

2003 Autumn Performance Report

DFID
PSA
2003-06



November 2003



Department for International Development

2003 Autumn Performance Report

outlining

Progress against the 2003–06
Public Service Agreement

November 2003

Summary

- 5 PSA targets
- 28 PSA indicators

Of which:

- 13 on-course
- 8 too early to say
- 4 off track
- 3 no data available

Presented to Parliament by the Secretary of State
for Department for International Development
and the Chief Secretary to the Treasury
by Command of Her Majesty
December 2003

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1. Introduction

“There can be no new consensus, no new order, no stability, without tackling the appalling poverty that afflicts nearly a half of the world’s population. Action to deal with this – possible with the right vision and imagination – is the best investment in its own future the developed world could make. For the developing world, Britain should be their champions. For example in opening up markets through the WTO; and working with Africa, to make their NEPAD a reality.”

Speech given by Prime Minister Tony Blair to a conference of British Ambassadors in London, 7 January 2003

1.1 The Department for International Development (DFID)’s 2003–06 Public Service Agreement (PSA) is based on the internationally-agreed Millennium Development Goals (MDGs). These set out a range of outcomes the international community needs to achieve by 2015 in order to reduce poverty. Global progress towards these MDGs is set out in <http://www.developmentgoals.org/>.

1.2 This Autumn Performance Report (APR) contains latest data on DFID’s 2003–06 PSA. Section 2 contains an explanation of the gaps in and problems with the international data on development which we use in our reporting and how we manage these. Section 3 contains the main progress report on each of our PSA targets and indicators, as well as ‘traffic light’ assessments of current and anticipated progress. Annex A gives further details on targets/ indicators where we are off-track and what action we are taking to improve performance.

1.3 Further information on DFID’s work can be found on our website: www.dfid.gov.uk or from DFID’s Public Enquiry Point on 0845 3004100.

Links with the 2001–04 PSA

1.4 The substance of the targets in the 2003–06 PSA is the same as in the 2001–04 PSA. Both set performance targets for value for money, poverty focus, coherence of international policies, sustainable development and support for health and education. The link between the two agreements is set out in Annex B.

1.5 The 2003–06 PSA has 3 new targets: reducing the proportion of poor people in Africa; reducing the proportion of poor people in Asia, and a joint trade target with the Foreign & Commonwealth Office and the Department for Trade and Industry. The only target we have dropped from the 2001–04 PSA is the target relating to sustainable development. This target was about donor inputs and processes rather than poverty outcomes, it covered too many issues, and there were no objective means of verifying its achievement. We have mainstreamed sustainable development issues through our new Service Delivery Agreement.

2. Measuring DFID's Contribution To Development – A Health Warning

2.1 In the course of this reporting exercise we have discovered that some of the international estimates we used to calculate baselines and targets for the PSA have changed. This is because more recent data have become available, or because methodologies improve or because the original data were faulty. Where this has happened the original baseline cannot be replicated and a comparison of recent data to the original target becomes difficult or invalid.

2.2 A separate problem is that there is sometimes insufficient historical data to make fully satisfactory estimates of long term trends in our partner countries in Africa and Asia using the approach set out in the published Technical Note which underpins PSA/SDA monitoring. This approach constructs historical trends based on the average of countries for which there are data in each year. Where data are sparse, this can introduce distortions into the trend over time, which could then lead to wrong conclusions being drawn on the rate, and even direction, of progress.

2.3 To deal with this problem we have adjusted the historic series by estimating values for the missing data. Where figures are missing at the start or end of the time series we assumed that progress remained unchanged from the nearest known year, that is projecting forward or backwards the last known value. For data missing within the time period, we assumed that progress between the years where figures were available followed a straight line and used this to derive estimates for the missing years. Countries were excluded entirely from the estimate of progress if there were insufficient data to make reasonable historic estimates even on this basis.

2.4 To give a more realistic impression of performance, we report progress against

newly-calculated baselines in the main APR (Section 3 below). The indicators mainly affected by the adjustments to the historic series are primary school enrolment and maternal mortality in Africa, and maternal mortality in Asia.

2.5 This process has been agreed with the Treasury. The Technical Note to our PSA will be revised following an independent assessment of the appropriateness of this approach. DFID will maintain an audit trail that records all changes to the original time series and the reasons why the changes have occurred.

What is DFID doing to improve data collection?

2.6 DFID is responding to these data problems at multiple levels. In our partner countries, we are increasing the resources delivered through our bilateral programmes to help build 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 and providing targeted support to help countries assess their priority statistical requirements. We are also working with the International Financial Institutions and UN system to increase the resources devoted to building statistical capacity in partner countries and to ensure a coordinated and consistent programme for monitoring progress towards the Millennium Development Goals. At a more basic level we will seek to identify additional reliable sources for missing historical data to improve our trend estimates before the next PSA progress report (February 2004).

3. Progress against targets in DFID's 2003–06 Public Service Agreement

Guide to 'traffic light' assessment in this report

Green

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

Amber

Means we cannot make a judgement on progress against this target/indicator. This may be because performance has not changed in either direction or because progress may have been made in some countries but not others.

Red

Means there has been slippage in progress against this target/indicator.

Grey






Means that progress against this target/indicator cannot be assessed due to unavailable data.



