

2005 Autumn Performance Report

DFID
PSA
and Efficiency
Programme



December 2005



Department for International Development

2005 Autumn Performance Report

An outline of progress against the
2003-06 and 2005-2008 Public Service Agreements
and the Efficiency Programme

SUMMARY

2005-08 PSA

6 PSA Targets
31 PSA Sub-Targets
of which:
14 on course
8 off track
8 too early to say
1 insufficient data

2003-06 PSA

5 PSA Targets
29 PSA Sub-Targets
of which:
17 on course
5 too early to say
7 off track

EFFICIENCY

9 Targets and Sub-targets
of which:
4 on course
4 too early to say
1 off track

Presented to Parliament by the
Secretary of State for International Development
by Command of Her Majesty
December 2005

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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). These 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.

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/AIDS, malaria and other diseases
MDG 7	Ensuring environmental sustainability
MDG 8	A global partnership for development

1.2 **UK Official Development Assistance (ODA) has been rising steadily**, and is set to reach £6.5 billion in 2007, or 0.47% of Gross National Income (GNI) and a real terms increase of 140% since 1997. In 2004, a commitment was made to achieve the 0.7% ODA/GNI target by 2013. If the proposed International Finance Facility

(IFF) is agreed internationally, the UK would be able to achieve the equivalent of 0.7% by 2008/09. In line with its focus on the achievement of the MDGs, DFID is prioritising its support to the poorest countries. We have set a target for at least 90% of bilateral aid to be provided to Low Income Countries (LICs) over the period 2005 to 2008. Latest figures show that we reached 83% in 2004/05, and are on track to reach 90% in 2005/06; this contrasts with 63% in 1997/98. **Promoting aid effectiveness** is a policy priority. We have increasingly complemented project support with channelling funds through **coordinated programmes** using harmonised procedures including, where appropriate, direct budget support. We have strengthened our focus on enabling **partner countries to lead** their own development, supported by a further devolution of our bilateral programmes to country offices; in 2004/05 we had 67 overseas offices, of which at least 30 were of a substantial size.

1.3 The UK, as President of the G8 and EU in 2005, welcomes the momentum developed by this year's events – the G8 Summit that focused on Africa and climate change; the Millennium Review Summit; and the WTO Ministerial Conference in Hong Kong. With the **single aim of eliminating poverty in the poorest countries**, the UK is focusing its efforts on **improving the quantity and quality of aid**, and we are committed to working closely with our international partners to achieve this. Successes already include a commitment by G8 Finance Ministers to give a total of **\$50 billion more in aid** by 2010, and specifically \$25 billion to Africa from 2004, which will more than double aid to the continent; and immediately **writing off the debts** of 18 of the world's poorest countries,

14 of which are in Africa. This is worth \$40 billion now, and as much as \$55 billion as more countries qualify. Along with France, Italy, Spain and Sweden, the UK has also successfully launched a pilot **International Finance Facility for Immunisation (IFFIm)**, which will provide **\$4 billion of frontloaded resources** to tackle preventable diseases, saving an estimated 10 million lives before 2015. It is hoped that these frontloading principles can be applied effectively to a larger IFF, with the potential to provide a further \$50 billion a year in the years to 2015.

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

1.5 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 under-performance on those PSA targets that are off track, or are forecast to be so; and section 5 addresses progress towards DFID's efficiency targets.

A note on data quality

1.6 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.

- 1.7** 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.

1.8 More detailed 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.

Links with the 2005-08 PSA

1.9 As part of the Spending Review 2004, a new PSA was set for the period 2005-08. The new PSA retains as its aim the elimination of poverty in poorer countries, in particular through achievement of the MDGs by 2015. In light of this medium-term aim, the majority of the targets from the existing (2003-06) PSA have been rolled forward to the new period, although appropriate updates have been made to reflect progress to date and changing international circumstances. Where we expect targets to have been met by 2006 (such as our value for money target), where they need to be updated (such as the target on debt relief), or where changing circumstances mean that targets are no longer

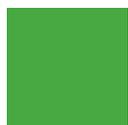
appropriate to the current situation (such as, for example, the targets on trade and conflict prevention), they have been amended. Baselines and, where appropriate, calculation methodology have also been updated. Traffic lights for a particular target in each of the PSAs may therefore differ. Annex B explains in more detail the links between the 2003-06 and 2005-08 PSAs.

Further information

- 1.10** Further information on DFID's work can be found on our website: www.dfid.gov.uk, or from our Public Enquiry Point on 0845 300 4100.

2. Progress against the targets in DFID's 2005-08 Public Service Agreement

Guide to 'traffic light' assessment in this report



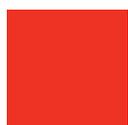
GREEN

Means we judge we are on course to meet the target/sub-target.



AMBER

Means we cannot yet be confident about progress towards this target/sub-target. This may be because there is not enough evidence, because performance has not changed in either direction or because progress may have been made in some areas but not others.



RED

Means there has been slippage in progress towards this target/sub-target.



GREY

Means that progress towards this target/sub-target cannot be assessed due to a lack of available data.

The first box of each assessment gives an indication of current progress, while the second shows *likely* or *anticipated* progress towards the target. So, for example, if we consider that it is currently too early to make a judgement about a particular target, but we estimate that progress is likely in the future, an amber box will be followed by a green one.



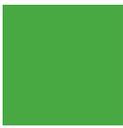
Target 1: Progress towards the Millennium Development Goals in 16 key countries in Africa



Progress

The absolute number of people living in poverty across Africa has fallen over the last three years and the pace of growth quickened. The rates of primary school enrolment and under-five child mortality have also improved, leading us to forecast that we are likely to meet these targets. New UN data for HIV and AIDS are currently unavailable but local data suggest that overall HIV prevalence is stabilising in Africa. Prevalence rates vary across the region however. Off track targets include the ratio of girls to boys in primary school and the number of births attended by skilled birth attendants. Greater levels of commitment by African governments will be required to meet these, and DFID will continue to encourage partner governments to prioritise these issues and intensify action. The Gleneagles Summit in July led to a series of commitments from the leaders of the G8 to a comprehensive plan of action for Africa. This was followed by an African Partners Forum in London at which it was agreed to formulate a Joint Action Plan to monitor the commitments of G8 and African governments. Whilst much remains to be done, such commitments offer the continent an opportunity for real progress.

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.	Too early to say Data from 2001 show that poverty in sub-Saharan Africa is at 46.4% , unchanged from 2000. The pace of sub-Saharan economic growth has quickened since the 1999-2001 period though, and is expected to continue to deliver positive GDP per capita growth in 2005-2008. This should lead to further modest reductions in the proportion of people living in poverty. Despite this progress, external factors such as unexpected high oil prices mean that it is too early to say whether the target will be achieved.		
2 an increase in primary school enrolment by 18 percentage points.	Too early to say Latest figures on primary school enrolment rates are 77% , which is an improvement over a rate of 70% in 2000. Data cover 11 PSA countries; valid data are unavailable for DRC, Malawi, Nigeria, Sierra Leone and Sudan. The trend for enrolment rates is upwards; however, should data become available from countries with large populations (DRC, Nigeria and Sudan) this could have an impact on the baseline and overall enrolment rate.		
3 an increase in the ratio of girls to boys enrolled in primary school by 5 percentage points.	Off track Data are available for 15 PSA countries; DRC is excluded because accurate baseline data are not available for conflict-affected areas. The ratio remains unchanged from 2000 at 91% and, based on the current trend, is likely to remain the same until the end of this PSA period. Lesotho, Rwanda, Uganda and Zimbabwe have all reached gender parity rates of at least 98%. Progress since 1998 has been greatest in Ethiopia, Mozambique and Uganda, but ratios in Kenya, South Africa and Tanzania declined between 1998 and 2002.		
4 a reduction in under-five mortality rates for girls and boys by 8 per 1000 live births.	Too early to say Data are available for all 16 PSA countries and show a current rate of 153 , an improvement over last year's figure of 161 and the 2000 figure of 157. Based on the current trend, it is predicted that the rate will have decreased to 147 by 2008. Mozambique, Tanzania, Malawi and Nigeria have seen the fastest rates of progress. Despite these positive signs, DRC, Nigeria, Rwanda and Sierra Leone still have mortality rates of around 200 per 1000.		

Sub-target	Progress	Current Position	Anticipated Progress by 2008
<p>5 an increase in the proportion of births assisted by skilled birth attendants by 11 percentage points.</p>	<p>Off track Data cover 15 PSA countries. The latest outturn remains at 47%, and is likely to remain at this level until 2008. In Ethiopia, only 6% of births are assisted – the lowest rate in the world. Large variations within country are also apparent, with the poorest 20% of women least well served.</p>		
<p>6 a reduction in the proportion of 15-24 year old pregnant women with HIV.</p>	<p>Cannot be assessed. No new UN statistical data have become available since the new target was introduced, although local data suggest that overall HIV prevalence seems to be stabilising in Africa.</p> <p>The data provided by UNAIDS have not been updated since the previous Autumn Performance Report. These data cover 11 PSA countries and the figures are based on evidence from the capital city in each country. The average HIV prevalence amongst pregnant women of 15-24 years is 14%, but prevalence rates range from 4% in Ghana to more than 28% in Lesotho. Malawi, Mozambique, South Africa and Zambia also have rates of infected young pregnant women of 15% or more.</p>		
<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>	<p>On course At the Gleneagles Summit in July 2005, the leaders of the G8 announced a series of commitments to a comprehensive plan of action for Africa. These commitments included an additional \$25 billion in aid to Africa; debt write-off for 14 of the poorest African countries; write-off of \$17 billion of Nigeria's debt; a commitment to end all export subsidies; as close to universal access to HIV and AIDS treatments as possible by 2010; funding for treatment and bednets to fight malaria; full funding to eradicate polio; access to good quality, free and compulsory education and basic health care for all children by 2015; and an extra 25,000 trained peacekeeping troops to help the African Union.</p> <p>In October 2005 the UK and Nigeria co-chaired the Africa Partnership Forum in London. This agreed the framework for a new Joint Action Plan bringing together African, G8 and other donor commitments. This will be finalised by end 2005 and will be a key mechanism to ensure the delivery of commitments.</p>		

Target 2: Progress towards the Millennium Development Goals in 9 key countries in Asia



Progress

Good progress is being made towards five out of the nine sub-targets, reflecting the substantial improvements that have been made in economic and living conditions in the region. It is too early to say whether the prevalence of HIV infection in vulnerable groups will be below 5% by 2008, due to incomplete data; most countries will need to implement effective prevention programmes in order to stop the disease from becoming widespread. A TB case detection rate above 70% could be achieved with slightly faster rates of progress. This overall picture is encouraging given that the 2005-08 targets are covering nine PSA countries, rather than four as previously. The most challenging sub-targets are on net primary school enrolment and under-five mortality rates. Although it is unlikely that net primary school enrolment will increase by 8 percentage points, four countries have rates above 90% and others have made notable progress in recent years. All countries have made some progress towards reducing under-five mortality rates, but the rate of progress will need to increase in order to reduce rates by 24 per 1000 live births by 2008.

Sub-target	Progress	Current Position	Anticipated Progress by 2008
1 a reduction in the proportion of people living in poverty of 5 percentage points in East Asia and the Pacific .	On course Data for 2001 show that poverty in East Asia and the Pacific is at 15% , down from an estimated 18% in 1999. The region has made excellent progress since 1990, and is expected to continue to reduce poverty, albeit at a slower rate. The World Bank forecasts that poverty in this sub-region will fall to 1% by 2015. If this progress is achieved at a consistent rate, then the target will be reached.		
2 a reduction in the proportion of people living in poverty of 8 percentage points in South Asia .	On course Data for 2001 show that poverty in South Asia is at 31% , down from an estimated 33% in 1999. While this represents continuing steady progress, much of this reduction can be attributed to changes in survey methods and revisions to statistical estimates in a number of countries. The current estimate is that poverty in South Asia will have fallen to 13% by 2015. Assuming the trend continues, the target should be reached.		
3 an increase in net primary school enrolment by 8 percentage points.	Off track The net enrolment rate is currently estimated at 83% using the latest data, which ranges from 2001 to 2004. Four countries have net primary enrolment rates above 90% at the latest outturn: Cambodia, China, Indonesia and Vietnam. Cambodia and Pakistan have made notable progress on this measure since 2000. However other countries have seen little change (on the basis of limited data available) and Bangladesh has seen a decline in enrolment rates since 1998. Though the rate is up from 81% in 2000, the long-term trend (based on progress since 1990) suggests only a very modest increase in enrolment rates by 2008. Due to a lack of consistent data, Afghanistan is not included in the measurement of this target. There have been large increases in pupil numbers in Afghanistan though, albeit from a low base.		

