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Poverty Reduction in Africa

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DFID's work in Africa



2 Poverty Reduction in Africa

Poor people care about what happens to their income levels. Poor people care about whether their children get into school. Poor people care about whether their daughters are discriminated against in terms of access in education. Poor people care enormously about pandemics and about infectious diseases such as HIV/AIDS, which are devastating communities in Africa. And poor people care a lot about their environment, and whether they have access to clean water and sanitation. Now, with democracy spreading across the developing world, poor people can finally do more than care.

Human Development Report 2003, UN Development Programme

- 2.1 Poverty levels in sub-Saharan Africa are the highest in the world. The proportion of people living on less than \$1 a day has remained at about 50% of the total population for the last decade. Overall economic growth has been steady since 2002, matching population growth, at about 3% and is expected to increase to around 5% in 2004. Better-managed, peaceful countries have grown faster and some are making progress in reducing poverty. However, achieving the Millennium Development Goals requires sustained economic growth of at least 7% over the coming years with the benefits of growth clearly targeted at the poor.
- 2.2 African development problems are complex and constrain overall progress towards the Millennium Development Goals. Governance needs to be strengthened, conflict managed and corruption stemmed; regional and country economies must be diversified and made more competitive; and trade terms need to be improved. Many of Africa's poor depend on agriculture, often in unproductive areas. This poses a significant challenge in terms of raising their income as well as environmental and natural resource management. Infant and maternal mortality rates are highest in sub-Saharan Africa where health systems are weak and the poor and powerless have little access to them. If those rates are to fall, inequality, exclusion and gender discrimination must be tackled. Nearly 28 million Africans are living with HIV/AIDS, 2.3 million people died in 2003, and in many countries the rate of infection is still rising. The problem is concentrated in Southern Africa and will continue to have a serious impact on health, the social fabric, public services and household and national income.

- 2.3 The challenge is daunting, but not insurmountable. Accelerating progress towards the Millennium Development Goals depends on a change both within Africa and from the international community. Effective African governance and leadership and ownership of poverty reduction and economic growth strategies are critical for success. There are many positive signs. At the continental level, Africa has expressed its own desire for change through the New Partnership for Africa's Development (NEPAD). At the same time peace in sub-Saharan Africa is increasing, which encourages partnerships with the international community. The spread of HIV/AIDS appears to have slowed or stabilised in some countries. DFID's strategy depends upon improving development effectiveness in partnership with African governments, civil society and other donors and concentrating significantly increased international resources where they are most effective.



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An internally displaced girl newly arrived in a refugee camp in Sierra Leone. DFID has worked with the MOD and FCO to reduce the incidence of conflict through the Africa Conflict Prevention Pool

- 2.4 Development assistance is critical, yet in real terms aid per capita to Africa has fallen over the last decade. Donors need to respond to the varying regional challenges remaining in Africa and aid flows must increase significantly. Recent World Bank research indicates that sub-Saharan African countries that are performing well have the capacity to absorb up to 60% more aid. The research also shows that in many countries, they could achieve the Millennium Development Goals if they were to receive such increases in development assistance. By 2005/06 the UK will have increased its annual bilateral assistance to sub-Saharan Africa to £1 billion.

Public Service Agreement Objective I

■ Reduce Poverty in Sub-Saharan Africa

- 2.5 In this chapter we set out progress made against the first Public Service Agreement objective, examine steps being taken to counter underperformance and look in more detail at achievements in the 16 focus countries. The Public Service Agreement target provides milestones by which DFID can measure how well it is doing in partnership with African governments and others to reduce poverty in sub-Saharan Africa.
- 2.6 Progress against the target indicators is monitored in 16 countries, which as a group received 88% of DFID funds for Africa in 2002/03. The 16 focus countries are: Democratic Republic of Congo, Ethiopia, Ghana, Kenya, Lesotho, Malawi, Mozambique, Nigeria, Rwanda, Sierra Leone, South Africa, Sudan, Tanzania, Uganda, Zambia and Zimbabwe. The countries and their economies are diverse, but one or more of the Public Service Agreement indicators are relevant in all countries. DFID has offices in all countries apart from Sudan and DR Congo. A DR Congo office is planned for 2005/06. In Sudan we will open an office once a peace agreement is in place.