The circle superimposed on each assessment gives an indication of *likely* or *anticipated* progress against each target. So for example if we judge that it is currently too early to make a judgement against a particular target but we estimate that progress is likely in the future, we will superimpose a green square on an amber assessment.

We have indicated the latest data for our baseline years in red.

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

Indicator	Progress	
<p>1: a sustainable reduction in the proportion of people living in poverty from 48% across the entire region.</p> <p>Revised baseline is 68%.</p>	<p>Too early to say.</p> <p>The latest figure for sub-Saharan Africa is 49%. 6 months into this PSA period it is not yet possible to judge whether overall numbers of poor are declining. This slight increase on the baseline is not statistically significant.</p>	
<p>2: an increase in primary school enrolment from 58% to 72%.</p> <p>Revised baseline is 68%.</p>	<p>On course.</p> <p>Latest outturn is 72%. Rapid progress towards the target is due to 2 high performing countries (Uganda & Malawi). Good progress has also been made in other countries (Mozambique & Rwanda). However, further progress will be needed in all our focus countries if this target is to be met.</p>	
<p>3: an increase in the ratio of girls to boys enrolled in primary school from 89% to 96%.</p> <p>Revised baseline is 91%.</p>	<p>On course.</p> <p>Latest outturn is 91%. Progress is being made in all our focus countries.</p>	
<p>4: a reduction in under-5 mortality rates for girls and boys from 158 per 1000 live births to 139 per 1000.</p> <p>Revised baseline is 164.</p>	<p>Slippage.</p> <p>The number of children dying before their fifth birthday has decreased to 162 per 1000 live births, approximately the level it was in 1990. These figures must be interpreted within the context of the HIV/AIDS epidemic in the continent. Nonetheless, a step-change will be needed if the target is to be met. Some of the new countries brought into the 2003–06 PSA have particularly high under-5 mortality rates.</p>	
<p>5: an increase in the proportion of births assisted by skilled birth attendants from 49% to 67%.</p> <p>Revised baseline is 51%.</p>	<p>Slippage.</p> <p>Latest figure (UNICEF 2000) is 52%. None of the 16 PSA countries produced new data in 2001 and only 4 did so in 2000. The main limiting factor to progress is the poor functioning of health systems, in particular the lack of appropriately skilled staff.</p>	

6: a reduction in the proportion of 15–24 year old pregnant women with HIV from 16%.

Not yet assessed.

UNAIDS will publish global HIV/AIDS figures early next year. We will report on this in 2004 Departmental Report.

Recent country-level information paints a mixed picture with a continued increase in prevalence in, for example, Tanzania, South Africa, Ghana and Lesotho and a levelling off in, for example, Uganda, Zambia, Malawi (but unclear for the latter two if this is a real trend and whether it will be sustained).

Many of DFID's interventions support National AIDS Councils and help to integrate efforts to address HIV/AIDS in support to other sectors. In addition to direct HIV/AIDS investments in all PSA countries, in an increasing number of countries significant, indirect support for addressing HIV/AIDS is being provided through budget support.

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.

Not yet assessed.

It is not yet possible to give an assessment of performance against the PSA target since the beginning of the SR 2002 period using the Technical Note statistics on deaths, refugees and IDPs, since these are only available annually on a retrospective basis. The first analysis of these statistics will be available in Summer 2004.

The Africa and Global Conflict Prevention Pools have delivered a range of interventions during this period to support the prevention, management and resolution of conflict resolution, under regional and thematic strategies. Examples include:

Africa Conflict Pool

SIPRI, IISS, UNHCR and USCR data will be available early next year along with qualifying narrative. Key areas of progress include: significant and effective contributions to African Peacekeeping Operations in Burundi, Cote d'Ivoire and Liberia; UK playing a significant role in peace processes in Sudan and DRC (3rd largest donor in DRC); ongoing engagement in conflict prevention and Security Sector Reform in a range of countries, such as Nigeria, Uganda and Ethiopia.

Global Conflict Pool

Afghanistan: work to support the rebuilding of the security sector and to reduce narcotics production in order to improve security.

Balkans: support to new electoral and justice systems, police reform and the creation of democratically accountable armed forces, and capacity building for international peace support operations.

UN: training for civilian and military representatives involved in UN and other peace support operations, and support for strengthening the UN system for this work.

Small Arms Light Weapons: help to the development of National Small Arms Action Plans in 5 Africa countries under the UN Programme of Action on preventing and reducing the trafficking and proliferation of small arms and light weapons.

8: Effective implementation of the G8 Action Plan for Africa in support of enhanced partnership at the regional and country level.

On course.

The G8 will report on implementation of the Africa Action Plan under the UK Presidency in 2005.







The G8 Summit in Evian approved a joint Africa/G8 Plan to enhance African Capabilities to undertake Peace Support Operations and made commitments to improve the effectiveness of trade preference schemes available to Africa. G8 Heads adopted a number of action plans, including plans on health, famine and water. The Health Action Plan focused on improving access to low-cost medicines for the poorest countries, and renewed the pledge to eradicate polio by 2005.

Political engagement with African governments will continue in the African Partners Forum, an extended forum with representatives from NEPAD, the G8, international institutions and non-G8 OECD donors. The first meeting took place in November this year, and adopted similar priority areas as those the UK is pursuing under the G8 Action Plan.