Sub-target	Progress	Current Position	Anticipated Progress by 2008
4 an increase in the ratio of girls to boys enrolled in primary school by 5 percentage points.	<p>On course</p> <p>Data are available for all countries, which gives a latest outturn of 88% using data from 2001 to 2004, up from the 2000 figure of 83% (which includes Afghanistan). However the figures for Afghanistan are so volatile that it makes it difficult to predict its progress towards this sub-target. Gender equity has been achieved in Bangladesh, China and Indonesia (although national figures mask significant sub-national variations), and good progress has been made in Cambodia and Nepal. There will need to be improvements in Vietnam and, particularly, Pakistan. Early indications of improvements in India – where the Sarva Shiksha Abhiyan programme includes specific emphasis on girls’ education – need to be confirmed.</p>		
5 reduction in under-five mortality rates for girls and boys by 24 per 1000 live births.	<p>Off track</p> <p>The under-five mortality rate has decreased to 53 deaths per 1000 live births in 2003, compared to 57 per 1000 in 2000. All countries have made some progress, although the rate of progress will need to be increased in order for the sub-target to be met. The countries with the lowest infant mortality rates are China, Indonesia and Vietnam, while Cambodia and Pakistan have the highest. Those that have made greatest progress in recent years are Bangladesh and Nepal.</p>		
6 an increase of 15 percentage points in the proportion of births assisted by skilled birth attendants.	<p>On course</p> <p>The latest outturn is 43%, using data from 2001 to 2003, compared to 38% in 2000. If the current rate of progress continues, it is estimated that the sub-target should just be achieved by 2008. China, Indonesia and Vietnam have the highest rates of births assisted by a skilled practitioner and these three countries have also seen the most notable improvements in births assisted in recent years. Based on the available data, the rates of births assisted in other countries are low, between 10% and 43%, and at best modest improvements have been made.</p>		
7 prevalence rates of HIV infection in vulnerable groups being below 5%.	<p>Too early to say</p> <p>Data remain incomplete for this target, and figures vary enormously between sites where it is measured. In the latest data from WHO and UNAIDS (which ranges from 2000 to 2002), the typical level of prevalence in vulnerable groups is below 5%, but there are measurement sites where the prevalence has been reported as high as 80%. Rates in some vulnerable groups are particularly high in China, India, Nepal and Vietnam, and, where data are available, Cambodia and Indonesia (although Cambodia’s overall prevalence is reducing). Bangladesh and Pakistan have relatively lower rates, but there is evidence of high-risk behaviour in those countries.</p>		
8 a tuberculosis case detection rate above 70%.	<p>Off track</p> <p>Latest figures from the WHO show an average detection rate of 44% in 2003, which includes Afghanistan. Case detection rates only exceed 60% in Cambodia, Nepal and Vietnam. India has seen rapid progress over the period 2000 and 2003, while progress in other countries is advancing more slowly. While at current rates of progress (the 2000 figure was 32%), Asia is not on track to reach the level of 70%, it is possible that with slightly faster rates over the next five years, the 2008 target will be achieved.</p>		

Sub-target	Progress	Current Position	Anticipated Progress by 2008
9 a tuberculosis cure treatment rate greater than 85%	<p>On course</p> <p>Data from 2002 show TB cure rates have reached 87%, up from 86% in 2000, and the target has already been reached. The challenge will be to maintain this rate over the next three years as more cases are detected.</p>		

Due to the lack of data, Afghanistan is not included in any assessments, unless stated otherwise.

Target 3: Improved effectiveness of the multilateral system

Progress

Progress is good or reasonable against all of the indicators supporting this target, except the EC flows to Low Income Countries. Progress on the latter depends on the outcome of the ongoing negotiations on the next European seven-year budget, and neither DFID nor the UK Government is in a position to deliver this outcome alone. On financing in general, important progress was made in 2005 through EU commitments (for each member state to reach 0.51% ODA/GNI), and those made at the G8 summit (to provide \$50bn of aid by 2010). However, continued efforts will be needed to ensure the commitments are delivered. Good progress is being made on the humanitarian reform initiative, though it is too early to judge whether the target will be met – the first statistics will be available at the end of 2005, and the real effects will start to show in 2006. Wider reform to the UN agreed at the Millennium Review Summit, including the establishment of the Peacebuilding Commission, should also start to produce benefits in 2006, and we hope that the Secretary-General will launch a review of the UN development system in 2006. The majority of agencies assessed for organisational effectiveness through the Multilateral Effectiveness Framework (MEFF) process are showing good progress against indicators.

Sub-target	Progress	Current Position	Anticipated Progress by 2008
<p>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 (LICs) from its 2000 baseline figure of 38% to 70%.</p> <p><i>The EC revised its ODA reporting in 2002, so direct comparisons with figures for 2000 and 2001 cannot be made.</i></p>	<p>Off track</p> <p>The European Commission (EC) spend in LICs in 2004 was 55% of allocated ODA, according to data published by the Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development (OECD). This represents an increase from 51% in 2002, but a slight decrease on the 2003 figure of 56%. Future progress will depend greatly on the outcome of negotiations on the next European seven-year budget, which are ongoing.</p>		

Sub-target	Progress	Current Position	Anticipated Progress by 2008
<p>2 ensuring that 90% of all eligible Heavily Indebted Poor Countries (HIPCs) committed to poverty reduction that have reached Decision Point by end 2005, receive irrevocable debt relief by end 2008 <i>[joint target with HMT]</i>.</p>	<p>On course</p> <p>Achievement of the target depends on the progress of countries through the HIPC Initiative. The target will be set on identification of the baseline, which will be the number of countries reaching Decision Point (when they have demonstrated their commitment to poverty reduction and qualify for relief on debt payments) by the end of 2005. As of September 2005, 28 countries had done so, and the only other country likely to reach it before the end of 2005 is the Republic of Congo. Of these 29 countries, 18 have already reached Completion Point (when countries receive irrevocable debt relief) and the 10 others that have reached Decision Point will probably graduate to Completion Point in 2007 or before. It is not clear when the Republic of Congo may reach Completion Point, but this is likely to be before 2008. We are therefore on track to meet the 90% target.</p>		
<p>3 international partners are working effectively with poor countries to make progress towards the United Nations 2015 Millennium Development Goals <i>[joint target with HMT]</i>.</p>	<p>We are measuring improvements in the international system through a number of indicators. These include the way in which international agencies are supporting countries to implement their Poverty Reduction Strategies (PRSs); through improvements in the internal effectiveness of international financial institutions and the EC; and through European donors' ODA/GNI ratios. These indicators (set out below) are given a 'traffic light' assessment individually, rather than an overall assessment.</p>		
<p><i>Indicator (i):</i> poor countries and development partners are committed to and supporting effective and sustainable poverty reduction strategies (75% of all countries implementing Poverty Reduction Strategies (PRSs) to present satisfactory reports to the Boards).</p>	<p>Too early to say, but expecting significant progress</p> <p>The PRS approach has been widely adopted in countries accessing International Development Association (IDA) resources, though the World Bank's PRS Review notes that practice has not always kept up with intention. The latest figures show that 49 countries have Poverty Reduction Strategy Papers (PRSPs), 11 have interim PRSPs and 10 have begun a process which will lead to one. Of the 49 countries that have PRSPs, 29 (or 59%) have prepared at least one annual progress report. Though these are no longer 'presented' to the World Bank but rather issued for information, these reports are mentioned in the World Bank's PRS Review, so are likely to be considered satisfactory if they are counted as progress reports. The 2005 'Paris Declaration on Aid Effectiveness' for the first time commits donors and recipients alike to improve the way aid is delivered and managed, which will mostly be in support of a country-owned development strategy such as a PRS.</p>		
<p><i>Indicator (ii):</i> 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>On course</p> <p>Important progress was made in 2005 through EU commitments (for each member state to reach 0.51% ODA/GNI), and those made at the G8 summit (to provide \$50bn of aid by 2010). However, continued efforts will be needed to ensure the commitments are delivered. The OECD/DAC figures for 2003 already show a total net ODA of \$67.1bn.</p>		

Sub-target	Progress	Current Position	Anticipated Progress by 2008
<p><i>Indicator (iii):</i> improved effectiveness of EC Development Assistance (as demonstrated by 2 out of 3 of following being achieved):</p> <ul style="list-style-type: none"> • 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; • agreement in Council, Commission and European Parliament to implement these objectives, including by increasing the share of EC ODA going to LICs; • continued reforms and adoption of best development practices during the 2005-2009 Commission. 	<p>On course</p> <p>Five years into its reform programme, EC aid is showing signs of improved effectiveness 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 are working to agree a revised Development Policy Statement which has a strong focus on poverty eradication and is applied in all developing countries. We are supporting this, and are negotiating a new Development Instrument which has poverty reduction as its main aim, as well as working to enshrine best development practice in both the Policy Statement and the Development Instrument.</p> <p>A new EC policy has just been adopted which promotes policy coherence for development. We are seeking to agree language on effectiveness which incorporates transparent resource allocation criteria, which should result in a shift in ODA resources to LICs.</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>		
<p><i>Indicator (iv):</i> improved institutional effectiveness of 4 International Financial Institutions (IFIs)¹ (3 out of the 4 agencies achieving progress against all 3 criteria identified through DFID's multilateral effectiveness assessment and institutional strategies).</p>	<p>On course</p> <p>Progress is being made within all four organisations on the implementation of a range of reform initiatives. The Multilateral Effectiveness Framework has been successfully used with multilateral partners to mutually identify areas of weakness that will be addressed over the PSA reporting period. A number of organisations will work on developing plans and strategies for future implementation during the opening months of the three year reporting cycle; whereas others are focusing on the implementation of plans already formulated to strengthen themselves, such as strategic planning and budgeting, decentralised management, human resources management, project quality, and management by results.</p>		

¹ European Bank for Reconstruction and Development (EBRD), World Bank (WB), Asian Development Bank (AsDB)

Sub-target	Progress	Current Position	Anticipated Progress by 2008
<p>4 improved effectiveness of United Nations agencies and the humanitarian aid system.</p>	<p>The indicators below measure improvements in the effectiveness of the humanitarian system and in the internal effectiveness of various UN and humanitarian agencies. Each indicator is given its own 'traffic light'.</p>		
<p><i>Indicator (i):</i> progress on 2 of 3 indicators in relation to the Good Humanitarian Donorship (GHD) principles:</p> <ul style="list-style-type: none"> • Flexible financing to agencies (% of un-earmarked DFID humanitarian financing greater than previous year). <i>Baseline 25% (2002/03)</i> • More equitable and complete financing appeals (% of un-financed UN consolidated appeals less than previous year) <i>Baseline 25% (2003)</i> • and % gap between 5 most funded and least funded appeals less than previous year). <i>Baseline 52% (2004)</i> • 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>On course</p> <p>Overall, two of the three indicators are on course, so progress towards the target as a whole is on course, though the second indicator is off track.</p> <p>Data for 2003/04 show that the percentage of un-earmarked DFID humanitarian financing is 28%, up 3% from the baseline. The target for 2005/06 is 30%. The target percentage for un-financed UN consolidated appeals in 2005 is 20%, but it is not possible to give a 2005 figure at this stage: the US financial year ends in September, and the end of year spend, which has a significant influence on the final figures, has not yet come through. Data for 2004 though show a rate of 36%.</p> <p>The target for 2005 for the percentage gap between the five most and least funded appeals is 45%, but the latest data for 2004 show a gap of 64%, 12% higher than the baseline.</p> <p>The target for 2005, of 5 countries using the new UN Needs Assessment methodology, has been met.</p>		
<p><i>Indicator (ii):</i> improved institutional effectiveness of 9 UN and humanitarian agencies² (6 out of the 9 agencies to be achieving progress in all 3 indicators).</p>	<p>On course</p> <p>Out of the nine UN and humanitarian organisations, seven are on track. An intensive dialogue has taken place over recent months in order to identify performance indicators for institutional effectiveness in a range of areas, notably: prioritisation around country-led processes; the clarification of mandates; decentralisation; and improved management for results.</p>		

2 International Committee of the Red Cross (ICRC), United Nations Development Programme (UNDP), UNAIDS, United Nations Children's Fund (UNICEF), United Nations Population Fund (UNFPA), World Health Organization (WHO), Food and Agriculture Organisation of the United Nations (FAO), United Nations High Commission for Refugees (UNHCR), United Nations Educational, Scientific and Cultural Organisation (UNESCO).

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 DTI]

Progress

Too early to say

As noted in the HMT 2005 Delivery Report, the main lever for achieving the target is through the WTO negotiations, where the European Commission negotiates on behalf of the EU Member States, although there are in addition other EU non-World Trade Organisation (WTO) Trade processes that can contribute.

At the political level, there has been renewed commitment at both the G8 summit and the IMF/World Bank meetings to the successful conclusion of the Doha Round of trade negotiations. The US, the EU, India and Brazil, as well as other important actors, are involved in intensive negotiations, with the US and EU making proposals and counter-proposals on agriculture. However, this high-level political commitment in the abstract has not been matched by willingness within the WTO negotiations themselves to reach agreements.

