1162 to 950</b> posts – a reduction of 212 posts.</p>	<p><b>Broadly on course – minor slippage</b></p> <p>By the end of September 2007, DFID had reduced its headcount to <b>1675 UK-based Full Time Equivalents (FTEs)</b>, a reduction of 232 posts (12%) against the 2004 baseline of 1907. The <b>Staff Appointed In Country (SAIC)</b> target of 950 posts was met by September 2005, and by end September 2007 had reduced further to <b>846</b>. These figures are illustrated in the table below.</p> <table border="1" data-bbox="440 1267 1161 1424"> <thead> <tr> <th></th> <th>March 2004 baseline</th> <th>September 2007</th> <th>Reduction</th> </tr> </thead> <tbody> <tr> <td>UK-based FTEs</td> <td>1907</td> <td>1675</td> <td>232</td> </tr> <tr> <td>SAIC</td> <td>1162</td> <td>846</td> <td>316</td> </tr> </tbody> </table> <p>With 1675 UK-based FTE posts, DFID stands 65 posts away from the target of 1610 by March 2008. There will continue to be staff reductions to the end of the year with staff planned to leave through our Early Departure Scheme or age-related retirement between October and the end of March 2008.</p> <p>Although we have surpassed our <i>original</i> target to reduce by 170 posts, due to the revised baseline that changed the number of reductions needed to 297 posts, we continue to work towards the challenging 1610 target. We forecast that we are unlikely to meet the target due to unforeseeable business needs: (1) the retention of 25 short term posts to deliver a key business change programme (ARIES); and (2) the expansion of posts in Private Office earlier this year to accommodate a larger Ministerial team. This target continues to be being actively managed by both the Management Board and by Divisions with support from HR.</p>		March 2004 baseline	September 2007	Reduction	UK-based FTEs	1907	1675	232	SAIC	1162	846	316		
	March 2004 baseline	September 2007	Reduction												
UK-based FTEs	1907	1675	232												
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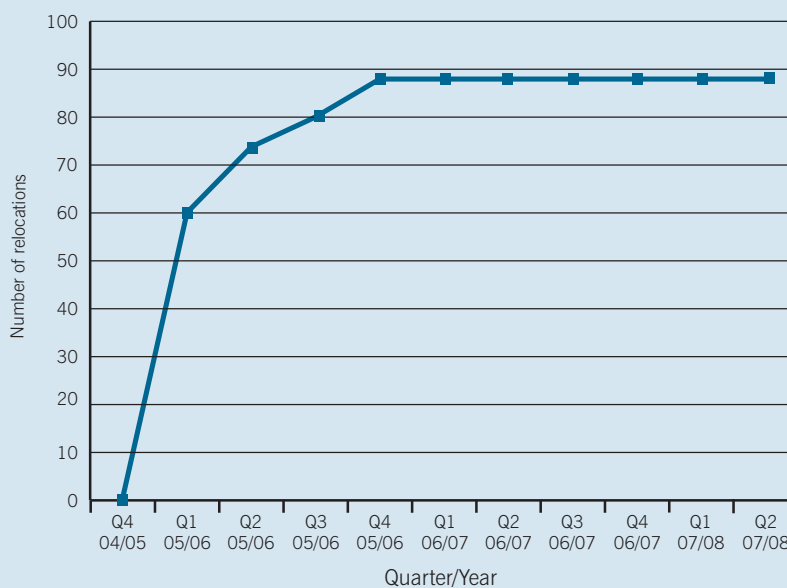
**Overall efficiency gains trajectory**  
**Target gains 2007/08: £420 million**



**Headcount reductions trajectory**  
**Target reductions: 297**



**Lyons relocation trajectory**  
**Target relocations: 85**



# Annex A: Explanatory note

## Explanatory note: Measuring progress towards the PSA targets in Africa and Asia and assessing 'value for money' – methodological and data quality issues

### Measuring progress towards the PSA targets in Africa and Asia

1. International data showing progress towards MDG indicators are used in monitoring DFID's PSA targets. These are obtained from the World Bank and agencies of the United Nations, who in turn have obtained data from the countries in question, evaluated their quality, and in some cases made adjustments to try and ensure these data are consistent internationally.

