

## INVESTING IN SOCIAL SECTORS FOR INCLUSIVE AND SUSTAINABLE DEVELOPMENT

### 1. Social sectors: keys to eradicate poverty and foster development

For almost 20 years, investment in basic social services, including health and basic education, has been acknowledged as central in eradicating poverty and achieving inclusive and sustainable development. While contributing to unlocking people's potential, particularly women's and youth's, and creating an enabling environment, basic social services and gender are, among others, key drivers of poverty eradication. Health and education are a precondition for, an outcome and an indicator of sustainable development as stated in the final report of the UN Conference on Sustainable Development Rio + 20.

Many international commitments have been taken on population and development, on empowering women, on prioritising woman's and child's health, on financing education for all<sup>1</sup>. The international community has recommended allocating 20% of official development assistance (ODA) to basic social sectors at the UN World Summit for Social Development (1995). In 2008, the follow-up of the Monterrey Consensus called for greater efforts to mobilise financial resources and provide universal access to basic social services and to achieve the Millennium Development Goals (MDGs). Since 2000, the MDGs have enshrined basic social services, especially health and basic education, as means to foster development. Among 8 MDGs, 5 directly focus on health and basic education: MDGs 4, 5 and 6 focus on health, in particular child and maternal health as well as fighting HIV & AIDS; MDG 2 and 3 set targets for equal access to education and gender equality.

Building upon international agreements but also the Treaty of the Functioning of the European Union (article 168) and the European Consensus on Development (2005), the European Union committed in the Agenda for Change (2011) to invest at least 20% of its aid to social inclusion and human development, including health and basic education. The European Parliament recommends allocating this share specifically to basic social services<sup>2</sup>. In its recently adopted Resolution on the 11<sup>th</sup> EDF, the European Parliament has also called for the 20% benchmark to be applied to the European Development Fund (EDF) for geographic programmes for the African, Caribbean and Pacific (ACP) countries. The EU has developed an extensive EU gender action plan for 2010 - 2015 with specific indicators: at least 80% of the funds include gender-sensitive indicators; at least 75% of all projects/programmes score G-2 (gender as a principle objective) or G-1 (gender as a significant objective); and at least 50% of Multiannual Indicative Programmes identify gender equality-related actions.

Social sectors, including health and education, are one of the 3 cooperation strategies set in the Cotonou Agreement. The agreement calls for the ACP States-EU cooperation to work towards improving the coverage, quality and access to basic social services and to ensure adequate level of spending in the social sectors to improve health systems, reproductive health and education at all level (Part 3, Title I, Chapter 2, Section 2 article 25). Moreover, macroeconomic policies and structural adjustment programmes shall ensure a positive impact on social services access (Part 3, Title I, Chapter 2, Section 1, article 22), and regional policies for sustainable development should focus, among other things, on health and education (Part 3, Title I, Chapter 2, Section 3, article 29). Gender equality and human rights are a cornerstone of the agreement (Part 1, Title II article 8). Gender equality as well as the fight against HIV & AIDS are in fact cross-cutting issues within the ACP countries-EU cooperation (Section 4 articles 31 and 31bis).

The African countries have committed to additional financing for health and education. In April 2001, the African countries signed the Abuja declaration pledging to allocate at least 15% of their annual budget to health and urging donors to scale up their support to the health sector, including HIV & AIDS, Tuberculosis and other related infectious diseases. In complement, the Maputo Plan of Action, signed in 2007 and renewed in 2010, establishes sexual and reproductive health and rights (SRHR) as a priority for African countries. By signing the Education for All programme of action in 2000, the African Union countries have also committed to spending 7% to 9% of their general budget to primary education.

### 2. Financing basic social services under the EDF to foster development in the ACP Countries

For 2007-2013, there have been two sources of funding supporting social sectors: the bilateral aid according to the national indicative programming (NIP), and the intra-ACP fund supporting cross cutting issues and international initiatives. In addition, there have been complementary financing to which ACP countries are eligible such as the Development Cooperation Instrument thematic programmes mainly *Investing in People*, as well as other European aid instruments.

<sup>1</sup> International Conference on Population and Development, 1994; Convention on the Elimination of All Forms of Discrimination Against Women, 1979; Beijing Platform for Action, 1995 ; UN initiative Every Woman Every Child and G8 summit Muskoka, 2010; World Conference on Education for All, 1990; World Education Forum, 2000; Global Partnership for Education, 2002; UN initiative Education First, 2012

<sup>2</sup> European Parliament resolution of 23 October 2012 on an Agenda for Change: the future of EU development policy

The intra-ACP fund mainly supports health (€ 330 million) and education (€ 150 million) through international initiatives such as the Global Fund against AIDS, Tuberculosis and Malaria, the programmes EDULINK and Erasmus Mundus.