At the level of the WTO, some technical progress has been made. For example, the agriculture negotiations reached agreement on the methodology for determining Ad Valorem Equivalents (AVE) for specific tariffs in July. However, there has still not been the breakthrough on agriculture that is needed to unblock negotiations in other areas. The negotiations on non-agricultural goods (NAMA) are gradually reaching consensus on the type of reduction formula to apply to tariffs, but the appropriate level of ambition for the negotiations has yet to be discussed substantively. The Services negotiations are making insufficient progress: some of the offers that have been made are unambitious; others have not yet been submitted. In contrast, the negotiations on trade facilitation are proceeding well.

In the non-WTO areas, there has been mixed progress. For example, the EU has now agreed reform to its Generalised System of Preferences (GSP), which seeks to give preferential market access to developing countries for their exports to the EU. How much this will lead to increased exports however, is yet to be seen. There has been some success in influencing the reform of the Rules of Origin to enable countries to make greater use of preferences granted by the EU; the reforms are progressing slowly though.

EU reforms of its banana and sugar regimes are likely to have a significant impact on many African Caribbean and Pacific (ACP) countries because of the problem of preference erosion, particularly in sugar. This could impact negatively on the political atmosphere at the next WTO Ministerial conference, as well as directly on ACP exports to the EU. We have been working closely with the Member States on identifying the measures needed to mitigate the impacts of reform and accessing adequate assistance from the Commission. We have supported a workshop in the Caribbean intended to begin a productive dialogue between the Commission and the ACP on transitional assistance plans, many of which we have funded.

There is now a substantial body of support for the concept of Aid for Trade – that developed countries should use some of the anticipated gains from WTO Trade Reforms to help developing countries to invest in their capacity to trade and adjust to new conditions, thereby allowing them to capture a greater share of gains for themselves. This includes trade-related assistance, adjustment and trade-related infrastructure. Assistance in these areas is a critical input to unlock trade opportunities, including realising the full potential of infrastructure investment. At the broad level, the UK has supported the establishment of an Infrastructure Consortium for Africa, which aims to lever an additional \$10bn of infrastructure investment by 2010. More specifically, following agreement at the World Bank and IMF 2005 annual meetings, work is underway on the design of an enhanced Integrated Framework for trade-related capacity building for the least developed countries. The UK has developed and championed this concept through researching, publicising and generating support for it, as well as identifying delivery mechanisms and financial commitments from a range of partners. Whether this will translate into developed country willingness to make trade reforms though is debatable.

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

While most of the indicators for this target are **on course**, there is **slippage** in some areas, leading to significant challenges to its achievement. The relevant countries are characterised by complex conflicts and post-conflict reconstruction tasks. There are varied levels of progress towards specific objectives, with positive steps forward in Afghanistan and the Balkans in particular, though peace remains very fragile in many parts of Africa, especially in Darfur. This period has also seen improvement in the UN's ability to deploy and sustain better-trained peacekeeping forces. The establishment of a UN Peacebuilding Commission, for which the UK lobbied hard, is an important step in the effort to improve international post-conflict peacebuilding. The UK has also played a lead role in galvanising support for African Peacekeeping.

Sub-target	Progress	Current Position	Anticipated Progress by 2008
1 Progress towards durable peace in areas of priority.	<p>The UK has actively supported the UN's work preparing for the new AFGHANISTAN Parliament, and the UN-led Afghanistan National Development Strategy. Substantial progress has been made on the demobilisation, disarmament and reintegration (DDR) of 60,000 former militia members, and in reforming and building the capacity of the new Afghan National Army.</p> <p>The Western BALKANS is edging closer to EU and NATO integration. Significant stumbling blocks remain though, and while there is little imminent risk of violence, inter-ethnic tensions continue to surface.</p> <p>The situation in IRAQ remains unstable, with an increased number of insurgent attacks against civilians, Iraqi security forces and infrastructure as well as coalition targets. This has had a major impact on Iraqi efforts to build up an able and effective civil service and has placed security constraints on project implementation teams. International support for Iraq remains strong. The Transitional Government expressed their commitment in July to an inclusive drafting process for the constitution, which has now been agreed, and a constitutionally elected government in place by the end of 2005.</p> <p>The King's efforts to consolidate his grip on power have reduced the prospects for peace in NEPAL. However, the Maoists have announced a ceasefire, which may potentially reduce violence and allow talks to resume.</p>		

Sub-target	Progress	Current Position	Anticipated Progress by 2008
<p>2 Increased capacity and effectiveness of peace-keeping, conflict prevention and peace support work in the UN and Africa.</p>	<p>MIDDLE EAST PEACE PROCESS: Following Israeli disengagement from Gaza and the northern West Bank, the international community continues to press both sides to make progress on the Road Map.</p> <p>The Transitional Government in DRC has until June 2006 to organise free and fair elections, and to merge various armed forces into a national army and demobilise those who want to return to civil life. Some progress is being made towards the former, from local to presidential level, but army integration is moving at a slower pace.</p> <p>Too early to report on specific indicators for NIGERIA. There has been significant fighting between Muslim and Christian ethnic groups in Plateau and Kano states since the late nineties, as well as smaller scale fighting in the Niger Delta Region.</p> <p>Too early to report on specific indicators for SIERRA LEONE. Recent events in Côte d'Ivoire are unlikely to pose an immediate threat to Sierra Leone but do not bode well for regional stability.</p> <p>The prospects for peace in SUDAN remain fragile given the ongoing crisis in Darfur, instability in the East and the significant challenge of implementing the North-South peace agreement. We have played a lead role in establishing the International Military Advisory Team, laying the foundations for a longer term security sector reform programme.</p>		
<p>The UK continues to encourage and assist the UN Department of Peacekeeping Operations in implementing the Brahimi report. There are now 106 countries contributing a total of 67,000 peacekeepers to UN missions, compared with 94 countries contributing 49,000 in February 2004. G8 countries are on track to achieve their Sea Island target of training 75,000 (mainly in Africa) by 2010.</p> <p>In AFRICA, following up Gleneagles, the ACPP and the UK in general has been instrumental in developing the African Standby Force, with the aim of establishing five regional Africa Standby Brigades by June 2006.</p>			

Target 6: Ensure that the proportion of DFID's bilateral programme going to Low Income Countries (LICs) 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
1 ensure that the proportion of DFID's bilateral programme going to low-income countries is at least 90%.	<p>On course</p> <p>Budget plans are in line with the target. Financial reporting procedures are in place to review progress and manage any forecast spending pressures within target limits.</p>		
2 increase in the index of DFID's bilateral projects evaluated as successful.	<p>This index assesses the performance of projects and programmes of £1m or more that have been in operation for at least 2 years, including those that have now been completed. Those that are still operational 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. In total, 830 DFID projects and programmes were included in the measure in the last quarter, with a commitment value of £5769m. Of these, 553, or 67% by number and 66% by value, are scored as successful.</p> <p>The PSA assessment is based on commitment value, rather than the number of projects. So the success or failure of high-value projects can have a substantial impact on the outturn. 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).</p> <p>DFID has developed a portfolio quality strategy intended to improve the quality of projects and programmes across the portfolio. As part of this, the method of calculating performance has been reviewed, in order to reduce the volatility of the portfolio scores. Completed projects and programmes will be included as well as operational ones, and projects or programmes will remain eligible to be scored for two years rather than one year. This has increased the total number included from 365 in the latest quarter under the 2003-06 methodology, to 830 under the 2005-08 methodology. Any difference in outturn between the two methodologies is not significant, as each PSA target seeks improvements against its own baseline.</p>		

Sub-target

Progress

Current Position

Anticipated Progress by 2008

Indicator (i): increase in the index of DFID's **high-risk** bilateral projects evaluated as successful.

Baseline 53% (quarter 4 2004/05)

Off track

101 projects and programmes, with a commitment value of £849m, are currently in the high-risk portfolio and have been scored. This represents 12% of the total number of projects scored, and 15% of total commitment value. The number of projects in the high-risk portfolio is smaller than for other risk categories, which means that the data will be subject to greater fluctuations, despite the change in methodology.

The outturn for the second quarter 2005/06 is **40%** (for projects scored over the preceding 24 months), a fall compared with the baseline. The percentage of projects scored as successful is also lower than the baseline. Despite the change in methodology the small size of the high-risk portfolio means that it is extremely sensitive to changes in both the number of projects and commitment value. There has been a net reduction of 15 projects that scored 1 or 2, with a commitment value of £213 million, since the baseline was established, which accounts for the reduced performance.



Quarter	VfM outturn by commitment value	VfM outturn by percentage of high-risk projects
Q2 2005/06 (latest outturn)	40%	37%
Q1 2005/06	52%	37%
(Q4 2004/05) (baseline)	53%	58%

Sub-target	Progress	Current Position	Anticipated Progress by 2008
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Indicator (ii): increase in the index of DFID's **medium-risk** bilateral projects evaluated as successful.

Baseline 57% (quarter 4 2004/05)

On course

462 projects and programmes, with a commitment value of £3605m, are currently in the medium-risk portfolio and have been scored. This represents 56% of the total number of projects scored, and 63% of total commitment value. This category therefore includes the greatest amount of DFID spend.

The outturn for the second quarter 2005/06 is **67%** (for projects scored over the preceding 24 months), an improvement over the baseline. The percentage of medium-risk projects by number that have been evaluated as successful has changed little over the PSA period to date.



Quarter	VfM outturn by commitment value	VfM outturn by percentage of medium-risk projects
Q2 2005/06 (latest outturn)	67%	63%
Q1 2005/06	63%	67%
(Q4 2004/05) (baseline)	57%	63%

Indicator (iii): increase in the index of DFID's **low-risk** bilateral projects evaluated as successful.

Baseline 86% (quarter 4 2004/05)

Off track

267 projects and programmes, with a commitment value of £1271m, are currently in the low-risk portfolio and have been scored. This represents 32% of the total number of projects scored, and 22% of total commitment value.

The outturn for the second quarter 2005/06 is **79%** (for projects scored over the preceding 24 months), a reduction on the baseline. The percentage of low-risk projects by number that have been evaluated as successful has increased from 74% to 84% since the start of this PSA period.



Quarter	VfM outturn by commitment value	VfM outturn by percentage of low-risk projects
Q2 2005/06 (latest outturn)	79%	84%
Q1 2005/06	79%	82%
(Q4 2004/05) (baseline)	86%	74%

3. Progress towards the targets in DFID's 2003-06 Public Service Agreement

Target 1: Progress towards the Millennium Development Goals in 16 key countries in Africa

Please see map in chapter 2 for PSA countries.

Progress

The absolute number of people living in poverty across Africa has fallen and the pace of growth quickened. Primary school enrolment and under-five mortality rates have improved, and there have been reductions in the proportion of 15-24 year-old pregnant women with HIV and the number of conflict-related deaths. Off track sub-targets include the ratio of girls to boys in primary school, under-five mortality rates, and the number of births attended by skilled birth attendants. Greater levels of commitment by African governments will be required to meet these targets, and DFID will continue to encourage partner governments to prioritise these issues and intensify action. The Gleneagles summit in July led to a series of commitments from G8 leaders to a comprehensive plan of action for Africa. This was followed by an African Partners Forum in London at which it was agreed to formulate a Joint Action Plan to monitor the commitments of G8 and African governments. Whilst much remains to be done, such commitments offer the continent an opportunity for real progress.