The UK presidency of the G8 in 2005, and the Prime Minister's close engagement with Africa, mean that we are well placed to meet this target. There have been a number of recent positive developments such as the EU's establishment of a Peace Facility for Africa and the agreement on access to low-cost anti-retroviral medicines brokered by the Clinton Foundation.



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

Indicator	Progress	
<p>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).</p>	<p>Too early to say.</p> <p>The World Bank has revised data for 1999 for the estimated proportion of people living in poverty from 14.2% up to 15.6%.</p> <p>Unfortunately they have not published revised estimates of 1998 poverty data, which is our baseline year. It is therefore too early to say whether poverty has fallen. But in China the proportion of people living in poverty has decreased again from 19% in 1999 to 16% in 2000, that is a drop of over 35 million people.</p>	
<p>2: a sustainable reduction in the proportion of people living in poverty from 40% to 32% in South Asia.</p>	<p>Too early to say.</p> <p>There has been some progress in South Asia. The proportion of people living in poverty has reduced to 36.6%, this is a fall of 3.4% points.</p> <p>Part of this does seem to be due to a reduction of numbers in poverty, but half of this change is due to better poverty data being used in Pakistan which has substantially reduced the number of people in that country living below \$1 a day by 19.4 million.</p>	
<p>3: an increase in gross primary school enrolment from 95% to 100%.</p> <p>Revised baseline is 100%.</p>	<p>On course.</p> <p>Latest estimates show a more relevant, realistic baseline of 100%. (Due to grade repetition and the presence in schools of over-age children, gross primary school enrolment often exceeds 100%.) Gross enrolment has decreased to 95%. Three of the four target countries now exceed 100% but substantial progress is needed in Pakistan (73%).</p>	
<p>4: an increase in the ratio of girls to boys enrolled in primary school from 87% to 94%.</p>	<p>Too early to say.</p> <p>The boy/girl ratio has increased to 89%. Bangladesh and China exceed 100% but considerable progress is needed in Pakistan and some further progress in India in order to meet this target.</p>	
<p>5: a reduction in under-5 mortality rates for girls and boys from 92 per 1000 live births to 68 per 1000.</p> <p>Revised baseline is 89.</p>	<p>On course.</p> <p>Latest estimates show a more relevant, realistic baseline of 89. The under-5 mortality rate has sharply decreased to 80. Progress is being made on reducing child mortality. There has been a sharp reduction in Bangladesh and Pakistan, but little improvement in India.</p>	
<p>6: an increase in the proportion of births assisted by skilled birth attendants from 39% to 57%.</p> <p>Revised baseline is 34%.</p>	<p>Too early to say.</p> <p>Data are patchy for this target. Latest estimates show a more relevant, realistic baseline of 34%. The proportion of births assisted by skilled birth attendants increased slightly to 36%. Considerable progress is still needed: China and India continue to reduce maternal mortality rates however Bangladesh and Pakistan show little progress.</p>	

7: prevalence rates of HIV infection in vulnerable groups being below 5%.

Not yet assessed.

UNAIDS will publish global HIV/AIDS figures early next year. We will report on this in our 2004 Departmental Report.

The HIV epidemic in Asia is at an earlier stage than Sub-Saharan Africa, and in most countries there is a time-limited opportunity to stop the infection becoming generalised in the population. Six states in India and some regions in Western China have HIV prevalence rates over 1%. Elsewhere HIV infection is still concentrated in groups engaging in high-risk behaviours.

DFID supports national AIDS strategies and programmes in all of the PSA countries as well as the Global Fund for AIDS, TB and Malaria and other global initiatives at country level.

8: a tuberculosis case detection rate above 70%.

Slippage.

The average TB detection rate has increased from 27% in 1999 to **29%** in 2001. The 70% target is based on the WHO's global STOP TB global initiative. China, India and Pakistan plan to expand DOTS coverage to over 90% of the country by 2005 but progress is unlikely to be fast enough to meet this target.

9: a tuberculosis cure treatment rate greater than 85%.

On course.

TB cure rates in our 4 countries have increased from 82% in 1999 to **84%** in 2000. The challenge will be to maintain this rate as more cases are detected.



Target 3: Improved effectiveness of the international system.

Indicator	Progress
<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 from 38% to 70%.</p>	<p>Too early to say.</p> <p>EC spend in Low Income Countries in 2001 was 43%. Provisional figures from the EC suggest that the 2002 figure is 52%. However EC external actions expenditure is volatile so we cannot confirm that this is a trend. DFID is working to achieve this increase through enshrining poverty reduction as the key development objective within the new European legal base in the Convention and Treaty negotiation process, and by lobbying consistently to increase the volume and quality of commitments to low income countries and increased funding for global initiatives likely to have the greatest impact in poor countries.</p>
<p>2: ensuring that three-quarters of all eligible HIPC countries committed to poverty reduction receive irrevocable debt relief by 2006.</p>	<p>On course.</p> <p>Progress in countries reaching Completion Point (the point where countries receive full relief) has not been as rapid as expected. This is partly due to slippage in the policy performance of individual countries. However, a large group of countries are expected to reach Completion Point by the end of 2004, so it is still expected that the target will be achieved.</p>
<p>3: work with international partners 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 in our Service Delivery Agreement. These include the way in which international agencies are supporting countries to implement their Poverty Reduction Strategies (PRSPs); 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>
<p><i>Indicator:</i> DFID and HMT will work internationally to ensure that countries accessing IDA resources and their key donors are committed to and supporting effective and sustainable poverty reduction strategies. DFID will provide bilateral support to this end in at least 30 countries.</p>	<p>On course.</p> <p>The PRS approach is now widely adopted in countries accessing IDA resources (53 full or interim PRSPs). There are still weaknesses in PRSPs, including around issues of prioritisation, establishing sound public expenditure management systems and analysing the impacts of policies on poor people. Some progress has been made by including the World Bank, IMF and EC in terms of aligning their support to national PRS priorities. But all donors need to do more to provide predictable, long-term support for PRS priorities. The UK is supporting the PRS process directly in 34 countries.</p>