Box 2a 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.

Revised baselines are given where more complete and up to date data sets have become available.

A full report of progress against the Public Service Agreement is in Annexe 3.

Box 2b Progress against Public Service Target 1

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

Indicator	Progress	
1 A sustainable reduction in the proportion of people living in poverty from 48% across the entire region	Too early to say Latest outturn: 49% living in poverty	
2 An increase in primary school enrolment from 58% to 72% Revised baseline is 68%	On course Latest outturn: 72% primary enrolment	
3 An increase in the ratio of girls to boys enrolled in primary school from 89% to 96% Revised baseline is 91%	On course Latest outturn: 91% girl to boy ratio	
4 A reduction in under-five mortality rates for girls and boys from 158 per 1000 live births to 139 per 1000 Revised baseline is 164	Slippage Latest outturn: 162 per 1000 under-five mortality rate	
5 An increase in the proportion of births assisted by skilled birth attendants from 49% to 67% Revised baseline is 51%	Slippage Latest outturn: 52% assisted births	
6 A reduction in the proportion of 15-24 year old pregnant women with HIV from 16%	Too early to say UNAIDS will publish global HIV/AIDS figures in July 2004	
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 The first analysis of these statistics will be available in Summer 2004	
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	

- 2.7 Whilst progress has been made in some areas, the Public Service Agreement indicators relating to under-five and maternal mortality rates are unlikely to be met. DFID's efforts to do something about this as part of the international community are explained here.

Box 2c Working to improve performance in Africa

Under-five mortality

Of the 16 focus countries in Africa, six have experienced a rise in child mortality between 1990 and 2000. The other ten have made varying degrees of progress, but nowhere near the level required to reach either the Millennium Development Goal on child health or the Public Service Agreement target. Sierra Leone and DR Congo pose the greatest challenges. Economic decline, conflict, civil unrest and HIV/AIDS have all played a significant role in restricting progress in reducing child mortality rates. DFID is involved in health sector development in ten of the 16 focus countries and in other sectors that influence child health, such as water, sanitation and education. We are contributing technically and financially to the development and implementation of effective health programmes. We are also providing support to the Africa Regional Office of the World Health Organization for malaria and childhood illnesses activities.

Maternal mortality

Rates have slightly improved and this is largely due to progress in Rwanda and Lesotho. Overall, however, there has been little movement since 1990 and more recent progress is not easy to assess, due to the lack of accurate data. Improving accessibility to skilled care during delivery and emergency obstetric care are key to reducing maternal mortality. The main constraints are weak and under-resourced health systems; ie lack of money and lack of staff. The latter is exacerbated by economic migration and HIV/AIDS related deaths. DFID has safe motherhood programmes in Kenya and Malawi; and in several countries help for the health sector is provided through budgetary support. Greater importance will have to be given to this issue in Poverty Reduction Strategies and Medium-Term Expenditure Frameworks, or their equivalents, if serious progress is to be made.

Regional Issues

- 2.8 As in all areas of its work, DFID operates as part of the international community to contribute to progress in Africa. This involves a number of strategic partnerships with African organisations and governments and an increasing harmonisation of policies and practices with other bilateral and multilateral donors and agencies. The New Partnership for Africa's Development (NEPAD) and the Strategic Partnership for Africa are two key partnerships. It is clear that the challenges faced by African nations will only be overcome if a coherent strategic approach is adopted across the region.

PSA Objective 1 Highlight

- ✓ International policy towards Africa: the Prime Minister has stated that Africa will be a priority for the UK in 2005. Through our G8 chairmanship and leadership of the Commission for Africa, we will continue to maintain pressure for reform that benefits Africa.

Commission for Africa

- 2.9 The Prime Minister launched the Commission for Africa on 26 February 2004 with the objective of examining how Africa can participate in an increasingly globalised world. The report will take a fresh look at Africa's current situation and make new proposals for global action, by the developed world, African governments and also civil society. The report will be published in 2005, when the UK will be able to use its Presidencies of the G8 and the European Union to urge implementation of its recommendations. The report is not intended to replace or overtake our G8 Africa commitments, nor cut across NEPAD. On the contrary, the objective is to draw increased attention to these initiatives – and bolster support for them.