### Methodology for assessing progress over time

2. The baseline for the 2005-08 PSA was set as 2000 for most instances, since at the time the PSA was created this was the year information for some indicators was most recently available. 1998 is the baseline year for the 2003-06 PSA assessment. The substantial lag in the availability of data from the international system means that it might be as late as 2010 or 2011 before we are able to establish the full picture in 2008 (and 2008 or 2009 before we are able to establish the full picture in 2006). Thus, although each PSA ostensibly covers a three-year period, measurement of the targets will extend over a longer time frame, from 1998 to 2008 and from 2000 to 2010.

3. Our 2003-06 and 2005-08 PSA targets for Africa are based on progress in 16 countries and our targets for Asia are based on progress in four countries in 2003-06 and nine countries in 2005-08. The figures shown for the African and Asian PSA targets reflect a

simple arithmetic average for the countries included in each region. This does not take account of the different population sizes of countries. However it does ensure that the indicator is sensitive to progress in smaller countries, rather than being dominated by one or two very large countries. This reflects the way in which DFID works in practice – i.e. a country-based, rather than regional, approach. The one exception to this is the poverty indicator where we have not averaged across our selected countries, but rather taken an internationally produced estimate of poverty in the region concerned. In this case, the estimate is weighted by population and so shows the proportion of people in the region experiencing change.

4. There are some limitations to the data available from the international sources and the methodologies employed to deal with these are summarised below.

### Data gaps

- **Data are unavailable for some of our PSA countries for certain of the selected indicators.** In such cases, we have to base our regional estimates on only those countries for which data are available. Examples include 'net primary enrolment' and 'births attended by a skilled practitioner' where in the most recent assessment respectively two and five of our 16 PSA countries in Africa are excluded from the baseline and outturn figures. We have also had to exclude India from the Asia data on 'births attended by a skilled practitioner', as data have not become available since the baseline year.

- **It has not been possible to undertake statistical analysis to produce average regional estimates for the HIV and AIDS targets** due to the lack of robust trend data. It must be recognised that the kind of information we are seeking, particularly for the Asia target which focuses on high risk groups, is very difficult to gather. Although figures are available for a growing number of countries in Africa and Asia, one figure in isolation does not lend itself to an examination of change over time. We have provided an assessment of progress against the HIV and AIDS targets that highlights the position in relevant countries where we do have good data. We are also undertaking work to establish when data will be available for these sub-targets.
- **Where data are available, figures will generally not be produced each year.** To get around this problem, we can impute data for missing years. Where figures are missing at the start or end of the time series we assume that progress remained unchanged from the nearest known year and simply project the last known value forward or backwards (however we do not generally project data in this way for more than two years from any data point). For data missing within a time period, we assume that progress between the years where we do have data followed a straight line and use this to derive estimates for missing years. If we have data gaps that cannot be filled in this way, a country will be excluded. This approach can mean that a country that was included in the assessment of progress against a sub-target in one Annual or Autumn Performance Report is excluded the following year. If new data become available for countries where there is no baseline then a baseline is imputed – normally assuming that progress has taken place at the same rate as in those countries where we do have a baseline (although occasionally if more appropriate, using an alternative such as the rate of change of a country following a

closer trajectory to the country in question than the average of all other countries). This can mean that a country that was excluded in the assessment of progress against a sub-target in one APR is included the following year.

### Assessing change over time

5. When we review progress towards the PSA targets, we often find that new data have become available, and this results in a revision of the figures for previous years. This means that many of the baselines set out at the time our PSA was originally drafted have now altered. This is particularly apparent in series which are modelled by the international agencies, such as the under-five mortality rate. The altered baselines have been presented in this report along with the assessment of progress. For the 2005-08 PSA we have generally set our targets in terms of ‘percentage point improvements’ to counter this problem.
6. In assessing progress against the PSA targets, we should not read too much into individual year-on-year changes as these could be the result of statistical variability. A more reliable indicator of real change is persistent shifts year after year.
7. In choosing the appropriate traffic light assessment, note is taken not only of the difference between the 1998 or 2000 figure and the most recently available data, but also of trends over a longer time frame. Data from 1990 onwards are modelled to show the trend and this allows us to predict what the figure might be in 2006 or 2008, based on progress to date. Staff working in DFID’s Africa and Asia Divisions then make a judgement of progress based on the statistical trend and their wider information on what is currently happening in the region that will not yet be reflected in the statistics.