Indicator: DFID and the Treasury will seek to improve the effectiveness of EC development assistance.

On course.

Measures to decentralise programmes away from Brussels are largely on track, but on the evidence their administration would benefit from a second round of reforms. The introduction of Activity Based Budgeting in the 2004 Budget has increased transparency for new commitments and is a positive step towards creating a planning culture within the EC orientated towards impacts and outcomes rather than expenditure.



Indicator: 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 European Commission has reported an average figure for EU member states of 0.34 per cent for oda/gni for 2002, with a projection that this will exceed 0.39 per cent in 2006. The impact of the Accession Countries on progress towards the target remains uncertain.



Indicator: Improve the institutional effectiveness of 12 multilateral agencies.

On course.

Most of the 12 agencies are making good progress with the priority objectives being monitored, including an enhanced focus on poverty, increased attention to results based strategies, improving staff quality and increasing the focus of programmes.



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.

Progress has stalled following the collapse of negotiations at the Cancun Ministerial Meeting. Polarised negotiating positions make agreement by 1 January 2005 unrealistic, given 2004 US elections and change of European Commissioners. Progress remains vulnerable to events and pressures outside our control.



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.

Indicator	Progress	
<p>1: increase the proportion of DFID's bilateral programme going to low-income countries from 78% to 90%.</p>	<p>On course. The provisional figure for 2002/03 is 80%. Our 2005/06 Aid Framework is based on achieving the 90% target. Re-classification of China as a middle-income country has made the target more demanding, as do the decisions on medium term development programme for Iraq.</p>	
<p>2: increase in proportion of DFID's high-risk bilateral projects evaluated as successful. (Baseline: 24%)</p>	<p>On course. Latest figure is 37%. This reflects the very difficult environments in Africa and Asia at the current time and our determination to take on high risk activities in order to achieve challenging objectives. A significant proportion of the remaining projects are achieving a degree of success (scoring a rating of 3: "objectives likely to be partially achieved"). This also applies to medium and low risk activities.</p>	
<p>3: increase in proportion of DFID's medium-risk bilateral projects evaluated as successful. (Baseline: 56%)</p>	<p>Too early to say. Latest figure is 56%. Although the outturn figure suggests no progress, a greater number (90%) of projects have been scored since the April 2002 baseline was set, which means that a greater number of medium risk projects are now achieving their objectives.</p>	
<p>4: increase in proportion of DFID's low-risk bilateral projects evaluated as successful. (Baseline: 81%)</p>	<p>Too early to say. Latest figure is 80%. Although the outturn figure suggests no progress, 80% nevertheless reflects a high success rate. A greater number (90%) of projects have been scored since the April 2002 baseline was set, which means that a greater number of low risk projects are now achieving their objectives.</p>	

Annex A. Explanatory note on indicators where we are off-track.

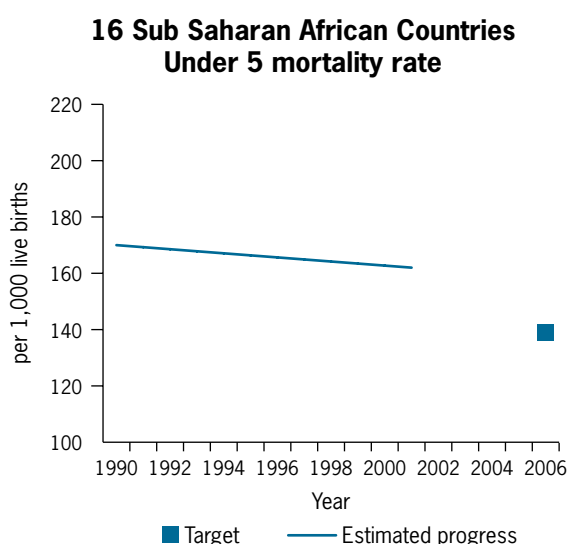
1. This Annex provides more information on indicators where progress is off-track and the action we plan to take to address this slippage.

Africa

Under 5 mortality

Indicator is reduction in mortality rates from 158 to 139 per 1000 live births.

The new baseline is 164, so the current outturn of 162 represents progress – but insufficient to meet target.



2. The under 5 mortality rate has decreased from 170 since 1990. Of the 16 PSA countries, 6 have experienced a rise in child mortality between 1990 and 2001. The other 10 have made varying degrees of progress, but generally nowhere near the level required to reach the MDG on child health or the PSA target. Sierra Leone and DR Congo (new entries to the 2003–06 PSA), with respective rates of 316 and 205, represent the hardest child mortality challenges.