Panos Pictures

Clearing land for cultivation in Mozambique. DFID bilateral support for rural livelihoods has increased by 25% over the last five years

- 2.10 The work will be led by Commissioners appointed by the Prime Minister; they are leading figures from Africa and developed countries across the world. The Commissioners will decide which themes to cover at their first meeting. These are likely to include peace building and conflict prevention; good governance; investment in people; economy, finance and trade; the environment; and cultural heritage and participation. The Commissioners will be supported by a Secretariat, staffed from interested Whitehall departments and led by the former UK Ambassador to Ethiopia.

New Partnership for Africa's Development

- 2.11 The New Partnership for Africa's Development is an Africa-wide initiative, which seeks to change the relationship between Africa and the international community. It believes that it is the responsibility of African countries to manage their own development, and the responsibility of the international community to ensure that policies, such as those on trade, are more supportive of development, and deliver aid in the most effective way possible. The driving force comes from NEPAD's five member Steering Committee formed of South Africa, Nigeria, Senegal, Algeria and Egypt.
- 2.12 NEPAD has made a particular contribution in the areas of peace building and governance. Great progress has been made in developing the peace and security agenda of NEPAD and the African Union. Both African and international efforts on conflict prevention and resolution have been strengthened as a result of the focus on peace and security as long-term solutions for development. One of the most innovative features of NEPAD is the African Peer Review Mechanism. This will review economic, corporate and political governance in the 16 countries that have opted to participate. The emphasis will be on lesson learning and improving governance across Africa. The first group of countries to be reviewed will be Ghana, Kenya, Mauritius and Rwanda.
- 2.13 DFID supports NEPAD through our commitments under the G8 Africa Action Plan and through the NEPAD and UN Development Programme funding mechanism to which we have contributed £500,000 during 2003/04. DFID has specifically supported business engagement and communication projects and studies of conflict and governance, in addition to our overall commitment to NEPAD. The G8 Action Plan for Africa can be accessed at: www.g8.gc.ca/2002Kananaskis/kananaskis/afraction-en.pdf

PSA Objective I Highlight

- ✓ **Conflict:** Only two on-going conflicts in Africa do not have a peace agreement (Somalia, northern Uganda), down from 19 in 2000. We are providing support to peace processes in the Great Lakes, Sudan and West Africa.

Conflict Reduction and Peace Building

- 2.14 Violent conflict has had a devastating effect upon sub-Saharan Africa. During the 1990s, it is estimated that over 6 million people died and about 20 million were displaced due to the impact of conflict. Countries affected also suffered negative economic growth. Since 2003, however there has been some progress. In West Africa, peace agreements reached in Liberia and Côte d'Ivoire represent an opportunity for stability in the volatile Mano River Union that includes Sierra Leone. In DR Congo, the peace agreement has established a transitional government moving towards elections in 2005. The 30-year war in Angola has come to an end, and in Sudan a comprehensive peace agreement is expected soon. Peace talks have resumed in Somalia.

- 2.15 This has been mirrored by positive developments in the African Union and local mechanisms to support peace and security. Organisations such as the Economic Community of West African States and the Inter-Governmental Authority on Development (a group of seven East African nations) have played a critical role in conflict management and support for peacekeeping operations. The African Union itself has launched its first Africa mission in Burundi. A recently ratified Peace and Security Protocol allows for the establishment of a Peace and Security Council, under an African Union charter. This would permit intervention if 'war crimes, genocide and crimes against humanity' take place.
- 2.16 DFID's role has been to support pan-African efforts to improve conflict management as well as assisting specific countries to sustain peace and stability. Particular focus has been placed on supporting the institutional capacity of organisations such as the African Union to manage conflict, as well as on building up peace support capacity, including a standby African peacekeeping force.
- 2.17 At country level, DFID has worked with the Foreign and Commonwealth Office and the Ministry of Defence through the Africa Conflict Prevention Pool to support African (and subsequently UN) peace support operations in Burundi, Côte d'Ivoire and Liberia. The UK is the largest donor to the Africa Mission in Burundi. DFID is also playing a critical role in the peace processes in DR Congo, Sudan and Somalia, as well as continuing its peace building programmes in Angola, Rwanda and Sierra Leone. In northern Uganda DFID is supporting a number of alternative approaches to resolving the long running conflict. (There is more information on the Conflict Prevention Pools in Chapters 5 and 7.)