## DFID's work on improving data quality

8. DFID is working in a number of ways to improve both the availability of data and the way that we deal with the available data. We have discussed data issues with the Methodological Committee of the Office for National Statistics, who have agreed that our methods were acceptable given the limitations in our data. We are now following up some of their suggestions for improving data quality, including work to establish indicators of data quality, which would alert readers to the reliability of particular indicators. We are pursuing this in the international arena given the origins of the data we are using.
9. We are in regular contact with the international agencies that provide the statistics we use, and in compiling our estimates we always check the figures with DFID statisticians where they have detailed knowledge of particular countries. Sometimes they identify anomalies, which we can then pursue with the data providers. Statisticians working at country or regional level may also be aware of more up to date figures than those available through the international system, since there is an inevitable lag between data being collected and reported nationally, and these being checked and available through the international databases.
10. In our partner countries, we are increasing resources towards building policy-relevant statistical systems, with an emphasis on poverty monitoring. Internationally, we are working with the PARIS 21 (Partnerships in Statistics for Development for the 21st Century) consortium of donors, partner countries and multilateral agencies to raise awareness of the problems linked to inadequate statistics as well as through the Marrakech Action Plan for Statistics (MAPS) Advisory Board and the International Household Survey Network (IHSN). We also provide targeted support to help countries

assess their priority statistical requirements.

We are working with the International Financial Institutions and United Nations system to increase the resources devoted to building statistical capacity in partner countries. Such activities do appear to be producing results – it is clear that more data are currently available on the PSA targets than at the start of the PSA period but it is still below the desired level.

11. As examples, in Uganda, DFID has helped the Government to monitor its Poverty Eradication Plan and, in Kenya, DFID support has helped the planning for a National Statistical System and the preparation of a new Statistics Act. It is hoped that these will help deliver the information needed to implement and monitor MDG progress.
12. Working with multilateral partners is also crucial in helping countries to access the resources and technical expertise they need to improve the quality, availability and use of statistics for national policy making. DFID has contributed to a Trust Fund with the World Bank for supporting statistical work in developing countries and helped to develop a global action plan to improve national and international statistical systems. DFID continues to work with other donors to increase funding for developing statistical capacity in partner countries and recently published its strategy "Making statistics work for development".

## Measuring progress on the proportion of DFID's bilateral projects evaluated as successful

13. DFID's 'value for money' PSA target seeks improvement in an index which assesses the performance of projects and programmes of £1 million or more in DFID's portfolio. Data used to produce this index come from our performance management system. Operational projects are scored annually to assess the likelihood of achieving their intended objectives. Projects are then scored on

completion according to whether they achieved their intended objectives. In each case, a five-point scale is used and, for the purposes of measurement, those scoring 1 or 2 are considered to be successful – i.e. the purpose of the project is likely to be completely or largely achieved. The total commitment value of successful projects is shown as a proportion of the total commitment value of all eligible projects in producing DFID's 'value for money' score.

14. Analysis over time has shown that the success or failure of very high-value projects can have a substantial impact on the outturn – particularly when the data are disaggregated by risk. Some fluctuation in outturn over time is also inevitable, as substantial commitments move in and out of the portfolio (for example, the completion of one high-value project can result in a noticeable rise or drop in the outturn). The method of calculating the index was changed between the 2003-06 and 2005-08 PSA periods in an attempt to reduce the volatility. The changes were:
- In 2005/08, we include Project Completion Reports as well as Annual Reviews in the calculation
  - In 2005/08, we include scores from the last 24 months rather than the last 12 months (although only the latest score for any individual project is included)
  - In 2006, we moved to reviewing and scoring projects after they have been operational for 12 months rather than 24 months

15. As well as looking at ways of making the index better able to show trends in underlying portfolio quality, DFID has put in place a portfolio quality strategy intended to improve the quality of our projects and programmes. Work streams include completion of new guidance on development cycle procedures, reviewing lessons emerging from annual project/programme performance reviews to identify requirements for new or revised procedural guidance or training needs; delivery of a new training course, 'Development Partnerships', which highlights the importance of portfolio quality in DFID; regularly monitoring performance trends and highlighting areas requiring management attention; quality assurance audits in a sample of countries; and highlighting good practice in conducting project/programme reviews. New procedures designed to increase the level of audit checking on performance reviews put into the system will be implemented in the coming year.





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