3. Economic decline is likely to have played a major role in this lack of progress. Ten of the 16

countries experienced either a decline or stagnation in GNP per capita between 1990–9. Several of the countries have also experienced conflict and civil unrest, which will further undermine attempts to improve child health. HIV/AIDS is an increasingly important cause of under-5 mortality, estimated to account for 7.5% of under-5 mortality in the region as a whole in 1999. However, most recent analysis suggests that the impact of HIV should not be over-estimated – only in very high prevalence countries with low mortality rates (such as South Africa) is it a sufficient explanation for reversals in child mortality gains.

What will DFID do in the region to make progress over the delivery period?

4. To make progress towards the target DFID is:

- engaging with health sector development in 10 of the 16 PSA countries and in other sectors that influence child health outcomes, for example water, sanitation and education.
- contributing technically and financially to the development and implementation of effective health programmes, underpinned by Medium-Term Expenditure Frameworks and contributing to the poverty reduction strategy or its equivalent.
- providing support to the Africa Regional office of WHO for malaria and childhood illnesses activities.

5. However, on the basis of the latest evidence, **the child mortality indicator is judged to be unachievable within the timeframe of the PSA.** To make significant progress against this PSA indicator, affordable and sustainable child health outcomes need to be accorded greater priority in key Poverty Reduction

Strategies and Medium-Term Expenditure Frameworks (or their equivalents). Since the ambitious PSA indicator is based on countries' own targets, the new data provide a key opportunity for policy dialogue with partner governments, other donors and key actors.

DFID support to global efforts to reduce child mortality

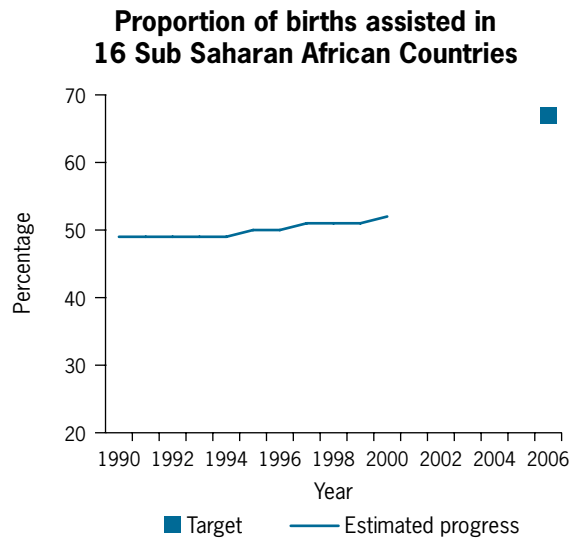
DFID actively supports the Global Alliance for Vaccines and Immunisation (GAVI), an international partnership that aims to increase access to vaccines through sustainable immunisation services. DFID is also involved in a number of International fora that focus on strategies to reduce child mortality, including an evolving Child Survival Working Group, and the Saving Newborn Lives Initiative.

We have supported a major review of UNICEF and WHO efforts in the 1990s to promote prompt diagnosis and effective treatment of the main causes of child mortality. And we support international initiatives such as the Global Fund for AIDS, TB and Malaria, Roll Back Malaria and work to improve access to medicines in developing countries to improve access to appropriate treatment for the poorest.

Maternal mortality

Indicator is increase in the proportion of births assisted by skilled birth attendants from 49% to 67%.

The new baseline is 51% and new outturn is 52% – so maternal mortality rates have slightly improved. This is principally due to improvements in Rwanda and Lesotho.



6. There has been little progress in this indicator since 1990 and more recent progress is not easy to assess. None of the 16 PSA countries presented new data in 2001 and only 4 of them presented new data in 2000. This lack of data is generally understood to be a reflection of both the low profile maternal mortality has at country level and inherent methodological challenges. However, absence of data should not be used to disguise the lack of progress with this PSA target and with the MDG (World Bank analysis on achieving the MDGs has all of our PSA counties categorized as ‘unlikely’ or ‘very unlikely’ to achieve the maternal mortality targets). Indeed, in countries badly affected by HIV/AIDS it appears that maternal mortality has increased significantly over the last few years.

What will DFID do to make progress in the region over the delivery period?

7. Improving coverage of skilled care at delivery and access to and use of emergency obstetric care are key to reducing maternal mortality. The key constraints are weak and under-resourced health systems and the general human resource crisis in the health sector that is exacerbated by economic migration and HIV related mortality.

8. DFID has safe motherhood investments in Kenya and Malawi. In a number of countries health sector support is provided through sector or general budget support. To make significant progress, maternal health outcomes would need to be accorded greater priority in Poverty Reduction Strategies and Medium-Term Expenditure Frameworks (or their equivalents). Potential levers to catalyse progress include:

- ensuring that maternal health plans and budgets are adequately captured in overall health policy, plans and budgets;
- promoting access to skilled attendants as a key indicator of implementation of poverty reduction strategies; and
- promoting skilled attendants coverage as a marker of success of recruitment and retention elements of public sector reform programmes.

DFID support to global efforts to reduce maternal mortality

The focus of DFID's work with the World Bank, WHO and others is tackling critical health system constraints and donor harmonisation. DFID works closely with WHO, UNICEF and UNFPA to strengthen global leadership on maternal mortality, and with the World Bank which is the largest investor in the health sector. DFID is active in the development of the recently established WHO-hosted Partnership for Safe Motherhood and Newborn Health, which will bring greater coherence to the international effort and ensure that maternal and neonatal health are linked not only to health system strengthening but also to wider development agendas.

