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NOTE

from : General Secretariat of the Council
to : Delegations

Subject : The EU as a global partner for pro-poor and pro-growth development:
- EU Agenda for Action on MDGs

Delegations will find attached for information the "The EU as a global partner for pro-poor and pro-growth development: EU Agenda for Action on MDGs". The text was adopted by a written procedure that was completed on Wednesday 18 June 2008.

The EU as a global partner for pro-poor and pro-growth development
EU Agenda for Action on MDGs

1. The global commitments to the MDGs

The year 2008 should mark a turning point in enhancing the collective efforts to eradicate poverty in the context of sustainable development and to ensure that by 2015 all the Millennium Development Goals (MDGs) will be achieved worldwide. While substantial progress was made in many countries and regions, the EU remains concerned by the situation in sub-Saharan Africa and by the fact that inequality, poverty and environmental problems persist even in areas of high economic growth.

The EU calls on all donors to meet their respective commitments to scale up aid for development, improve aid predictability and address the financing gap for meeting the MDGs. The EU is convinced that the MDGs can still be attained in all regions of the world provided that concerted action with partner countries is taken immediately and in a sustained way. As the world's largest donor, providing 60% of total international ODA, the EU will keep on playing a leading role in providing financial support towards achievement of the MDGs and will make all necessary efforts to ensure an ambitious action-oriented response before, during and after the key events to be held in the second half of this year, in particular the High Level Meeting on Aid Effectiveness (Accra, 2 until 4 September), the UN High Level Event on the development needs of Africa (New York, 22 September) and on the MDGs (New York, 25 September) as well as the Doha-Conference on Financing for Development (29 November until 2 December). The EU calls on other traditional and new non EU donors to contribute in a fair way to the international burden-sharing. The EU also recognises the role of South-South cooperation in leveraging resources and development knowledge.

Achieving all MDGs in the context of sustainable development is a joint responsibility where all partners should respect the commitments made. The primary responsibility rests with the developing countries. The EU takes the view that achieving the MDGs requires comprehensive strategies that include democratic governance, human rights protection and the rule of law, pro-poor economic growth, private sector development, trade development, human and social development and environmental sustainability. The EU encourages partner countries to urgently augment their own efforts, particularly in terms of reduction in poverty and inequalities, building partnerships with civil society, the private sector and local authorities. The EU emphasises the importance of the country-based model, founded on strong country ownership, which is crucial for improving aid effectiveness and harmonization.

Action is needed as a priority in key areas like education, environment, health, water and sanitation, agriculture, pro-poor growth, infrastructure and gender equality. Action is also needed to enhance the integration of cross-cutting issues in all areas; to this end, the EU proposes to its partners in development to share this Agenda for Action, which should also be taken into account in the context of the common AU-EU-Africa Strategy and its different partnerships adopted at the Lisbon Summit. The ownership of the proposed actions by partner countries will represent a key factor for the success of the Agenda.

This Agenda for Action sets a number of milestones which will contribute to the achievement of the MDGs and provides examples of EU actions and support as part of the commitments already taken by the EU. It is to be implemented in application of the European Consensus on Development, the EU Code of Conduct on Complementarity and Division of Labour, the Paris Declaration on Aid effectiveness and the EU commitments on Policy coherence for Development, respecting Member States' competencies and comparative advantages.

The EU will further ensure that the implementation of the Agenda for Action is fully in line with partner countries' poverty reduction, development and reform strategies. The involvement of the private sector, both in the EU and in the partner countries, is a key element for poverty reduction and for the achievement of the MDGs.

In light of the current situation, in order to reach the MDGs by 2015, the milestones set out below need to be achieved by 2010. Increased ODA is not sufficient, but it is a necessary condition to achieve MDGs and sustainable development. The following assumptions have been made in the preparation of this agenda: EU Member States will be able to honour their ODA commitments; developing countries, in particular African countries, are able to absorb such increase in ODA; and African and EU policies and procedures will fully enable the predictability and effective use of this ODA.

This Agenda for Action indicates how progress on the ground can be achieved, in this framework and within the EU commitment to reach the ODA target of 0,56% GNI by 2010¹. As noted in the Conclusions of the May GAERC, these commitments should see annual EU ODA double to over EUR 66 billion in 2010 based on DAC figures. As confirmed in the European Council Conclusions, priority will be given to Africa where MDGs significantly lag behind. With regard to this Agenda for Action EC financial instruments and the EDF provide and should continue to provide significant contributions for its achievement. This Agenda also incorporates EU support to other regions in recognition of the persistent development challenges they face.

2. Key Milestones and EU actions for reaching the MDGs

The following actions, which are examples only and not exhaustive, constitute the EU proposal to partner countries. Under this proposal, it is clear that not all EU Member States will be expected to do proportionately the same in each area or sector, in line with the principles of comparative advantage and the Division of Labour. The EU also remains firmly committed to address other pressing development challenges in the context of the MDGs, such as adaptation to and mitigation of climate change, protection of biodiversity, halt of deforestation, and the transformation to a safe and sustainable low carbon growth path.