Panos Pictures

Felicia – 16 years – doing her homework, checked by her older sister in Ghana. Educating girls contributes to reducing child and maternal mortality and the spread of HIV/AIDS as well as achieving equality with boys

PSA Objective I Highlight

- ✓ **Education:** Sustained budget support from DFID and others has helped governments to expand primary education rapidly across Uganda, Tanzania and Rwanda. In Tanzania, the number of children enrolling in the first year of primary school has almost doubled since 2001. In Kenya, a DFID £10 million grant helped an additional 1.2 million children enrol in free primary school education.

Budget Support

- 2.18 Donors are increasingly moving towards new funding methods, such as budget support, which provides predictable pooled funding under the control of partner governments. This depends on the recipient countries being committed to poverty reduction and the Millennium Development Goals.
- 2.19 DFID is currently providing direct budget support, on the basis of their Poverty Reduction Strategies to Ethiopia, Ghana, Malawi, Mozambique, Rwanda, Sierra Leone, Tanzania and Uganda. This support is pooled with other donors to reduce transaction costs and increase co-ordination. Budget support currently accounts for around half of DFID funding to the above countries. By 2005/06 we aim to raise this to two-thirds of funding provided. Projects and technical assistance are likely still to play useful roles, even in countries where the bulk of DFID assistance is provided as budget support. These will be particularly aimed at building capacity to strengthen state institutions, financial management and civil society.
- 2.20 In several countries, notably Uganda, Tanzania and Rwanda, budget support from DFID and other countries has permitted rapid expansion of primary education enrolment. Similarly in health, preliminary results from Uganda suggest that access to, and use of, primary health care facilities has dramatically increased following the abolition of charges. In Ethiopia, the government wants aid in the form of budget support to give the flexibility needed for decentralised poverty reduction spending. DFID's willingness to provide budget support for Ethiopia has encouraged other bilateral donors to consider doing the same.
- 2.21 In countries recovering from conflict, such as Sierra Leone and Rwanda, DFID's budget support has helped re-establish public expenditure systems. During 2003, DFID has led donor budget support groups in Ethiopia, Ghana and Mozambique and played a major role in designing harmonisation programmes in other countries too. Better harmonisation will reduce the costs of working with donors and increase efficiency for hard-pressed partner governments. (There is more information on budget support, its risks and how we mitigate them, in Chapter 6.)

PSA Objective 1 Highlight

- ✓ **Partnership:** In order to make aid more effective and strengthen country leadership DFID is encouraging greater harmonisation by donors and alignment with national strategies. In Mozambique DFID is chairing the group of fourteen budget support donors.

Strategic Partnership for Africa

- 2.22 We seek not only to use our own resources more effectively for poverty reduction, but also to influence other donors to do the same. The Strategic Partnership for Africa has proved an important international mechanism for achieving this. DFID has played a leading role in the Strategic Partnership for Africa for many years.

Box 2d Strategic Partnership for Africa

The Strategic Partnership for Africa is a forum for international development assistance agencies, both bilateral and multilateral, to discuss emerging development issues in Africa and to build understanding and consensus about how to use their assistance more effectively. Although the Partnership started over 15 years ago, it was only in 2003 that it invited the participation of representatives of African governments and of the Chairman of the New Partnership for Africa's Development.

African governments are increasingly using the Strategic Partnership for Africa to call for greater alignment of donor assistance with their Poverty Reduction Strategies. The mechanisms used for changing donor behaviour are peer pressure, monitoring and piloting of new approaches.

DFID is an active participant in the work of the Partnership, including its two technical groups. These concentrate on understanding and tracking the alignment of development assistance with Poverty Reduction Strategies. One group deals with budget support and the other with sector support, for example for health or education. With the European Commission, the UK has led missions to Rwanda and Ethiopia to improve donor performance.