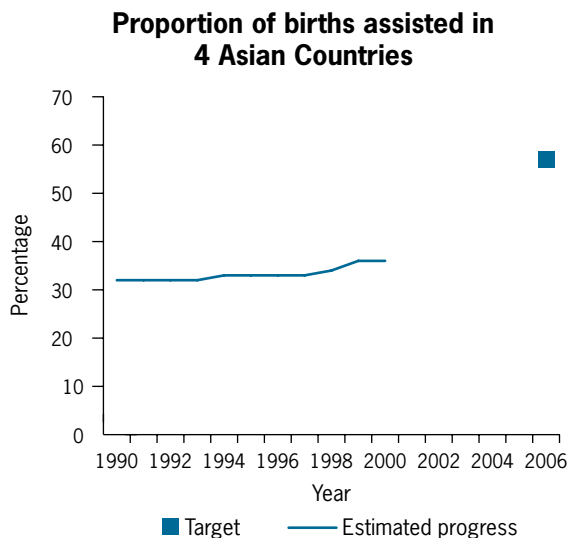
DFID continues to provide substantial support to improving the evidence base around safe motherhood through support for knowledge programmes, research into new interventions and the development of new strategy development and measurement tools. Further work is needed to ensure that new knowledge and analysis is incorporated into practice at all levels.

Asia

Maternal mortality

PSA indicator is increase in the proportion of births assisted by skilled birth attendant from 39% to 53%.

New baseline is 34%. Outturn is 36%. This suggests some progress has been made but this is insufficient to meet the target.



9. China is well above the target (70%), and India has increased steadily to 42%, although the national average masks wide disparities between States and districts. Rates for Pakistan (20%) and Bangladesh (13%) have increased very little.

What will DFID do to make progress in the region over the delivery period?

10. In addition to skilled birth attendants, maternal mortality reduction requires access to emergency obstetric care which is responsive to women's social and cultural needs. In rural areas, transport and communication systems will be key. Exclusion from services because of caste or race, or because of cost, requires context-specific approaches. Increased investment in maternal and neonatal health in Pakistan, with international development partners, is anticipated from 2004 and maternal mortality reduction is prioritised in DFID's 2003 Country Assistance Plan for Bangladesh.

TB detection rates

Target is a TB case detection rate above 70%.

Latest outturn is 29%.

11. DFID uses the internationally agreed targets for TB case detection of 70% by 2005 (and with that a cure rate of 85%). These are the ones to which the WHO's STOP TB global initiative are working. Many developing countries have incorporated these targets into their own national planning processes. To go for less ambitious targets in our PSA would have been an acceptance that the targets were unachievable and undermine our commitment to achieving the targets.

12. Although current outturn against this target is low, there are some grounds for optimism. The 70% target for case detection applies to areas served by the WHO's 'directly observed treatment short course' (DOTS) methodology. These areas are expanding rapidly in the four target Asian countries, significantly as a result of DFID investment in China and India. Although initially expansion of DOTS coverage might reduce detection rates (due to expansion of the target group/area), through time it should substantially improve case detection.

13. China has set targets for its own national TB control programme. It is committed to the WHO global target of 70% case detection rate, but has not set a date for achievement. Meanwhile, DOTS coverage of the country will be increased. DFID currently provide support to TB control in China through a \$100 million blended loan with the World Bank.

14. Pakistan is a challenge. DOTS was only initiated a few years ago – and the country was starting from a near zero detection level. The significant role of the private sector in TB control is a further challenge. Set against this, there is political commitment to the programme, international independent reviews are positive about an increasingly effective TB policy and

DFID will be providing significant technical assistance. The most recent data from the Pakistan programme suggest that the case detection rate has now doubled to 20%.

What will DFID do in the region to make progress over the delivery period?

15. DFID has contributed to the substantial progress in TB control in the last 5 years, but much remains to be done. Globally, treatment success under DOTS had reached 82%, yet case detection under DOTS was only 32% (in 2001). **If the current rate of DOTS expansion is maintained, the WHO 70% detection target will not be reached by 2005, but only by 2013.** DFID is a board member of Stop TB and the Global Fund. We finance Stop TB and have committed US\$280million to the Global Fund to fight AIDS, TB and Malaria. The Global Fund has resulted in a significant increase in global expenditure on TB. The Global Drug Facility has supported the access to quality assured affordable TB drugs. DFID also supports work on TB at the London and Liverpool Schools of Tropical Medicine, and gives significant contributions to the Medical Research Council and WHO to advance a wide portfolio of knowledge generation.

EC expenditure in Low Income Countries

Indicator: 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%.

Latest outturn is 43%.

16. EC expenditure in Low Income Countries (LICs) in 2000 and 2001 was 38% and 43% respectively. The provisional figure for 2002 has risen to 52% (this is not yet OECD/DAC certified). A sharp increase last year in the proportion of the External Relations budget going to LICs (14% in 2001 to 31% in 2002) was responsible for pushing up the LIC figure.