¹ May 2005 Council Conclusions, the June 2005 European Council Conclusions and the European Consensus on Development; reconfirmed by May 2008 Council Conclusions and the June 2008 European Council Conclusions.

Poverty and hunger

The eradication of extreme poverty and hunger requires a combination of different sectoral and thematic interventions. It includes stimulating inclusive pro-poor economic growth, creating more and better jobs and income opportunities for both women and men in micro - and small scale enterprises and mobilising more private sector investment. Appropriate country-driven targets will be set in order to increase EU support to a sustained pro-poor growth. It also includes reducing the financing gaps for critically needed investments in infrastructure, in particular in African transport, energy, water and sanitation systems and agriculture. In this context, the EU will stimulate inter alia the existing EU-Africa Infrastructure Partnership and Trust Fund.

In response to soaring food prices, the EU is committed in line with the FAO Conference Declaration to promote a global partnership for food and agriculture and in this respect welcomes the Comprehensive Framework of Action proposed by the High Level Task Force on the Global Food Crisis² and to give a collective and coordinated response to the food prices challenge, addressing a combination of short, medium and long-term issues. This will include, in particular, food assistance, social transfers and safety nets, assistance to improve farmers' access to agricultural inputs and assistance in using market-based risk management instruments.

The EU will wish to play a substantial role in helping to bridge part of the financing gap by 2010 in the areas of agriculture, food security and rural development. Along with stepped up African expenditure, this is expected to result in an annual increase in agricultural productivity of 6%, a target set by African partners. It is intended that by 2010 the proportion of children under five who are under-weight will be reduced from 27% to 22%. The EU is supporting the Comprehensive Africa Agriculture Development Programme framework, including agricultural policy development and the strengthening of agricultural research at all levels. Particular attention will be paid to small scale farmers. Support will also be provided to adapt agriculture to respond to the changing climate. For this support to be effective, further efforts are needed from developing countries to ensure that they develop and fully implement comprehensive strategies covering poverty reduction and inequalities, building partnerships with civil society, the private sector and local authorities.

² June 3rd, 2008.

Education

The MDG target is to ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling, taking into consideration also other basic education levels as established by Dakar Framework for Action and UNESCO mandate. This means that by 2010, 25 million more primary school aged children should be in school, in particular the 20% of children for whom schooling is currently unattainable.

The EU will wish to play a substantial role in helping to bridge the estimated financing gap of \$ 11 billion by 2010, of which 8.3 \$ billion based on UNESCO Global Monitoring Report, GMR, 2007 is required for Africa³. On this basis, the Commission estimates that if the EU proportion of aid flow remained constant at 60% (which implies a scaling-up of aid by other donors), and the related share of the sector remained, this would mean, the EU would increase its support by € 4,3 billion by 2010, of which approximately € 3,2 billion would go to Africa. An increased investment of this scale in the sector by the EU would be expected to allow the hiring and training of 6 million more teachers, out of an estimated 10 million new teachers needed globally by 2010. It would also improve the quality of education by contributing to, inter alia, capacity development, increased access to appropriate teaching and learning materials and improved inclusivity of education. This would be done, among other interventions, through the full support of the Education For All Fast Track Initiative endorsed plans, in which partner governments have the main responsibility for delivery. In addition, special attention would be paid to measures to ensure funding for education in donor orphans countries and countries in situations of fragility.

Health

In the health sector, the MDG targets are, between 1990 and 2015, to reduce child mortality by 2/3, maternal mortality by 3/4; and to have halted and begun to reverse the spread of HIV/AIDS, tuberculosis, malaria and other major diseases.

³ Based on UNESCO Global Monitoring Report, GMR, 2007. The GMR calculates the financing gap as the residual after assuming maximum domestic funding using FTI-type rules of thumb about the tax share of GNI and the education and primary shares of Government expenditure.

Given poor progress overall towards these targets, the EU will urgently support the attainment of the target set in 2005 regarding universal access to reproductive health as well as 2010 milestones to save 4 million more children's lives each year, 2 million of which in Africa; and to have 35 million more births attended by skilled health personnel each year, 13 million of which in Africa. If we want to reduce maternal mortality by three quarters by 2015, it means that 21 million more births will have to be attended by skilled health personnel each year by 2010. Furthermore, the EU will provide support to reach the target of 50 million more women in Africa with modern contraceptives by 2010, and more generally to have access to family planning.