Sub-target	Progress	Current Position	Anticipated Progress by 2006
<p>1 a sustainable reduction in the proportion of people living in poverty from 48% across the entire region.</p> <p><i>Revised baseline 46.7%</i></p>	<p>Too early to say</p> <p>Data from 2001 show that poverty in sub-Saharan Africa is at 46.4%, unchanged from 2000. Though it is too early to say at the moment if recorded progress is sustainable in the longer-term, the pace of Sub-Saharan economic growth has quickened since the 1999-2001 period, and is expected to continue to deliver positive GDP per capita growth in 2005-2006, which should lead to further modest reductions in the poverty headcount ratio.</p>		
<p>2 an increase in primary school enrolment from 58% to 72%.</p> <p><i>Revised baseline 66.5%</i></p>	<p>On course</p> <p>Primary school enrolment has improved to 77%, meaning that technically the target has been met and is likely to be surpassed. Data cover 11 PSA countries. Valid data are unavailable for DRC, Malawi, Nigeria, Sierra Leone and Sudan, which could affect overall regional progress were data to become available before the final outturn for 2006 is assessed. Progress is being sustained in high performing countries (Tanzania and Uganda), with rapid improvements in enrolment levels also evident in Ethiopia, Kenya and Lesotho.</p>		

Sub-target	Progress	Current Position	Anticipated Progress by 2006
<p>3 an increase in the ratio of girls to boys enrolled in primary school from 89% to 96%.</p> <p><i>Revised baseline 89%</i></p>	<p>Off track</p> <p>Data are available for 15 PSA countries; DRC is excluded because accurate baseline data is not available for conflict-affected areas. The ratio remains at 91% and, based on the current trend, is likely to remain the same until the end of this PSA period. Lesotho, Rwanda, Uganda and Zimbabwe have all reached gender parity rates of at least 98%. Progress since 1998 has been greatest in Ethiopia, Uganda and Mozambique, but the ratios in Kenya, South Africa and Tanzania declined between 1998 and 2002.</p>		
<p>4 a reduction in under-five mortality rates for girls and boys from 158 per 1000 live births to 139 per 1000.</p> <p><i>Revised baseline 160 per 1000</i></p>	<p>Off track</p> <p>Data are available for all 16 PSA countries and show a rate of 153, an improvement over last year's figure of 161. Based on the current trend, it is predicted that the rate will have decreased to 148.5 by 2006. Malawi, Mozambique, Nigeria and Tanzania have seen the fastest rate of progress. Despite these positive signs DRC, Nigeria, Rwanda and Sierra Leone still have mortality rates of around 200 per 1000.</p>		
<p>5 an increase in the proportion of births assisted by skilled birth attendants from 49% to 67%.</p> <p><i>Revised baseline 47%</i></p>	<p>Off track</p> <p>Data cover 15 PSA countries. The outturn remains at 47%, and is likely to remain at this level until 2006. In Ethiopia only 6% of births are assisted – the lowest rate in the world. Large variations are also apparent within country, with the poorest 20% of women suffering the most.</p>		
<p>6 a reduction in the proportion of 15-24 year old pregnant women with HIV from 16%.</p>	<p>This sub-target is on course as a whole, but there is large variance between countries and high rates of infections continue.</p> <p>Data cover 11 PSA countries and the figures are based on evidence from the capital city in each country. The data provided by UNAIDS have not been updated since the previous Autumn Performance Report. The average HIV prevalence amongst pregnant women aged 15-24 years is 14%, but these prevalence rates range from 4% in Ghana to more than 28% in Lesotho. Malawi, Mozambique, South Africa and Zambia also have high rates of infected young pregnant women (15% or more).</p> <p>Although overall HIV prevalence seems to be stabilising in Africa, the large intra-regional variations and the continuing high rates of infection mean that it is too early to be confident that the target will be achieved by 2006, and that any progress will be sustained.</p>		

Sub-target	Progress	Current Position	Anticipated Progress by 2006
<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>The majority of indicators of this target are on course, but there is slippage in some areas. The effectiveness of HM Government's conflict prevention work undertaken by the Global and Africa Conflict Prevention Pools (GCPP and ACPP respectively) is measured through this shared target. Both statistical and narrative reporting has been used. The reporting covers Angola, Burundi, Democratic Republic of Congo (DRC), Nigeria, Sierra Leone, Sudan and Uganda, for the ACPP, and Afghanistan, Georgia, Israel/Occupied territories, Macedonia, Nepal and Sri Lanka, for the GCPP.</p> <p>Global Conflict Prevention Pool</p> <p>In the run up to the parliamentary elections in AFGHANISTAN there was an upsurge of violence. Nevertheless, progress is steadily being made through GCPP-funded projects such as support to police reconstruction, military reform and the Office of the National Security Council, which are designed to build capacity in key security structures, and help to establish long-term and sustainable security.</p> <p>While there are low numbers of refugees and negligible conflict deaths in MACEDONIA, and there has been substantial progress on the political settlement, the potential for inter-ethnic violence still exists.</p> <p>The conflict in NEPAL has continued during this period, though the recent Maoist ceasefire could be an opportunity to reduce the violence.</p> <p>There is scope in the GEORGIAN/Abkhaz conflict for limited progress as the two sides re-engage under the Geneva process.</p> <p>The conflict environment in SRI LANKA remains difficult. Low-level factional violence and the assassination of the Foreign Minister have put the ceasefire under increasing strain.</p> <p>ISRAEL's disengagement from Gaza/northern West Bank was carried out fairly smoothly. A spike in violence at the end of September interrupted an otherwise relatively calm period.</p> <p>Africa Conflict Prevention Pool</p> <p>Trends in Africa show an overall reduction in violent conflict, but with ongoing instability (e.g. as in Côte d'Ivoire and Darfur); numbers of deaths have climbed again and Internally Displaced People show a similar increase, largely due to events in Darfur. Following the UK chairing of the G8 Summit, there has been increased impetus behind the Pan-African programme of support to the African Union (AU). The UK has been encouraging greater dialogue between the AU and G8 partners on peace and security.</p> <p>Work is ongoing at regional and country levels to support demilitarisation and peacebuilding and to build the capacity of African countries to undertake Peace Support Operations. The situation on the ground – especially in Sudan, the Great Lakes and parts of West Africa – remains highly volatile.</p>		

Sub-target	Progress	Current Position	Anticipated Progress by 2006
<p>8 effective implementation of the G8 Action Plan for Africa in support of enhanced partnership at the regional and country level.</p>	<p>On course</p> <p>At the Gleneagles Summit in July 2005, the leaders of the G8 announced a series of commitments to a comprehensive plan of action for Africa. These commitments included an additional \$25 billion in aid to Africa; debt write-off for 14 of the poorest African countries; write-off of \$17 billion of Nigeria's debt; a commitment to end all export subsidies; as close to universal access to HIV and AIDS treatments as possible by 2010; funding for treatment and bednets to fight malaria; full funding to eradicate polio; access to good quality, free and compulsory education and basic health care for all children by 2015; and an extra 25,000 trained peacekeeping troops to help the African Union.</p> <p>In October 2005 the UK and Nigeria co-chaired the Africa Partnership Forum in London. This agreed the framework for a new Joint Action Plan bringing together African, G8 and other donor commitments. This will be finalised by April 2006 and will be a key mechanism to ensure the delivery of commitments.</p>		

Target 2: Progress towards the Millennium Development Goals in 4 key countries in Asia

PSA countries: Bangladesh, the People's Republic of China, India and Pakistan.

Progress

Three of the nine sub-targets have already been met: the proportion of people living in poverty in South Asia, under-5 mortality rates and the TB cure treatment rate. Progress towards three of the remaining six is good, reflecting the substantial improvements that have been made in economic and living conditions in the region. It is too early to say whether the prevalence of HIV infection in vulnerable groups will be below 5% by 2006, due to incomplete data. Most countries will need to implement effective prevention programmes in order to stop the disease from becoming widespread. The most challenging sub-targets are the proportion of births assisted by skilled birth attendants and the TB case detection rate. Current data show that recent progress on assisted births has been noteworthy only in China. Although the WHO target of a 70% tuberculosis case detection rate is too ambitious to be met on average by 2006, recent progress has been made towards this in several countries and progress is expected to continue with increasing rollout of the Directly Observed Therapy Short-course (DOTS)

Sub-target	Progress	Current Position	Anticipated Progress by 2006
1 a sustainable reduction in the proportion of people living in poverty from 15% to 10% in East Asia and the Pacific (includes China and South East Asia).	On course Data for 2001 show a poverty rate of 15%. The region has made excellent progress since 1990, and is expected to continue to reduce poverty, albeit at a slower rate. The World Bank forecasts that poverty in this sub-region will fall to 1% by 2015. If this progress is achieved at a linear rate, then the target of 10% should just be reached by the end of the PSA period in 2006.		
2 a sustainable reduction in the proportion of people living in poverty from 40% to 32% in South Asia . <i>Revised baseline 34%</i>	Met Data for 2001 show a poverty rate of 31%. While this represents continuing steady progress, much of this reduction can be attributed to changes in survey methods and revisions to statistical estimates in a number of countries.		
3 an increase in gross primary school enrolment from 95% to 100%. <i>Revised baseline 98%</i>	On course The gross enrolment rate, currently estimated at 99% using the latest country data (which range from 2001 to 2004) is a little higher than the revised baseline of 98%. Gross enrolment figures are used for this target because, at the time it was set, net figures were not available for all PSA countries. However, gross enrolment figures are volatile and subject to misleading distortions since they include over-age children and grade repeaters, making underlying trends hard to define. Net enrolment data are now available and being used for the PSA 2005-08. The long term trend line (based on progress since 1990) suggests that 100% gross enrolment will be reached on average across the four PSA countries by 2006. So long as we see continued progress in Pakistan, the target thus appears achievable.		

Sub-target	Progress	Current Position	Anticipated Progress by 2006
<p>4 an increase in the ratio of girls to boys enrolled in primary school from 87% to 94%.</p> <p><i>Revised baseline 88%</i></p>	<p>Too early to say</p> <p>Data from 2001 to 2004 give a girl/boy ratio of 91%, which shows some improvement from the revised 1998 baseline of 88%. Gender equity has been achieved in Bangladesh and China (although national figures mask significant sub-national variations). The early indications of improvements in India – where the Sarva Shiksha Abhiyan programme includes specific emphasis on girls' education – will need to be confirmed, and those in Pakistan will need to be increased.</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 63</i></p>	<p>Met</p> <p>The estimated under-five mortality rate decreased to 53 deaths per 1000 in 2003, which is under the target of 68. However the revised baseline for this target of 63, compared to 92 when the target was set, makes it easier to meet. All countries show a positive trend, although progress has been less rapid in Pakistan and India.</p>		
<p>6 an increase in the proportion of births assisted by skilled birth attendants from 39% to 57%.</p> <p><i>Revised baseline 34%</i></p>	<p>Off track</p> <p>The outturn for the 4 countries has shown improvement since the time of the last report and now stands at 45% using data from 2000 to 2003. However, while the target will not be met, given that the baseline has been substantially reduced, the increase is close to the percentage point increase sought for the target.</p> <p>China has a high rate of births assisted by a skilled practitioner and has also seen the most dramatic rise in births assisted in recent years. Based on the available data, other countries have seen little or no recent change on this measure.</p>		
<p>7 prevalence rates of HIV infection in vulnerable groups being below 5%.</p>	<p>Too early to say</p> <p>Data remain incomplete for this target, and figures vary enormously between sites where it is measured. In the latest data from WHO and UNAIDS (which range from 2000 to 2002), the typical level of prevalence in vulnerable groups is below 5%, but there are many measurement sites where the prevalence has been found to be up to 80%. Bangladesh and Pakistan have relatively lower rates, but there is evidence of high-risk behaviour in those countries.</p>		
<p>8 a tuberculosis case detection rate above 70%.</p>	<p>Off track</p> <p>The average tuberculosis detection rate according to 2003 data is 26%. India has seen the most rapid progress since 1998. While later data indicate improvement in Bangladesh, China and Pakistan significant further progress is needed in these countries. Improvement should continue with the increasing rollout of Directly Observed Therapy Short-course (DOTS) systems, but the World Health Organisation (WHO) target of 70% is not on target to be met on average by 2006.</p>		
<p>9 a tuberculosis cure treatment rate greater than 85%.</p>	<p>Met</p> <p>TB cure rates increased to 85% in 2002 and the target has been met. The challenge will be to maintain this rate as more cases are detected.</p>		

Target 3: Improved effectiveness of the multilateral system

Progress

There has been good progress towards most of the sub-targets: the Heavily Indebted Poor Countries (HIPC) initiative is progressing well; concrete progress has been made on EC reforms; and clear steps have been taken forward in both support to Poverty Reduction Strategy (PRS) processes and in terms of organisational effectiveness of the majority of the multilaterals and humanitarian agencies assessed through the MEFF (the Multilateral Effectiveness Framework). The main area of weakness is against our indicator on the proportion of EC funding going to Low Income Countries. Future progress will depend greatly on the outcome of the ongoing negotiations on the next European seven-year budget. Neither DFID nor the UK Government is in a position to achieve this alone, and it is the focus of much of our lobbying effort.