However, the EC's External Relations expenditure is extremely political and therefore volatile, making it difficult to assert that this represents the beginning of a sustained increase in the poverty focus. So although the trend continues in the right direction this target will be extremely difficult to meet.

EC aid effectiveness

17. In addition to improving *where* the EC spends its money, we also work with HM Treasury and the Foreign & Commonwealth Office to improve the effectiveness of the EC's assistance. Since the launch of the reform package in May 2000, EC programming has centred around strategy papers setting out a framework for the EC's co-operation policies for each developing country. By the end of 2002 102 strategy papers were available over the internet. Guidelines for reviewing progress within this framework in 2004 have been published.

18. Measures to decentralise programmes away from Brussels are largely on track, but on the evidence their administration would benefit from a second round of reforms. The introduction of Activity Based Budgeting in the 2004 Budget – linking expenditure to achieving clear and transparent goals – has increased transparency for new commitments. This is a positive step towards creating a planning culture within the EC orientated towards impacts and outcomes rather than expenditure.

19. Initiatives to measure the impact of EC aid in African, Caribbean and Pacific (ACP) countries are at an advanced stage. Detailed assessments of the effectiveness of EC programs at reducing poverty in some of these countries are expected to be published next year.

20. The UK EC budget reform action plan for further increasing EC effectiveness was launched

in May 2003 and has gained a cautious but positive response from the European Commission, including from President Prodi.

Trade

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

21. The failure to reach agreement at the World Trade Organisation (WTO) Ministerial meeting in Cancun in September 2003 is a major setback for the prospect of meeting the PSA target by the existing deadline of 1 January 2005. For reasons of both substance and tactics, there was simply not sufficient political will among all the members to make progress. With the impending US Presidential elections and the end of the Commission's term, the most likely real deadline now is by around March 2007, since the current US Trade Promotion Authority is due to expire that June. It remains difficult to foresee at this point how ambitious any eventual agreement and its pro-development component might be. Senior officials have been tasked with seeking solutions by December to the problems encountered. All Departments are committed to making sure the Doha 'Development Round' of trade negotiations gets back on track.

22. However, the PSA target itself is not explicitly WTO specific, and there are other streams of work in progress, which, if successful, will have a positive impact on the target. For example, the revision of the GSP (Generalised System of Preferences); progress with negotiations on Economic Partnership Agreements (EPAs) with ACP countries party to the Cotonou Agreement; and proposals to improve rules of origin for these preferential agreements, as well as recent and future planned reforms of the EC's Common Agricultural Policy (CAP), will all have positive impacts. But the timescale is more uncertain. The GSP revision is due by 2005, but seems likely to slip by a year; negotiations on EPAs are not due to conclude until end 2007; and the impact of breaking the link between subsidies and production in the CAP, and the consequent benefits to developing country exporters will take time to emerge.

Annex B. Links between DFID's 2001–04 Public Service Agreement and the 2003–06 Public Service Agreement

Progress against DFID's 2001–04 Public Service Agreement is set out in our 2003 Departmental Report

PSA 2001–04

PSA 2003–06

Objective I: to reduce poverty through the provision of more focused and co-ordinated development assistance by the international community to low and middle income countries

1. An increased focus by DFID on poor countries, particularly those with effective governments pursuing high growth and pro-poor economic and social policies, as demonstrated by:

- (a) an increase in the proportion of DFID's bilateral country specific development aid (excluding humanitarian assistance) going to low income countries from 71% in 1998/99 to 80% in 2002/03.
- (b) an increase in the proportion of DFID's bilateral country specific development aid (excluding humanitarian assistance) going to low income countries pursuing sustainable, pro-poor policies from 50% in 1998/99 to 65% in 2002/03.

These targets have been rolled forward into our 2003–06 PSA Value for Money target 5.1.

-
- (c) Establish better organisation of EC programme delivery by end-2001.
 - (d) Gain agreement in the Council of Ministers and the European Commission by 2003 to redirect allocations and spend towards programmes which reduce poverty.
 - (e) an increase in the percentage of EC development assistance going to poor countries from 50% in 1998 to 70% in 2006.

These targets have been rolled forward into our 2003–06 PSA and used as indicators for target 3: "To improve the effectiveness of the international system".

- (f) adoption and implementation of effective Poverty Reduction Strategies by 2004 in all countries accessing International Development Association (IDA) high impact or adjustment lending.
- (g) Provide support to at least 12 partner countries by 2004 to develop and implement Poverty Reduction Strategies in co-ordination with other donors.

We have set a joint target with HM Treasury on supporting Poverty Reduction Strategies in our 2003–06 SDA (SDA I). This is used as a performance indicator for our 2003–06 PSA target 3: “To improve the effectiveness of the international system”.

Objective II: to promote sustainable development through co-ordinated UK and International Action

2. To promote the integration of developing countries into the global economy through co-ordinated UK and international action, including by:

(a) relief of unsustainable debt by 2004 for all Heavily-Indebted Poor Countries (HIPC) committed to poverty reduction, building on the internationally agreed target that three-quarters of eligible HIPCs reach decision point by end 2000 (**joint target with HM Treasury**).

DFID and HMT working with the international community to bring 20 countries to Enhanced Heavily Indebted Poor Countries (HIPC II) Decision Points by end 2000 and a further 5 by end 2001.

These targets have been rolled forward into our 2003–06 PSA as target 3: “To improve the effectiveness of the international system”.