With developing countries that are pursuing poverty reduction, donors will establish relationships based on mutual accountability. The Strategic Partnership for Africa is developing a monitoring mechanism with the Development Assistance Committee of the Organisation for Economic Co-operation and Development, which assesses donor activities worldwide and the rate of change towards this model of accountability.

Public Service Agreement Focus Countries

Democratic Republic of Congo

- 2.23 The Democratic Republic of Congo has had a difficult history of corruption, exploitation of its huge natural resources and chronic civil strife. It has also been the epicentre of Africa's first region-wide war from 1998 to 2003. With the Transitional National Government now in place bringing together the warring parties, there is an opportunity for security and development.
- 2.24 DFID has played a significant role in helping resolve the conflicts of the Great Lakes region. In January 2004, the Secretary of State for International Development held the latest in a series of meetings with Presidents Museveni of Uganda and Kagame of Rwanda. DFID has also been part of the international community's efforts to address basic humanitarian needs in the Democratic Republic of Congo. We have provided support for demobilisation, disarmament and re-integration of security forces and quick start programmes to provide health and education to war-affected parts of the country. The UK is ready to increase its assistance to help rebuild the country in support of the Transitional National Government from £23 million in 2003/04 to around £40 million in 2004/05. This is in addition to contributions of around £70 million through the European Commission, the United Nations and the World Bank.

Ethiopia

- 2.25 44% of Ethiopia's 67 million people live below the national poverty line and development indicators are low, even by the standards of sub-Saharan Africa. The Ethiopian Government's Sustainable Development and Poverty Reduction Programme forms the basis for DFID's partnership. We provide budget support, in addition to technical assistance on education, food security, HIV/AIDS and capacity building for the public sector and civil society. Government policies are largely sound, although implementation is sometimes weak. We will work with the Government and civil society to help reform the public sector. Because of the good prospects for lifting a large number of people out of poverty, our programme in Ethiopia is expanding from £44 million in 2002/03 to a planned £60 million in 2004/05 and £85 million in 2005/06.
- 2.26 Over 13 million people required food aid during 2003. The scale of this emergency reflected the impact of a moderate drought on a highly vulnerable population. The national and international response was well co-ordinated and despite pockets of extreme hardship, disaster was avoided. DFID humanitarian assistance commitments, addressing health and sanitation in addition to food, totalled more than £38 million during 2003/04. Tackling vulnerability is an essential part of improving living conditions. We are working with the Government to expand rural road networks in order to improve access to markets and services.

- 2.27 National HIV/AIDS prevalence is estimated at around 7%, though this exceeds 15% in some urban areas. DFID contributed £7 million for HIV/AIDS prevention work in 2003/04. We are also strengthening the ability of the Government to use funding from the World Bank and the Global Health Fund to expand prevention, care and support services to the scale required.

Ghana

- 2.28 Ghana made significant progress in 2003 in growth, in economic management and in increasing poverty related expenditure. Under the Ghana Poverty Reduction Strategy, backed by DFID and other development partners, the country is aiming for a continued fall in the number of people living below the national poverty line from 39% in 1998/99 to 32% by 2005. Priorities are economic growth, improving public finances, public service reform and more accountable and efficient basic services. In support of these priorities, DFID provided over £60 million in aid to Ghana in 2003/04; £25 million of this was provided in the form of budget support. DFID also funded the entire social marketing and public sector provision of condoms to help tackle the spread of HIV/AIDS.

Kenya

- 2.29 The new National Rainbow Coalition Government, elected in late 2002, has begun setting in motion its plan for restoring economic growth and addressing poverty.



Masai women queuing to vote in Kenya. DFID is supporting the new Government to promote good governance and reduce corruption

One of the Government's first actions was to implement its election pledge of free primary education, which brought an additional 1.2 million children back into school. DFID supported this policy through an additional grant of £10 million. Other donors, including the World Bank and the Swedish and Canadian International Development Agencies, used the systems established by DFID's previous work to provide further support for free primary education.