Within the bilateral aid, the large majority of the EDF funds are usually directed to governance and infrastructure according to the 10<sup>th</sup> Performance review<sup>3</sup>. Out of the 79 recipients, only 18 prioritised health and/or education as a focal sector, therefore contradicting the commitments taken by both the ACP States and the European Union. Under the 10<sup>th</sup> EDF, €2.7 billion allocated to basic social sectors represented only 5.4% of the overall NIPs envelopes. 33.6% of the national programming was directed to social sectors under the national indicative programmes mainly through general budget support (6.5% through NIPs against 8.2% under the 9<sup>th</sup> EDF; 27.1 % through general budget support linked to social sectors).

At the UN MDG Summit in 2010, the European Commission launched the MDG initiative with €1 billion to support the most off track MDGs (including child and maternal health), including €700 million for 32 projects and 10 on maternal and child health for €264.4 million.

When reviewing the programming implementation of the 10<sup>th</sup> EDF, the European Parliament underscored the reduction of funding allocated under the 10<sup>th</sup> EDF to health and education compared to the level in the 9<sup>th</sup> EDF. The European Parliament assessed this level of funding to health and basic education inadequate to meet the objective of attaining the MDGs<sup>4</sup>. In addition, the European Parliament rightly underlined the absence of a joint strategy with the 10<sup>th</sup> EDF recipients to include the health and education sectors in the priorities of national strategy papers. Based on the Annual Report on the EU's external assistance policies and their implementation from 2007 to 2011, the amount of funding in relative terms allocated to health and basic education has remained stable representing only 6.5% of the total EDF.

As a cross cutting issue, gender equality should be mainstreamed in all activities with additional specific activities financed through general budget support. Despite growing progress on the division of labour, there is still a lack of coordination between donors and national governments, creating potential loopholes for implementing mainstreamed activities. Financing through budget support raises the need for transparent and accountable public financial management systems, adequate monitoring systems, and establishing specific indicators including gender-sensitive performance indicators.

Progress remains uneven and MDGs are unlikely to be achieved in most ACP countries. The situation on health and education in ACP countries remains alarming:

- Every 3 second, 1 child dies in the ACP countries before he/she is 5 years old. 2/3 of children's deaths are preventable through simple and affordable interventions.
- A woman in the ACP countries has 1 chance out of 5 to die in giving birth. 99% of maternal deaths occur in developing countries, most could have been prevented with proven interventions.
- 25% of childbearing age women who are married or in a union have an unmet need for family planning in the ACP countries in 2011.
- In 2010, tuberculosis killed 1.45 million people or one death every 20 seconds in the ACP countries which also account for 77% of malaria cases worldwide and the HIV prevalence is 5% compared to 0.4% in Europe and 0.8% worldwide.
- Between 2009 and 2011 in the ACP countries, 66% of girls and 73% of boys completed their primary education. 38% of the adult population in the ACP countries is illiterate, among which women make almost half of this population<sup>5</sup>.

### **3. CONCORD calls on the Members of the ACP EU JPA to:**

- Encourage the ACP governments and the EU to prioritise social sectors in the political dialogue with all actors including the civil society (art. 2, 25 and 31bis of the Cotonou Agreement)
- Urge the European Commission, the ACP national governments, the Council and the EDF Committee to allocate at least 20% of the 11<sup>th</sup> EDF to social sectors and to apply the benchmarks defined in the EU gender action plan
- Ensure that the 20% benchmark for health and basic education is applied throughout geographic and intra-ACP funds
- Call for clear and responsive and gender indicators in focal sectors
- Ensure that the EU delegations have adequate expertise in social sectors and gender by drawing on the resources of other partners, including local NGOs
- Guarantee an appropriate mix between modalities at regional and country level to ensure proper provision essential sectors, including health, population and basic education
- Pay particular attention to the MDG achievements, in particular to the MDGs which are lagging behind, and to the countries with the most off-track MDGs indicators
- Demand the European Commission an annual evaluation and reporting on the gender related activities and on the 20% and gender benchmarks, with a focus on off-track MDGs, maternal and reproductive health, child health, education and HIV & AIDS

***For further information, please go to <http://www.concordeurope.org/> Tel +32 2 743 87 81***

<sup>3</sup> Commission staff working paper 10th EDF performance review SEC (2011) 1055 final

<sup>4</sup> European Parliament Resolution on the implementation of the 10<sup>th</sup> EDF of 23 April 2008

<sup>5</sup> Maternal health, children health and HIV & AIDS data are taken out from WHO website, gender and education data from UNSTAT website