Sub-target	Progress	Current Position	Anticipated Progress by 2006
<p>1 a greater impact of EC external programmes on poverty reduction, including through working for agreement to increase the proportion of EC ODA to Low Income Countries (LICs) from 38% to 70%.</p> <p><i>The EC revised its ODA reporting in 2002, so direct comparisons with figures for 2000 and 2001 cannot be made.</i></p>	<p>Slippage</p> <p>The European Commission (EC) spend in LICs in 2004 was 55% of allocated ODA, according to data published by the Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development (OECD). This represents an increase from 51% in 2002, but a slight decrease on the 2003 figure of 56%.</p>		
<p>2 ensuring that three-quarters of all eligible HIPC countries committed to poverty reduction receive irrevocable debt relief by 2006 [<i>joint target with HMT</i>].</p>	<p>On course</p> <p>Achievement of the target depends on progress of countries through the Heavily Indebted Poor Countries (HIPC) Initiative. In the technical note, 'eligible' countries are defined as those that had reached Decision Point (when they have demonstrated their commitment to poverty reduction and qualify for relief on debt payments) at the time that the target was set. 26 countries had reached this, so the target is for 20 or more to reach Completion Point (when countries receive irrevocable debt relief) by the end of 2006. Despite slower than expected progress in some Decision Point countries, 18 have already reached Completion Point, and as many as 25 may have done so by the end of 2006.</p>		
<p>3 work with international partners to make progress towards the United Nations 2015 Millennium Development Goals by 2006 [<i>joint target with HMT</i>].</p>	<p>We are measuring improvements in the international system through a number of indicators. These include the way in which international agencies are supporting countries to implement their Poverty Reduction Strategies (PRSs); through improvements in the internal effectiveness of agencies, with a focus on the EC; and through European donors' ODA/GNI ratios. These indicators (set out below) are given a 'traffic light' assessment individually, rather than an overall assessment.</p>		

Sub-target	Progress	Current Position	Anticipated Progress by 2006
<i>Indicator (ia):</i> Countries accessing International Development Association (IDA) resources and their key donors are committed to and supporting effective and sustainable poverty reduction strategies.	Too early to say , but expecting significant progress The PRS approach has been widely adopted in countries accessing International Development Association (IDA) resources, though the World Bank's PRS Review notes that practice has not always kept up with intention. The latest figures show that 49 countries have Poverty Reduction Strategy Papers (PRSPs), 11 have interim PRSPs and 10 have begun a process which will lead to one. Of the 49 countries that have PRSPs, 29 (or 59%) have prepared at least one annual progress report. These are no longer 'presented' to the World Bank but rather issued for information. Nonetheless, these reports are mentioned in the World Bank's PRS Review, so are likely to be considered satisfactory if they are counted as progress reports. The 2005 'Paris Declaration on Aid Effectiveness' for the first time commits donors and recipients alike to improve the way aid is delivered and managed. This will mostly be in support of a country-owned development strategy such as a PRS.		
<i>Indicator (ib):</i> DFID will provide bilateral support to this end in at least 30 countries.	On course The UK continues to provide support for PRS delivery in at least 30 countries including through direct financial support and technical assistance to support PRS development, monitoring, donor coordination and capacity building.		
<i>Indicator (ii):</i> Improved effectiveness of EC development assistance.	On course Five years into its reform programme, EC aid is showing signs of improved effectiveness in terms of speedier delivery and improved portfolio performance overall. Increasingly, EC programmes are based on the priorities of recipient countries and efforts are being made to promote better donor coordination and harmonisation at European level. Results are, however, patchy, both within and across regions. There are clear signs that the EC is improving its organisational effectiveness. But limited information about the long-term quality and impact of the EC's reform efforts and aid programmes suggest a need for continued assessment of the impact of reforms, including whether a second wave of reforms is required. The introduction of activity-based budgeting continues to be an important step towards focusing EC expenditure on impacts and outcomes, rather than expenditures.		
<i>Indicator (iii):</i> Work towards the achievement of the agreed target for EU average aid to reach 0.39% ODA/GNI by 2006 and promoting greater aid effectiveness among donors.	On course The DAC has reported an average figure for EU Member States of 0.36% for ODA/GNI for 2004, up from 0.35% in 2003 and broadly on track towards the target of 0.39% by 2006. In May 2005, the European Council agreed a new intermediate collective target for ODA – 0.56% of GNI by 2010 – in order to reach 0.7% by 2015. The ten new Member States will endeavour to increase their ODA to reach 0.17% by 2010 while the remaining Member States commit themselves to reaching the threshold of 0.51% of GNI. Those countries whose ODA/GNI ratios are already over these percentages will sustain these levels.		
<i>Indicator (iv):</i> Improve the institutional effectiveness of 12 multilateral agencies. ³	On course 11 out of 12 multilateral agencies have made improved or continued progress towards the priority objectives being monitored. This includes strengthened corporate governance, increased clarification of an agency's role and priorities, and greater strategic alignment towards the achievement of the MDGs. In addition, continued progress has been made on a greater focus on poverty reduction, the development of results-based management approaches, improved human resource management and improved programme planning and delivery.		

³ European Bank for Reconstruction and Development (EBRD), World Bank (WB), Asian Development Bank (AsDB), African Development Bank (AfDB), International Committee of the Red Cross (ICRC), United Nations Development Programme (UNDP), United Nations Children's Fund (UNICEF), United Nations Population Fund (UNFPA), World Health Organization (WHO), Food and Agriculture Organisation of the United Nations (FAO), United Nations High Commission for Refugees (UNHCR), United Nations Educational, Scientific and Cultural Organisation (UNESCO)



Target 4: Secure agreement by 2005 to a significant reduction in trade barriers, leading to improved trading opportunities for developing countries [joint target with DTI & FCO]

Progress

Slippage

After the failure of the Cancun WTO Ministerial in September 2003, there was no likelihood of the Doha Development Agenda (DDA) being completed by 1 January 2005, so the original target (always challenging) was unachievable. The conclusion of a framework agreement in Geneva on 1 August 2004, however, increased the prospect of the DDA being successfully completed, albeit later than originally planned.

Target 5: Increase the proportion of DFID's bilateral programme going to Low Income Countries (LICs) from 78% to 90%, and a sustained increase in the index of DFID's bilateral projects evaluated as successful

Sub-target	Progress	Current Position	Anticipated Progress by 2006
<p>1 increase the proportion of DFID's bilateral programme going to LICs from 78% to 90%.</p>	<p>On course 83% of DFID's country-specific bilateral aid (excluding humanitarian assistance) was spent in LICs in 2004/05, an increase from 74% in 2003/04. Only three Middle Income Countries (MICs) featured in the top twenty recipients of DFID's bilateral aid (excluding humanitarian assistance) in 2004/05: China (which has only been classified as a MIC since 2004), Iraq and South Africa. In each of these three countries we plan to reduce programme budgets over the remainder of the 2003-06 PSA period. Budget plans for 2005/06 are in line with this target.</p>		
<p>2 increase in proportion of DFID's bilateral projects evaluated as successful.</p>	<p>This index assesses the performance of projects and programmes of £1m or more that have been in operation for at least 2 years, to assess the likelihood of achieving their intended objectives. 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. In total, 365 DFID projects and programmes are currently scored, with a commitment value of £3307m. Of these, 223, or 64% by number and 62% by value, are scored as successful.</p> <p>The PSA assessment is based on commitment value, rather than the number of projects. So the success or failure of high-value projects can have a substantial impact on the outturn. 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).</p> <p>DFID has a portfolio quality strategy intended to improve the quality of projects and programmes across the portfolio. This has addressed the issue of the volatility of the score used in this target, and for the 2005-08 PSA the method for calculating this target has changed.</p>		

Sub-target

Progress

Current Position

Anticipated Progress by 2006

Indicator (i): increase in proportion of DFID's **high-risk** bilateral projects evaluated as successful.

Baseline 24% (quarter 4 2002/03)

On course

51 projects and programmes, with a commitment value of £365m, are currently in the high-risk portfolio and have been scored. This represents 14% of the total number of projects scored, and 11% of total commitment value.

The outturn for the second quarter 2005/06 is **26%** (for projects scored over the preceding 12 months), similar to the baseline and a substantial fall from the previous quarter. The prime reason for this reduction is the removal from the portfolio of a successful project with a commitment value in excess of £70 million. So, despite a steady rise in the percentage of successful projects, from 25% to 40%, and consistently high outturn by commitment value, the amber forecast reflects caution over the final outturn.



Quarter	VfM outturn by commitment value	VfM outturn by percentage of high-risk projects
Q2 2005/06 (latest outturn)	26%	40%
Q1 2005/06	46%	43%
Q4 2004/05	51%	39%
Q3 2004/05	46%	32%
Q2 2004/05	50%	38%
Q1 2004/05	39%	30%
Q4 2003/04	34%	30%
Q3 2003/04	35%	30%
Q2 2003/04	37%	31%
Q1 2003/04	20%	41%
Q4 2002/03 (baseline)	24%	25%

Sub-target

Progress

Current Position

Anticipated Progress by 2006

Indicator (ii): increase in proportion of DFID's **medium-risk** bilateral projects evaluated as successful.

Baseline 61% (quarter 4 2002/03)

On course

219 projects and programmes, with a commitment value of £2197m, are currently in the medium-risk portfolio and have been scored. This represents 60% of the total number of projects scored, and 66% of total commitment value. This category is therefore most critical in terms of representing the greatest amount of DFID spend.

The outturn for the second quarter 2005/06 is **63%** (for projects scored over the preceding 12 months), slightly up from the baseline. While the underlying trend is positive, the amber forecast for future progress reflects caution over the final outturn. The percentage of medium-risk projects by number that have been evaluated as successful has also gradually increased over the PSA period to date, and is currently 60% of the total.



Quarter	VfM outturn by commitment value	VfM outturn by percentage of medium-risk projects
Q2 2005/06 (latest outturn)	63%	60%
Q1 2005/06	58%	59%
Q4 2004/05	51%	54%
Q3 2004/05	51%	55%
Q2 2004/05	50%	56%
Q1 2004/05	54%	57%
Q4 2003/04	54%	57%
Q3 2003/04	57%	56%
Q2 2003/04	56%	52%
Q1 2003/04	61%	59%
Q4 2002/03 (baseline)	61%	54%

Sub-target

Progress

Current Position

Anticipated Progress by 2006

Indicator (iii): increase in proportion of DFID's **low-risk** bilateral projects evaluated as successful.

Baseline 75% (quarter 4 2002/03)

On course

95 projects and programmes, with a commitment value of £745m, are currently in the low-risk portfolio and have been scored. This represents 26% of the total number of projects scored, and 22% of total commitment value.

The outturn for the second quarter 2005/06 is **76%** (for projects scored over the preceding 12 months). The difference of the outturn to the baseline has led to an amber forecast, although there have been higher outturns within the PSA period. The percentage of low-risk projects by number that have been evaluated as successful has increased to 83% since the start of this PSA period.



Quarter	VfM outturn by commitment value	VfM outturn by percentage of low-risk projects
Q2 2005/06 (latest outturn)	76%	83%
Q1 2005/06	80%	83%
Q4 2004/05	88%	86%
Q3 2004/05	90%	86%
Q2 2004/05	83%	80%
Q1 2004/05	80%	82%
Q4 2003/04	78%	80%
Q3 2003/04	75%	80%
Q2 2003/04	80%	78%
Q1 2003/04	79%	79%
Q4 2002/03 (baseline)	75%	76%

4. Tackling under-performance

This section provides further information on targets or sub-targets where progress is off track, or has slipped since the return given in DFID's Departmental Report 2005. The actions that are being taken to address these are detailed here.

More generally, the UK is committed to making progress towards the United Nations 0.7% target for Official Development Assistance (ODA) as a proportion of gross national income (GNI). The UK reached an ODA/GNI ratio of 0.36% in 2004, and total UK official development assistance will reach £6.5 billion a year by 2007. This is equal to 0.47% of GNI and represents a real terms increase in UK ODA of 140% since 1997. Additionally, the UK has proposed an International Finance Facility (IFF) – a temporary financing mechanism that would provide a further \$50 billion a year in development assistance. The IFF would be a means of providing much-needed aid to developing countries before 2015; it could also lead to a step-change in aid effectiveness.

Target 1: Africa

Gender equity and the empowerment of women

2003-06 and 2005-2008

The ratio of girls to boys enrolled in primary school remains at 91% and, based on current trends, it is likely that this will only increase marginally by 2008. Although there has been progress since 2000, especially in Ethiopia, Uganda and Mozambique, little change has occurred in most other countries, with the ratios in Kenya, Tanzania and South Africa declining between 1998 and 2002. Underlying issues of women's inequality will not be easy or quick to address. Barriers to girls' education include tuition fees, poor sanitation facilities, cultural practices and fear of physical and sexual violence.

What is DFID doing?

We continue to give gender equity high profile in our Country Assistance Plans, programmes and dialogue with partners. In particular, we have been raising the profile of girls' education in Poverty Reduction Budget Support (PRBS), Poverty Reduction Strategies (PRs) and sector dialogue. We are promoting the elimination of primary school tuition fees for all, recognising the need for increasing aid flows to enable this. UNICEF is a key partner and we are working to strengthen their capacity to implement the UN Girls' Education Initiative (UNGEI). In Nigeria, we are providing £26m to support a UNICEF programme to address barriers to girls' enrolment in six northern Nigerian states. In Zambia, our support to the education sector has a specific focus on developing the linkage between gender equity and HIV and AIDS.

Under-five mortality

2003-06 only

Though the under-five mortality rate has declined over the period 2003-2005 and, based on trends since 1990, it is predicted that it will have reached 147 per 1000 live births in 2008 (meaning that we are now likely to meet the 2005-2008 target), progress has not been rapid enough to hit the 2003-06 target of 139. Sierra Leone, the Democratic Republic of Congo (DRC), Rwanda and Nigeria still have mortality rates of around 200 per 1000 live births.

What is DFID doing?