- 2.30 Although the quality of data needs to be improved, the evidence is that the HIV prevalence rate may be stabilising in Kenya. DFID has provided substantial resources towards the fight against HIV/AIDS, and will continue to do so as part of the UK's Call for Action on HIV/AIDS, and the joint UK/US Taskforce on AIDS, for which Kenya is one of five nominated African countries. DFID will also continue to support the Government of Kenya's efforts to restore economic growth, improve public financial management and strengthen systems to deliver essential basic services. We are also providing funding to combat malaria, improve the environment for the private sector and increase the accountability of Government to its citizens. Total DFID funding to Kenya in 2003/04 is expected to be around £30 million, and we will consider the case for providing budgetary support in the light of progress on issues such as implementing reform, tackling corruption and reducing fiduciary risk.

Lesotho

- 2.31 During 2003 DFID worked very closely with the Government of Lesotho in the development of its Poverty Reduction Strategy. The process involved wide consultation and approval is expected in 2004. DFID support in 2003 also helped the Government to establish a new Revenue Authority and to introduce VAT on schedule, achieving better than expected results.

Malawi

- 2.32 Following a period of serious financial mismanagement and a major food shortage, Malawi made good progress during 2003, with improved food production and a budget that stabilised the economy and put it back on an upward path. DFID contributed significant funds to the humanitarian crisis in Malawi as well as to longer-term development. Along with other donors, DFID resumed budget support once Malawian financial management had improved. DFID and the Foreign and Commonwealth Office are working together with other donors to promote structural reform that will increase growth benefiting poor people. DFID also works to raise the income of the rural poor directly, through the successful Targeted Inputs Programme, which cost £7 million this year. This scheme provides free seeds and fertilizers to about 2 million of the poorest households. One tonne of maize grain produced through the programme costs £25 compared with £125 for imported commercial maize and £250 for Food Aid maize.

- 2.33 The HIV/AIDS prevalence rate in Malawi, although still serious at 15% of 15-49 year olds, has stabilised overall and declined among young people in Lilongwe, indicating that behaviour change is starting to take place. DFID is contributing £4.5 million to the National AIDS Commission in a pooled arrangement with the World Bank, Canada and Norway.

PSA Objective 1 Highlight

- ✓ **HIV/AIDS:** although still increasing in many countries, prevalence is falling in some – Ethiopia, Rwanda, Uganda – and has levelled off in others – DR Congo, Kenya, Malawi, Zambia, Zimbabwe. After the USA, DFID is the second biggest bilateral donor for HIV/AIDS in sub-Saharan Africa.

- 2.34 Malawi is one of the few African countries to make progress in reducing child mortality. High coverage of inoculations has eliminated measles and effective programmes for tackling malaria, including the distribution of subsidised bed nets, have also helped. DFID has financed these programmes through UNICEF. DFID's total health programme spending in Malawi for 2003/04 was £10 million. Each year we finance the care and treatment of 100,000 mothers, family planning services for 130,000 couples and all publicly supplied HIV test kits in Malawi, among other sexual and reproductive health services.



Aid distribution of maize in Malawi. DFID is supporting the Targeted Inputs Programme to reduce the cost of maize production for the poorest households

- 2.35 The introduction of Universal Primary Education in Malawi has been less successful. Enrolments have increased impressively, but quality and completion rates are poor. Teachers,

classrooms, desks and materials are all in short supply. DFID is pressing for a wide political debate about education, in particular about more effective literacy and numeracy programmes.

Mozambique

- 2.36 The development assistance provided to Mozambique is a good example of donors working collaboratively to increase the effectiveness of aid and focusing on developing the country's own systems. DFID has led the partnership with the Government of Mozambique, emphasising increased discussion of priorities for achieving the objectives set out in its Poverty Reduction Strategy. The Government is developing a common set of targets and indicators, for use by both the World Bank and donors of budget support, as a transparent and predictable basis for discussion of poverty reduction and further provision of budget support.
- 2.37 DFID has helped to strengthen Sector Wide Approaches in health, education and agriculture. The emphasis has been on policy discussion, budgeting, planning, finance, management and performance. We have ensured that the Fast Track Initiative and Global Health Fund to Fight HIV/AIDS, Malaria and Tuberculosis are integrated with national planning processes. We have also pooled funds with other donors in support of the plan of the National AIDS Council and are discussing the implementation of its strategy.