The EU will wish to play a substantial role in helping to bridge the financing gap estimated at € 13,4 billion by 2010⁴ based on the WHO Commission on Macroeconomics and Health's target adjusted for national government contribution. On this basis, the Commission estimates that if the EU proportion of aid flow remained constant at 60% (which implies a scaling-up of aid by other donors), and the related share of the sector remained, this would mean the EU would increase its support by € 8 billion by 2010, of which almost €6 billion would be for Africa. This level of increased investment by the EU in this sector would be expected to contribute to the provision of some 75 million more bednets in Africa, to additional funding for national plans, including through International Health Partnership and in the framework of the "Providing for Health Initiative". In addition, the increased investment would be expected to contribute to the scaling up and empowerment of the health workforce, the development of sustainable financing health systems, including social protection in health, an increased coverage of Integrated Management of Childhood Illnesses programmes and support country effort to reach universal coverage with effective interventions to control malaria. This additional EU investment would also contribute to get as close as possible to the universal and free access to HIV/AIDS prevention, mitigation and treatment by 2010. The EU would also further support the Global Fund to fight Aids, Tuberculosis and Malaria, as well as UNITAID. Partner country ownership of tackling health challenges remains critical if EU support on health is to achieve the desired results.

⁴ This is based on an estimation of the total investment needed based on the WHO Commission on Macroeconomics and Health's target of a minimum spend of € 34 per person, and then deducting the potential additional investment by national governments based on the Abuja target of 15% of the national budget being allocated to health.

Environment

The EU is willing to increase the investment in the environmental sector globally. The MDG goal to ensure environmental sustainability covers a complex set of policies and specific actions targeted towards climate change, fight against desertification, soil degradation, preservation of natural resources and achieve the global target of significantly reducing the rate of biodiversity loss by 2010. Regarding the latter, the EU is determined to halt the loss of biodiversity within its boundaries by 2010. The environmental policies and actions related to the MDGs include the specific target to halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation.

Slow progress towards this target, and the potentially catastrophic effects of climate change, mean that we need stronger action. A 2010 milestone of helping 275 million more people to gain access to water, of which 70 million in Africa, and 400 million more people to gain access to basic sanitation, of which 85 million in Africa will contribute towards reaching MDG 7.

The EU is willing to contribute to address the financing gap in water and sanitation which, for Africa, is estimated at \$ 5.8 billion based on the Africa Steering Group report by 2010⁵. The Commission estimates that if the EU proportion of aid flow remains constant at 60% (which implies a scaling-up of aid by other donors), and the related share of the sector remained, this would mean the EU would increase its support by € 2 billion by 2010. An EU investment of this scale would help in particular Africa to develop and implement credible country national and local plans for provision of water and sanitation services. It will also support capacity building interventions and actions aimed at strengthening the institutional and regulatory frameworks according to country needs.

The EU will also explore ways to mobilize new financial resources through innovative sources of financing to combat the negative impact of climate change and support developing countries to adapt.

Given the current rates of demographic growth and urbanization in Africa, the EU will pay special attention to programmes designed to improve living conditions of slum dwellers.

⁵ Estimates based on the work of MDG Africa Steering Group.

Gender equality and the empowerment of women

The promotion of gender equality and the enjoyment of human rights by women and girls are goals in their own right and also instrumental and essential to achieving internationally agreed development goals, including the MDGs. Gender equality is a core value of the EU and is crucial for the effectiveness and sustainability of the partner countries' development processes.

The EU is willing to contribute to address the global estimated financing gap for the achievement of MDG 3 of € 10 billion by 2015⁶. The EU will also take determined steps to increase resources for gender equality and the implementation of the Council Conclusions on Gender equality and Women's empowerment in development cooperation⁷ and improved efforts in the area of women in armed conflict⁸.

The MDG 3 aims at the elimination of gender disparity in primary and secondary education by 2005 and at all levels of education no later than 2015. The EU will have substantially increased its support for improvement of girls' and women's secondary and tertiary education including skills for employment by 2015. The MDG 3 target also includes ensuring that boys and girls complete the full course of primary education by 2015. This means that 25 million more children have to be enrolled in primary school, of which 15 million should be girls.

The MDG 3 target also includes the political participation of women. At present, in Africa, female representation in national parliaments is 17.3%. The EU will contribute to reach 20% of female representation through a consistent political dialogue with partner governments and by supporting women's organisations, political networks of women and training for women members of national political parties and parliaments.

⁶ C. Grown et al., 'The financing requirements of achieving gender equality and women's empowerment' in M Buvinic et al (eds) Equality for women, where do we stand? Washington DC World Bank and OECD (forthcoming).

⁷ Council Conclusions May 2007.

⁸ Presidency Statement on Women in armed Conflict of 26 May 2008.

The EU will also support partner commitments to women's economic empowerment and effectively mainstream gender in its own development-oriented economic programmes and interventions in order to increase the share of women in non-agricultural wage employment. This will also involve supporting the implementation of laws related to women's rights and access to land, property, credit and decent work.

As of 2009, all newly approved programmes and interventions will demonstrate a gender responsive approach and budget.