In addition to addressing related maternal mortality issues and promoting provision of clean water and sanitation, DFID is supporting large-scale immunisation and insecticide-treated bed nets programmes as part of an integrated basic services approach, including oral rehydration therapy and antibiotics. In Zambia, we are major donors of the National Strategic Health Plan, which includes a focus on improving child health

through expanded vaccination services, curative care and reducing barriers to service access. In Tanzania, DFID has provided £9m of support to the social marketing of bednets, as part of the national Insecticide Treated Net programme, which aims to ensure that most of the 31 million people at risk will be protected by 2007.

Safe hygiene practice and improving access to clean water and sanitation are vital for reducing child mortality; DFID produced the Water Action Plan in March 2004, and we will double our spend on water and sanitation activities to £95m by 2007/08. DFID also continues to provide strong support to the Global Alliance for Vaccines and Immunisation (GAVI) and the Global Fund to fight AIDS, TB, and Malaria (GFATM). Notably, the UK has played a central role in launching the International Finance Facility for Immunisation (IFFIm) – an initiative developed by GAVI and the Vaccine Fund – which will disburse \$4 billion over the next ten years and is estimated to save 10 million lives, including 5 million children before 2015.

Maternal mortality

2003-06 and 2005-2008

There has been no improvement on the assessment made in early 2005. The MDG for maternal mortality and the indicator to increase the proportion of births assisted by skilled birth attendants continue to be seriously off track in Africa. The latest estimates for both are from 2000, and the lack of reliable data continues to be a problem.

There is significant variation in maternal mortality between countries and within countries, with the poorer disproportionately affected. Maternal health is often not treated as a priority by governments and there is a history of chronic underfunding and weak health systems. This results in patchy access to both antenatal and obstetric care, and sexual health services, which is exacerbated by a chronic lack of human resources for health in Africa, with midwives and other staff in short

supply and often not deployed in areas of greatest need. This is compounded by broader gender and rights issues and the vulnerability of the population to disease and malnutrition.

What is DFID doing?

Progress requires a holistic rather than a health-only approach, incorporating wider development and humanitarian agendas, such as education, governance and food security. The DFID Strategy *Reducing maternal deaths: Evidence and action* (2004) identified four priorities for action: advocating and raising the profile of maternal mortality reduction, scaling up evidence-based interventions, addressing the wider social and economic barriers to access, and developing and applying new knowledge.

DFID is actively implementing this strategy at national, sector and project levels, supporting countries to use a range of approaches to raise the profile of maternal health and ensure services are developed for and targeted at those in need. For example, DFID Ethiopia has been advocating for funds to be diverted to the district level, which is responsible for providing basic services. In Zambia, maternal mortality has now been included in their Poverty Reduction Strategy performance assessment framework. In Mozambique, maternal and child health are key priorities for Sector Wide Approach (SWAp) partners. And in more fragile settings, DFID is supporting the provision of emergency obstetric care through NGOs such as Médecins Sans Frontières (MSF) and Merlin, who are providing a basic package of services for women and children in Sudan. In Malawi, the Emergency Human Resource Programme aims to double the number of nurses and triple the number of doctors in Malawi's public health service.

HIV and AIDS

2003-2006 and 2005-2008

Internationally recognised figures for this sub-target have not been updated since 2003, but adult HIV prevalence is thought to have remained stable in recent

years. Despite this, there were 3.1 million new infections in 2004. The AIDS epidemics across Africa are highly varied. East Africa has experienced some modest declines in HIV prevalence among pregnant women in urban areas. In West and Central Africa, there is little evidence of changes in prevalence levels, which have stayed steady at 5% or lower. National prevalence statistics can hide much higher levels of infection in particular provinces, states or districts. While HIV prevalence measured at antenatal clinics has edged lower in parts of some countries and in specific age groups (for example in Malawi), there is no sign yet of an overall, national decline in Southern Africa.

Key factors driving the epidemics continue to include: limited financial resources; lack of political commitment; weak government and civil society infrastructure and human resource capacity to ensure effective HIV prevention, treatment and care services; poor coordination amongst international and national agencies involved in the AIDS response; high levels of stigma and discrimination; gender inequity; poverty; and lack of education.

What is DFID doing?

Within the framework of the UK AIDS strategy, DFID has focused on supporting country-led responses and better coordination amongst government, civil society, private sector and international agencies, in order to provide effective and accessible prevention, treatment and care services to those in need. DFID has committed to increase its spending on HIV and AIDS to £1.5 billion over the next three years. Support to PSA focus countries in Africa is via Poverty Reduction Budget Support (PRBS), Global Fund to fight AIDS, TB, and Malaria (GFATM) grants, sector support, and specific HIV and AIDS programmes, including support to civil society organisations.

At country level, we have been working to improve the international response through supporting better coordination and harmonisation of efforts based on the

“Three Ones” approach.⁴ We have also focused on strengthening local political leadership, and scaling up comprehensive and integrated national programmes to prevent, treat, care and mitigate HIV and AIDS. In Uganda, DFID has been engaged in policy dialogue and has provided £550,000 in financial support to the Uganda AIDS Commission since 2003. In Ghana, we are providing support to the AIDS Commission to develop and cost a new National Strategic Framework and Programme of Action. In fragile states such as Sierra Leone and Zimbabwe, we have been supporting UN agencies and civil society organisations to provide direct prevention, treatment and care services (we will give £0.5m to Sierra Leone and £12m to Zimbabwe). Support to Orphans and Vulnerable Children (OVCs) is also a major priority and efforts are underway to focus on social protection and the development of civil society service delivery.

DFID is also supporting long-term action through research initiatives. In Malawi, DFID is funding a large study to gain evidence on the effectiveness of prevention efforts, so that future prevention activities use methods that have been proven to be effective and appropriate.

Target 2: Asia

Primary school enrolment

2005-08 only

While China, Vietnam, Cambodia and Indonesia have net primary enrolment rates above 90%, it will not be possible to increase net primary school enrolment in Asia as a whole without a significant increase in progress in other countries. Bangladesh is a concern, having seen a decline in enrolment rates over this period; as is Nepal, where progress is being undermined by the conflict. In India there are some indications that the enrolment rate is showing the necessary improvements.

⁴ In April 2004, a high-level meeting hosted by UNAIDS and co-chaired by the UK and US agreed the core principles underpinning AIDS programming by donors, under the framework of a country-driven process. The result of the meeting – the “Three Ones” – affirms the need for each country to have: One agreed AIDS Action Framework that drives alignment of all partners; One national AIDS authority, with a broad-based multi-sectoral mandate; and One agreed country-level monitoring and evaluation system.

What is DFID doing?

In Bangladesh, DFID has committed £100 million to a sector-wide Primary Education Development Programme (PEDP II) which aims to improve quality and completion rates in primary education. In Nepal, DFID has allocated £20 million to the Education for All (EFA) programme, for disbursement over 2004-09. Access to schooling in India is being addressed by the Sarva Shiksha Abhiyan (SSA) Elementary Education Programme, launched in 2001 and supported by DFID (£210 million) and other donors.

Under-five mortality

2005-08 only

While all countries are making progress towards a decrease in the under-five mortality rate by 24 per 1000 live births, this needs to be improved significantly for the target to be met. The countries with the highest levels of under-five mortality and the slowest rates of improvement are Cambodia, India and Pakistan.

What is DFID doing?

DFID is considering a £252 million contribution to multi-donor support of the Government of India's Reproductive and Child Health programme, which focuses on poorer states with the worst child mortality rates. The programme aims to provide a continuum of care through pregnancy, childbirth and childhood, including community-based newborn care, care of the sick child, and immunisation; and includes an emphasis on monitoring progress amongst excluded groups whose mortality rates are consistently worse than average.

In Pakistan, DFID is providing sector budget support and technical cooperation of £65 million over four years to the Government, through the National Health Facility. This includes support to the expanded immunisation programme, primary health care, family planning, malaria, and nutrition. DFID is also funding a rural water supply and sanitation programme in North West Frontier Province. Support for devolved social services in Punjab

Province, including health, water and sanitation, is in the pipeline, and a new programme of DFID support for maternal and newborn health is under design. This would have a direct impact on reducing deaths which occur in the first month of life, which constitute about 60% of deaths in the first year.

In Cambodia, DFID is providing support to the Government, together with the World Bank, UN and Asian Development Bank (AsDB), to deliver health services, which include a focus on maternal and child health interventions. In particular, we are co-funding, along with the AsDB, the contracting of the management of health services to NGOs in ten poor and remote districts. This is expected to have an impact on the take up of services associated with improved maternal and child health. We are also supporting the Demographic and Health Survey 2005, which will provide the latest population-based data on child mortality in early 2006.

Maternal mortality

2003-06 only

Skilled birth attendance is only a proxy for measuring progress towards reducing maternal deaths, but this is the best internationally-agreed indicator for monitoring year-on-year progress. It is anticipated that the increase in the proportion of births assisted by skilled birth attendants will not be fast enough for the target of 57% to be met by 2006. With the exception of China, no PSA countries have seen any recent significant change in the proportion of births assisted.

What is DFID doing?

DFID Bangladesh is preparing a proposal for a £100 million project to support the health, population and nutrition sector programme, in which maternal health is a key priority; and a UN maternal and neo-natal health initiative. In India, DFID is considering £252 million of support over 5 years to the second phase of the Reproductive and Child Health Programme, which is

the Government's main instrument for promoting mother and child health.

The Government of Pakistan approved a national Maternal and Child Health Strategy in 2005, with support from DFID and other partners, and is committed to providing 50% of the additional cost of making on track progress to 2010. DFID is developing a maternal and neo-natal health programme to support implementation of this strategy. Increasing the proportion of births assisted is a key element of these programmes.

HIV and AIDS

2003-06 and 2005-08

The target is to keep the prevalence rates of HIV infection below 5% in groups at the highest risk of being infected with HIV, i.e. commercial sex workers, men who have sex with men, injecting drug users, and patients with sexually transmitted infections. It is difficult to assess progress on this target, as the data available have poor coverage and may not therefore correctly represent these vulnerable groups. Data availability is poorest for men who have sex with men, reflecting countries' political difficulties in dealing with this vulnerable group. HIV prevalence rates are particularly high in some vulnerable groups in India, Vietnam, Nepal and China, and, where data are available, Indonesia and Cambodia (although Cambodia's overall prevalence is reducing).

What is DFID doing?

In India, DFID is providing £123 million of support over seven years to the second National AIDS Control Programme (NACP II) which has, among other things, financed behaviour change campaigns in the media, local initiatives by Indian NGOs and the promotion of safer sexual behaviour. The programme consists of financial aid for a range of activities, including targeted interventions with high-risk groups and information and behaviour change programmes in eight focus States. Our support also includes a package of technical

cooperation – which includes a Sexual Research Health Centre, condom promotion strategies in the focus states, and mass media campaigns on HIV and AIDS issues – and a challenge fund to focus action on the needs of the groups most affected by HIV and AIDS, including children.

In Vietnam, DFID has joined forces with Norway to finance a £17.5 million HIV and AIDS prevention project over five years. The aim is to reduce the risk to the most vulnerable groups, through focused activities to reduce behaviours that help the spread of HIV, in 21 of the 64 provinces. The project also includes the distribution of 230 million condoms to high-risk groups.

In China, DFID is the largest bilateral donor, with commitments on tackling HIV and AIDS totalling over £25 million. Support in Yunnan and Sichuan provinces has helped to pilot ways to reduce the risks of infection of vulnerable groups and to reduce discrimination against people living with HIV and AIDS. A new £30 million programme to support the implementation of China's National Medium-Long Term HIV and AIDS Plan is under design. This would work through government systems and be harmonised with the HIV programmes of the Global Fund to fight AIDS, TB, and Malaria (GFATM).

Tuberculosis

2003-06 and 2005-08

While data have indicated some improvement in all the PSA countries, and particularly in India, a tuberculosis case detection rate above 70% will not be achieved by 2006 without a significant increase in progress. It is possible though that with faster rates of progress over the next five years, the target will be achieved by 2008. The countries furthest from the target are Afghanistan, Bangladesh, China, India, Indonesia and Pakistan.

What is DFID doing?

In Pakistan, DFID supports progress towards increasing the tuberculosis case detection rate through our

contribution of £65 million over the period 2003-2007 to the National Health and Population Welfare Facility. This focuses on improving health outcomes of seven federal health and population programmes, including the National Tuberculosis programme. Detection rates have increased significantly in the past year, albeit from a low base.

Afghanistan has received a grant from the Global Fund to fight AIDS, TB, and Malaria (GFATM) for \$3.3 million to strengthen health systems, and Bangladesh received a \$43 million grant for a comprehensive tuberculosis control programme. The UK is a key contributor to the Fund, having pledged £125 million in 2002 over five years and announced a new pledge in July 2004 of £154 million from 2005-2008.