These targets have been combined as a joint indicator with HM Treasury for our PSA target 3: “To improve the effectiveness of the international system”.

(b) gaining international agreement on the integration of social, economic and environmental aspects of sustainable development into poverty reduction programmes by

(sub-target): Endorsement of guidance identifying the principles of strategic planning for sustainable development by the DAC by April 2001.

(sub-target): Secure international endorsement of DAC principles of strategic planning for sustainable development at the World Summit on Sustainable Development by September 2002.

(sub-target): Successful integration of the principles of sustainable development into government, multilateral and DFID policies and programmes in 10 key partner countries by April 2004, including agreed approaches to water resource management and capacity-building for environmental management.

(sub-target): Promote increased private sector foreign investment in poor countries by turning CDC into a public-private partnership, when business conditions are right, with majority private capital. CDC:

- is required to make 70% of its new investments in poor developing countries and;
- seeks to make 50% of its new investments in sub-Saharan African and south Asia.

We have mainstreamed sustainable development issues through our 2003–06 Service Delivery Agreement.

These targets have been combined as a joint indicator with HM Treasury for our PSA target 3: “To improve the effectiveness of the international system”.

We have targets on improving the climate for foreign investment in our 2003–06 Service Delivery Agreement (SDA II(d) and IV(d)).

3. Improved effectiveness of the UK contribution to conflict prevention and management (joint target with Foreign and Commonwealth Office and Ministry of Defence)

This joint target has been rolled forward as an indicator for our 2003–06 PSA target 1 (to reduce poverty in 16 key countries in sub-Saharan Africa) and as a target in our SDA (SDA III and IX).

Objective III: improved education outcomes in key countries receiving DFID education support

4. Improved education systems in our top ten recipients of DFID education support demonstrated by:

These targets have been rolled forward as an indicator for our 2003–06 PSA targets 1 (To reduce poverty in 16 key countries in sub-Saharan Africa) and target 2 (To reduce poverty in our 4 focus countries in Asia).

- (a) an average increase in primary school enrolment from a baseline established in 2000 of 75% to 81% on the basis of data available in 2004;

(sub-target) Development of basic monitoring and evaluation mechanisms and their integration into education sector strategies by 2004 in at least 8 or our top 10 recipients of bilateral education assistance.

(sub-target) By 2004, 75% of DFID bilateral commitments for education in our top ten recipients of bilateral education assistance will support multi-donor programmes, implementing government-agreed sector strategies.

Targets on DFID support to education have been included in our 2003–06 SDA (SDA II(a) and IV(a)).

- (b) improvements in gender equality in education, particularly primary education. The baseline for gender equality is 86% for 1996 data.

This target has been rolled forward as an indicator for our 2003–06 PSA targets 1 (To reduce poverty in 16 key countries in Africa) and target 2 (To reduce poverty in our 4 focus countries in Asia).

(sub-target): Successful adoption and implementation of education sector strategies which include explicit objectives on equitable access for girls and boys by 2004, in at least 8 of our top 10 recipients of bilateral education assistance.

Targets on DFID support to education have been included in our 2003–06 SDA (SDA II(a) and IV(a))

Objective IV: improvements in health outcomes in key countries receiving DFID health care assistance.

5. Improvements in child, maternal and reproductive health in our top ten recipients of DFID health care assistance demonstrated by

(a) a decrease in the average under-5 mortality rate from 132 in 1997 to 103 on the basis of data available in 2004.

These targets have been rolled forward as an indicator for our 2003–06 PSA targets 1 (To reduce poverty in 16 key countries in sub-Saharan Africa) and target 2 (To reduce poverty in our 4 focus countries in Asia).

(sub-target): Development and implementation of strategies focused on improving access to safe water and sanitation and reducing levels of child mortality, in at least 8 of the top 10 recipients of bilateral health assistance by 2004.

(sub-target): Development and implementation of health sector strategies by 2004 in at least 8 of the top 10 recipients of bilateral health assistance

Targets on DFID support to health have been included in our 2003–06 SDA (SDA II(b); IV(b) and IX(b)).

(b) an increase in the proportion of births assisted by skilled attendants from a baseline established in 2000 of 43% to 50% on the basis of data available in 2004; and

This target has been rolled forward as an indicator for our 2003–06 PSA targets 1 (To reduce poverty in 16 key countries in Africa) and target 2 (To reduce poverty in our 4 focus countries in Asia).

(c) improved access to reproductive health care (from a baseline of 32%).

(sub-target): Strengthened multilateral initiatives to combat HIV/AIDS in Africa (UNAIDS) and Roll Back Malaria (WHO) demonstrated through national strategies, with jointly agreed milestones, in at least five of the top 10 recipients of DFID healthcare assistance

Targets on communicable diseases have been included as indicators for our 2003–06 PSA targets 1 (To reduce poverty in 16 key countries in sub-Saharan Africa) and target 2 (To reduce poverty in our 4 focus countries in Asia). Further targets on DFID support have been included in our SDA (SDA II(b); IV(b); V(d) and XI(b)).

Value for Money

6. Improved value for money and effectiveness of projects in DFID's bilateral programme, as demonstrated by a year on year improvement in the index of their evaluated success.

These targets have been rolled forward into our 2003–06 PSA Value for Money target 5.2.



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