Tuberculosis case detection will also be tracked in Bangladesh as part of DFID's support to the health sector, and is one of the indicators for performance-related financing.

Target 3: Effectiveness of the multilateral system

EC Aid Effectiveness

2003-2006 and 2005-2008

According to data published by the Development Assistance Committee, the EC low income focus was 55% in 2004, down from 56% in 2003 but still up from 51% in 2002. The EC revised its ODA reporting in 2002, so direct comparisons with figures for 2000 and 2001 cannot be made. Based on current proposals for EC external actions budgets and instruments, it appears unlikely that we will be able to meet the target of 70%. However, the outcome of the Financial Perspectives (FP), which sets the EC budget for 2007-2013, is still to be decided. The UK Presidency is planning to put forward an overall FP proposal in November, for political agreement in December. This will decide overall heading budgets, leaving the details, which will

impact on progress towards the PSA target, to be finalised under the Austrian Presidency in early 2006.

What is DFID doing?

The UK cannot achieve this target alone. DFID works with other UK Government Departments to increase the proportion of EC Official Development Assistance (ODA) to Low Income Countries (LICs) in several ways: lobbying for increased volumes in the annual budget negotiations; 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; protecting the low income focus of the European Development Fund in its ongoing revision and replenishment; and exploring and promoting the option of the EC using more loans in Middle Income Countries (MICs) while redirecting grants to LICs. DFID is also striving to ensure that poverty reduction and achievement of the MDGs become the main foci of all EC development programmes.

DFID is working to enshrine poverty reduction as the key objective for the new EC Development Policy Statement and the new Development Instrument providing the legal base for spending in this field. We are also working to establish resource allocation criteria for EC external spend that would direct resources towards the poorest countries and those most in need. 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 in poor countries.

Target 4: Trade [joint with DTI and FCO]

2003-2006 only

The failure of the Cancun WTO Ministerial in September 2003, due to the inability of participants to make the necessary concessions, has meant that the 2003-06 target of securing agreement by 2005 to a significant reduction in trade barriers leading to improved trading opportunities for developing countries

was not met. The conclusion of a framework agreement in 2004, along with extensive technical work being carried out and the prospect of successful negotiations at the WTO Ministerial in Hong Kong in December 2005 mean that significant progress may be possible by 2008, so leading to an amber forecast for the 2005-08 target.

What is DFID Doing?

As well as the actions already mentioned under PSA target 2005-08, DFID is active in two inter-departmental groups – the first to improve planning and operations; and the second covering high-level strategy, for both Doha Development Agenda (DDA) and non-DDA trade issues. Through both fora, we have worked with DTI to agree shared objectives, develop our influencing strategy and ensure targeted and consistent effort.

We continue to produce robust research in a number of areas of the WTO negotiations, to ensure that policy is underpinned by sound evidence. Examples include research on special safeguards for agriculture and analysis of the impact of Non-Agricultural Market Access (NAMA) liberalisation. DFID also provides capacity building to developing and the least developed countries to participate more actively in the negotiations, including supporting more informed analysis of their trade policy objectives and development of negotiating strategies.

In October, we published the information document *'DFID's work on international trade and development 2005-2007'*, which outlines DFID's priorities for its trade work. Emphasis will be placed on developing and strengthening synergies between country programmes and international policy work on priority trade issues. The Government also produced a White Paper on Trade and Investment, entitled: *'Making Globalisation a force for Good'*, which was presented to Parliament by the Secretary of State for Trade and Industry in July 2004, and is currently working on drawing up a 'development package', to enable the poorest and most vulnerable developing countries (the 'G90', together accounting for just 2.1% of global trade) to gain from global trade negotiations.

5. Progress towards DFID's efficiency targets

Efficiency Programme

Progress

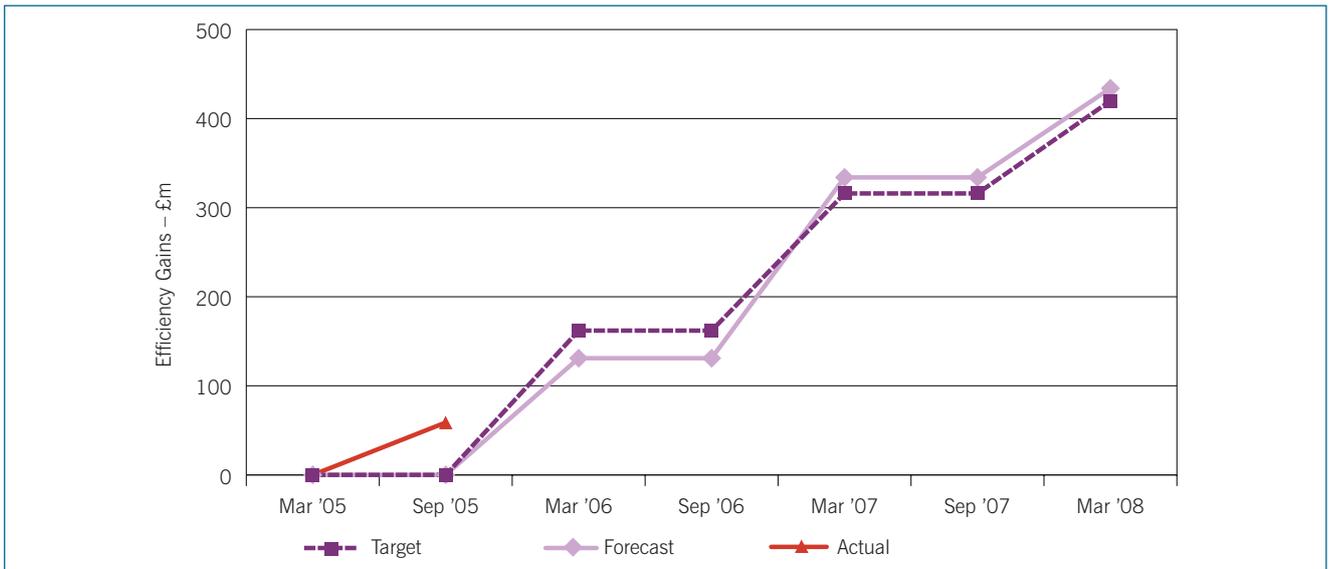
DFID's Efficiency Programme, through which we are committed to delivering £420 million of sustainable efficiencies by the end of 2007/08, formally came into effect in April 2005. Efficiencies will be achieved through a variety of methods, including spending DFID money in more effective areas, influencing others to do so, and increasing the quality of our projects and programmes, as well as more traditional efficiencies in procurement and administration costs. Work has recently focused on revising the Technical Note, including revising baselines and strengthening the argumentation for the evidence base for channelling money towards programmatic support and the International Development Association. The latest moderation exercise occurred in November. Though we are still very early in the programme, quantitative gains have been identified, and there have been positive signs of progress in others. Headcount, though originally increasing, has been successfully managed downwards, and we are on course to meet our six-monthly milestones; we are also already close to achieving our relocation target.

Sub-target	Progress	Current Position	Anticipated Progress by 2008
<p>1 To increase the proportion of country programmes channelled in the form of programmatic support.</p> <p><i>Baseline £680m (DFID funds given as programmatic support 2004/05)</i></p>	<p>Too early to say</p> <p>Forecasts for 2005-06 predict that £937m will be channelled through programmatic support, an increase of £257m over the baseline. This equates to a revised proportion of 47% and would lead to pro rata efficiency gains of £29.5m. These are not cashable.</p> <p>Parallel actions are being taken to ensure that partner Government systems are subject to continuous improvement and all DFID support of this form is subject to a comprehensive assessment of fiduciary risk. Complementary technical assistance is given high priority and the performance of Public Financial Management is now assessed annually in conjunction with the World Bank and IMF.</p>		

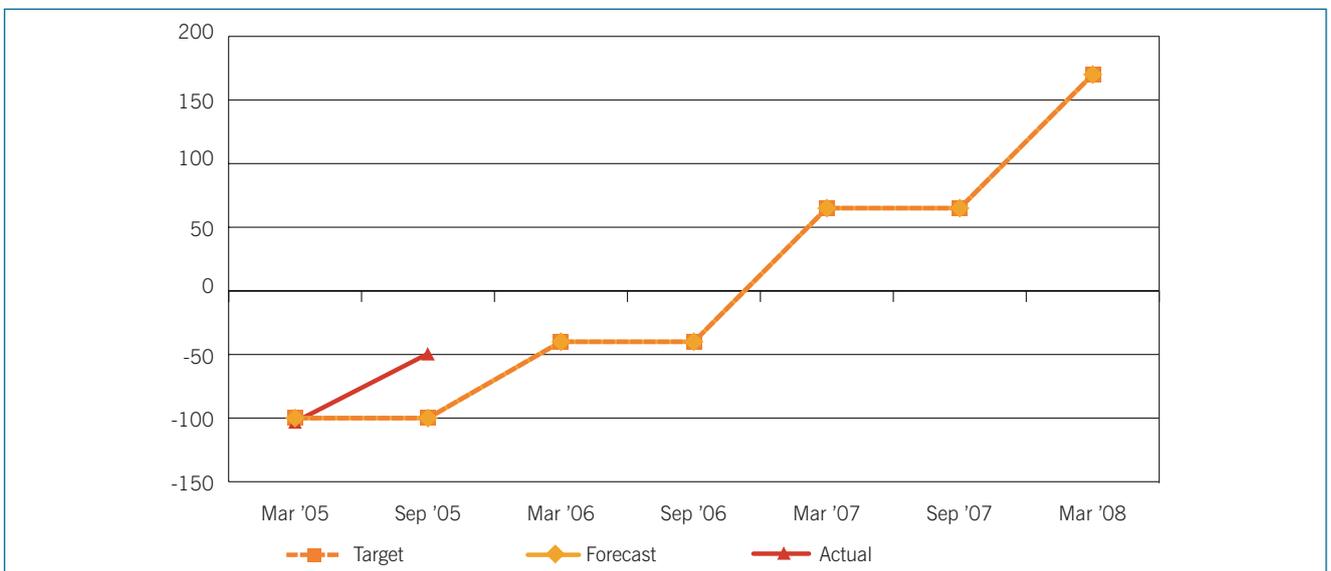
Sub-target	Progress	Current Position	Anticipated Progress by 2008
<p>2 To increase the proportion of EC development assistance given to low income countries (LICs).</p> <p><i>Baseline £417m (DFID contribution to EC LIC spend 2004)</i></p>	<p>Off track</p> <p>DFID gave £417m to LICs through EC aid funding in 2004, while the percentage of EC aid funding given to LICs was 55%. This was lower than the 2003 rate of 56%. Future progress will depend greatly on the outcome of negotiations on the next European seven-year budget, which are ongoing. Figures become available from the Development Assistance Committee (DAC) of the Organisation for Economic Development (OECD) after the end of the financial year. Savings will not be cashable.</p> <p>This target is predicated on the increased impact of development expenditure spent in LICs. 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>On course</p> <p>This target is centred on using post-contract negotiations to achieve better value for money for our contracts, alongside the regular savings already achieved through improved contracting procedures. This is a new process, which we have not implemented before. Results from the first half-year show greater than expected success, with £4.3m of cashable savings made, representing 4.6% of the total procurement spend so far this year.</p> <p>This particular target is focused on cost reductions against clearly defined and agreed specifications which ensures that quality is maintained. Systems modifications are taking place to ensure that these efficiencies can be measured and monitored routinely.</p>		
<p>4 Increase by 2% pa of projects in DFID's portfolio rated as wholly or largely meeting their objectives.</p> <p><i>Baseline 61% (quarter 4 2004/05)</i></p>	<p>Too early to say</p> <p>Data from quarter 2 2005/06 show a rate of 62%, a 1% increase over the baseline. This is in line with the trajectory and results in efficiency gains of £25m. These are not cashable.</p> <p>Improvements in this area are monitored through a comprehensive project monitoring system. Over the last year, the Management Board has endorsed a Portfolio Quality Strategy which has both improved the quality of the data recorded, increased management focus in this area and provided improved guidance to all programme managers. DFID's overall portfolio is categorised according to risk and the composition of the portfolio will be closely monitored to ensure the balance of risk is maintained.</p>		
<p>5 Increased support to the International Development Association (IDA) by 59% over last three-year agreement.</p> <p><i>Baseline £300m per year (IDA 13 replenishment)</i></p>	<p>On course</p> <p>The 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 (the latest replenishment, covering the period 2005-08) has resulted in a 59% increase in the basic contribution over IDA13. Efficiency gains will be declared as promissory notes are drawn down, which will occur near the end of the financial year.</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 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>Too early to say</p> <p>Divisional administration budgets have been capped within the target, and will continue to be so. Costs will be reduced through addressing the three sub-targets below. Efficiency gains for this target will commence in 2006/07 and will be cashable.</p> <p>Work in this area is being taken forward under the Catalyst umbrella which sets out current and future activities and the underpinning process of business change. Standards are clearly set which will ensure that the quality of systems and services are maintained while the underlying efficiencies are released.</p>		
<p>a To reduce support service costs by 10%.</p> <p><i>Baseline £46.4 million (2005/06)</i></p>	<p>Too early to say</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. Efficiency gains for this target will commence in 2006/07 and will be cashable.</p> <p>The maintenance of system and service quality standards has been built into overall system development.</p>		
<p>b To reduce staff numbers by 170 UK-based Full Time Equivalent (FTE) and 124 Staff Appointed In Country (SAIC) posts.</p> <p><i>Baseline: 1780 UK-based and 1162 SAIC (March 2004)</i></p>	<p>Too early to say</p> <p>At the end of 2004/05, UK-based numbers had increased by 103 over the baseline, primarily because of a Cabinet Office definitional change which included more staff in the figures. The target, and milestones towards it, have been embedded in Directors' Delivery Plans. The trajectory of change during 2005/06 is consistent with achieving the desired reductions and active management of headcount has brought a reduction of 53 in the last 6 month period. We are therefore on course to meet our annual milestone. The latest SAIC figures show that the reduction of 124 has been fully achieved. We are reviewing the definitional consistency of these data over the reporting period to ensure that reductions can be fully validated.</p> <p>This target is being actively managed by both the Management Board and by Divisions with support from Human Resources Division. The bulk of the headcount savings will be met from system improvements which have built in standards of service and system quality.</p>		
<p>c To relocate 85 posts from London to East Kilbride.</p> <p><i>Baseline 0 posts (Jan 2004)</i></p>	<p>On course</p> <p>74 posts have already been relocated from the London office to East Kilbride, and a further 5 are planned before the end of December 2005. We are on track to meet this target by the end of March 2006.</p>		

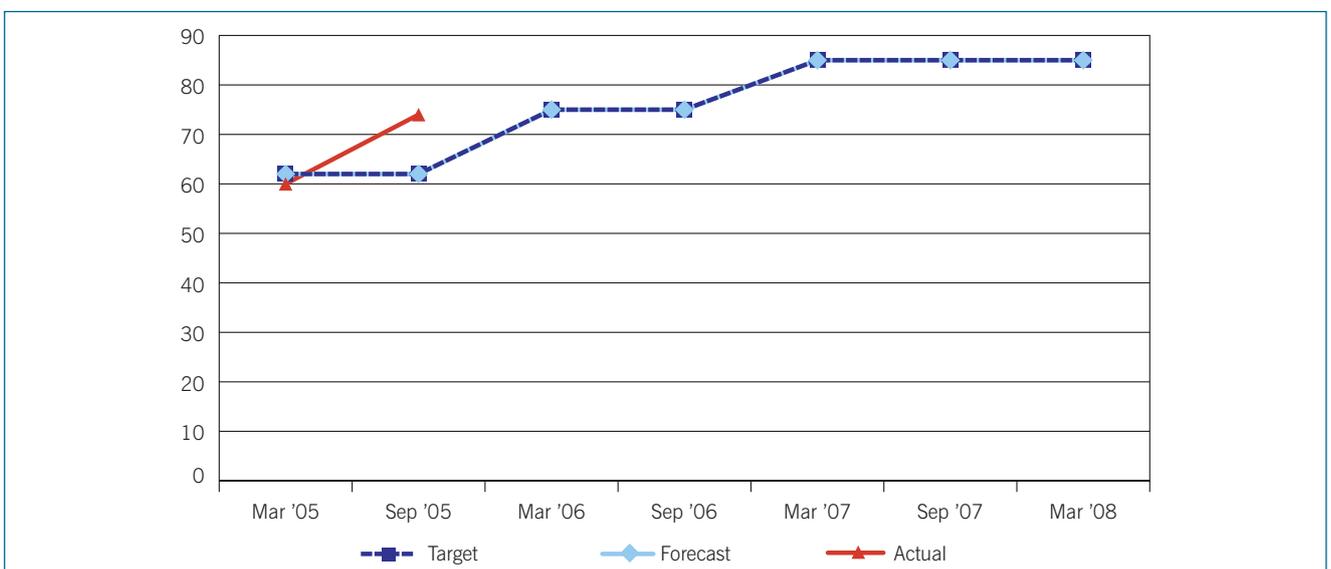
Efficiency Gains Trajectory



Headcount Reduction Trajectory



Lyons Relocation Trajectory



Annex A

Explanatory note: measuring progress towards the PSA targets in Africa and Asia – methodology and data quality

International data showing progress towards MDG indicators are available and are used in monitoring some of 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 its quality, and in some cases made adjustments to try and ensure international consistency.

In this case, the estimate is weighted by population and so shows the proportion of people in the region experiencing change.

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

Methodology for assessing progress over time

The baseline for the 2003-06 PSA period was set as 1998 (or 1997 in some instances), since at the time the PSA was created this was the most recently available information for most indicators. It might be as late as 2010 before we are able to establish the full picture in 2006. Thus, although the PSA ostensibly covers a three-year period, for our purposes of measurement it actually covers a longer time frame, from 1998-2006.

Our 2005-08 PSA targets for Africa are based on progress in 16 countries and our targets for Asia are based on progress in 9 countries. The figures shown for the African and Asian PSA targets reflect a simple average of the data for each PSA country in the region. This does not take account of the different population sizes of countries and means, for example, that a 5% change on an indicator in China has the same impact on the overall Asia figures as a 5% change on the indicator in Nepal. We believe that this is appropriate for the PSA targets as DFID is working with countries, and because otherwise our figures would simply reflect change in the countries with the largest populations, like China. 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.

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 where 5 of our 16 PSA countries in Africa are excluded from the baseline and outturn figures.
- **Where data are available, new 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 towards a sub-target in one APR is excluded the following year. If new data become available for countries where there is no baseline then a baseline is imputed, assuming that progress has taken place

at the same rate as in those countries where we do have a baseline. This can mean that a country that was excluded in the assessment of progress towards a sub-target in one APR is included the following year.

Assessing change over time

Each time 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.

In assessing progress towards 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 comes from persistent shifts year after year.

In choosing the appropriate traffic light assessment, note is taken not only of the difference between the baseline 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 project what the figure might be at the end of the reporting period, 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

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. In the past year we have discussed data issues with the Methodological Committee of the Office for National Statistics, who have agreed that our methods were suitable 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.

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 with 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 it being checked and available through the international databases.

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. 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.

Annex B

Links between DFID's 2003-06 and 2005-08 PSAs

The new PSA for 2005-08 in the main rolls forward the objectives, targets and sub-targets of the 2003-06 PSA. Where appropriate, targets have been redrafted to reflect changing circumstances or the fact that the target in the current PSA has already been met. Most significant of these is the creation of a full target on

conflict prevention within Objective IV. Also, consistent with the rest of Government, Value for Money targets are no longer framed as such, and a new objective – *Improve the impact and effectiveness of DFID's bilateral programme* – has been added to cover this area. Changes are detailed below:

PSA 03-06	Main changes	PSA 05-08
OBJECTIVE I Reduce poverty in Sub-Saharan Africa	No change	OBJECTIVE I Reduce poverty in Sub-Saharan Africa
TARGET 1 Progress towards the MDGs in 16 key countries in Africa	No change	TARGET 1 Progress towards the MDGs in 16 key countries in Africa
A sustainable reduction in the proportion of people living in poverty from 48% across the entire region	Baseline and methodology updated	A reduction of 4 percentage points in the proportion of people living in poverty across the entire region
An increase in primary school enrolment from 58% to 72%	Baseline and methodology updated	An increase in primary school enrolment by 18 percentage points
An increase in the ratio of girls to boys enrolled in primary from 89% to 96%	Baseline and methodology updated	An increase in the ratio of girls to boys enrolled in primary school by 5 percentage points
A reduction in under-five mortality rates for girls and boys from 158 per 1000 live births to 139 per 1000	Baseline and methodology updated	A reduction in under-five mortality rates for girls and boys by 8 per 1000 live births
An increase in proportion of births assisted by skilled birth attendants from 49% to 67%	Baseline and methodology updated	An increase in proportion of births assisted by skilled birth attendants by 11 percentage points
A reduction in the proportion of 15-24 year old pregnant women with HIV from 16%	Baseline and methodology updated	A reduction in the proportion of 15-24 year old pregnant women with HIV

PSA 03-06	Main changes	PSA 05-08
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>	Sub-target removed, new target created (see 5 below)	
Effective implementation of the G8 Action Plan for Africa in support of enhanced partnership at the regional and country level	Updated	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
OBJECTIVE II Reduce poverty in Asia	No change	OBJECTIVE II Reduce poverty in Asia
TARGET 2 Progress towards the MDGs in 4 key countries in Asia	Addition of 5 new countries	TARGET 2 Progress towards the MDGs in 9 key countries in Asia
A sustainable reduction in the proportion of people living in poverty from 15% to 10% in East Asia and the Pacific	Baseline and methodology updated, 'sustainable' removed	A reduction in the proportion of people living in poverty of 7 percentage points in East Asia and the Pacific
A sustainable reduction in the proportion of people living in poverty from 40% to 32% in South Asia	Baseline and methodology updated, 'sustainable' removed	A reduction in the proportion of people living in poverty of 8 percentage points in South Asia
An increase in gross primary school enrolment from 95% to 100%	Baseline and methodology updated, change from gross to net	An increase in net primary school enrolment by 8 percentage points
An increase in the ratio of girls to boys enrolled in primary school from 87% to 94%	Baseline and methodology updated	An increase in the ratio of girls to boys by 5 percentage points

PSA 03-06	Main changes	PSA 05-08
A reduction in under 5 mortality rates for girls and boys from 92 per 1000 live births to 68 per 1000	Baseline and methodology updated	A reduction in under-5 mortality rates for girls and boys by 24 per 1000 live births
An increase in proportion of births assisted by skilled birth attendants from 39% to 57%	Baseline and methodology updated	An increase of 15 percentage points in the proportion of births assisted by skilled birth attendants
Prevalence rates of HIV infection in vulnerable groups being below 5%	No change	Prevalence rates of HIV infection in vulnerable groups being below 5%
A TB case detection rate above 70%	No change	A TB case detection rate above 70%
A TB cure treatment rate greater than 85%	No change	A cure treatment rate greater than 85%
OBJECTIVE III Reduce poverty in Europe, Central Asia, Latin America, the Caribbean, the Middle East and North Africa	No change	OBJECTIVE III Reduce poverty in Europe, Central Asia, Latin America, the Caribbean, the Middle East and North Africa
OBJECTIVE IV Increase the impact of the international system in reducing poverty and responding effectively to conflict and humanitarian crises	Reference to conflict prevention added	OBJECTIVE IV Increase the impact of the international system in reducing poverty, preventing conflict and responding effectively to conflict and humanitarian crises
TARGET 3 Improved effectiveness of the international system	'International' replaced with 'multilateral'	TARGET 3 Improved effectiveness of the multilateral system
A greater impact of EC external programmes on poverty reduction, including through working for agreement to increase the proportion of EC ODA to low-income countries from 38% to 70%	Minor text changes	A greater impact of EC external programmes on poverty reduction and working for agreement to increase the proportion of EC ODA to Low Income Countries from its 2000 baseline figure of 38% to 70% by 2008
Ensuring that three-quarters of all eligible HIPC countries committed to poverty reduction receive irrevocable debt relief by 2006 <i>[joint target with HMT]</i>	Target updated	Ensure that 90% of all eligible HIPC countries committed to poverty reduction that have reached Decision Point by end 2005, receive irrevocable debt relief by end 2008 <i>[joint target with HMT]</i>
Work with international partners to make progress towards the United Nations 2015 Millennium Development Goals <i>[joint target with HMT]</i>	Minor text changes	International partners are working effectively with poor countries to make progress towards the United Nations 2015 Millennium Development Goals <i>[joint target with HMT]</i>

PSA 03-06	Main changes	PSA 05-08
TARGET 4 Secure agreement by 2005 to a significant reduction in trade barriers leading to improved trading opportunities for developing countries. <i>[Joint Target with DTI & FCO]</i>	Re-drafted	TARGET 4 Ensure that the EU secures significant reductions in EU and world trade barriers by 2008 leading to improved opportunities for developing countries and a more competitive Europe. <i>[Joint target with DTI]</i>
	New target (previously sub-target 7 of target 1), text and scope changed	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 <i>[joint target with FCO and MOD]</i>
OBJECTIVE V Develop evidence-based, innovative approaches to international development	Text and scope changed	OBJECTIVE V Develop, support and promote policy that assists poverty reduction and the achievement of the MDGs
VALUE FOR MONEY	New objective	OBJECTIVE VI Improve the impact and effectiveness of DFID's bilateral programme
TARGET 5 Increase the proportion of DFID's bilateral programme going to Low Income Countries from 78% to 90%, and a sustained increase in the index of DFID's bilateral projects evaluated as successful	Baseline and methodology updated	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



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