Nigeria

- 2.38 With a population now estimated at 130 million, Nigeria is of critical importance to the development of the continent and the achievement of the Millennium Development Goals. It also poses a considerable challenge to DFID and the rest of the international community. While progress on key targets remains patchy, developments in Nigeria during 2003 have created cautious optimism amongst the international community. Elections held in April 2003 demonstrated a gradual consolidation of democracy and have resulted in relative peace and stability across the country. A new Economic Reform Team, which has a clear vision of the depth and types of reform required is now in place, and is actively developing a National Economic Empowerment and Development Strategy, which will form Nigeria's Poverty Reduction Strategy.
- 2.39 DFID has encouraged these signs of hope during 2003 through support to the electoral process, the development of the new Economic Strategy and the development of the Government of Nigeria's national conflict prevention plan. Other areas of support have included capacity- building for statistics, trade and privatisation. DFID has provided financial support for a major HIV/AIDS programme, which has improved awareness of the epidemic and produced a large national supply of condoms. We are financing the reform of health systems in four states, Benue, Ekiti, Enugu and Jigawa, and are collaborating with the World Bank to fund the Universal Basic Education Programme in 16 states.

- 2.40 DFID plans to expand its support to Nigeria to back the Government of Nigeria's wide-ranging reform programme at federal level, as well as poverty reduction strategies of state governments. DFID's bilateral contribution will increase to £43 million in 2004/05, and, subject to satisfactory progress on reform, will be doubled by 2005/06.

Rwanda

- 2.41 Rwanda has made extraordinary progress since the 1994 genocide, which claimed the lives of over 800,000 Rwandans: one in ten of the population. The country is at peace, the economy is stable and growing at over 6% and a Poverty Reduction Strategy focused on the Millennium Development Goals has been agreed. Access to quality education and health services is increasing rapidly and the incidence of poverty is declining, from around 70% in 1994 to under 60% in 2002. DFID is Rwanda's largest bilateral partner with a programme of some £39 million in 2003/04, two-thirds of which is provided as budget support. In order to ensure that this has the best possible impact on the poor, our support for capacity building is targeted on the strategic planning and budgeting processes, education and rural livelihoods.
- 2.42 The greatest progress towards reaching the Millennium Development Goals has been in education. There are now more students at all levels than before the genocide. More than 1.6 million children are enrolled in primary school and net enrolment, at 81.7% in 2003, is likely to have increased further since the recent removal of all school fees. Key challenges include reaching the most vulnerable, tackling low completion rates, and addressing poor achievement levels of girls. The Government of Rwanda's Education Law, Policy and Strategic Plan, all finalised in 2003, are committed to the goals of Education for All. (See Chapter 6 for more information). DFID is the lead agency in the education sector. With DFID support the Government of Rwanda is revising its outdated curriculum, putting textbooks into classrooms, and reforming teacher education. We are helping the Government to implement the election promise of nine years of free basic education for all children.

For more information

On Education for All

See the *Education for All Global Monitoring Report 2003/04*, *Gender and Education for All: The Leap to Equality*

Annexe 6 has details of how to obtain this (66) and other DFID publications

Sierra Leone

- 2.43 The UK is the largest bilateral donor to Sierra Leone and has pledged £120 million over three years. In November 2002 we agreed a ten-year Memorandum of Understanding committing us to long-term support to the reconstruction and development of the country.

The Memorandum contains commitments by Sierra Leone to reforms – in return for UK support. These include action on corruption, reform of central and local government, public expenditure management, media reforms, effective regulation of the diamond industry, security sector reform, sound macro-economic management and the development of a poverty reduction strategy. So far there has been good progress in stabilising the country under democratic rule after a decade of civil war. 2004 will be a critical time for Sierra Leone. The peacekeeping force of the UN Mission in Sierra Leone is currently scheduled to withdraw by December 2004. Local elections are due to take place, for the first time in over thirty years.



Mathew Lessnar/DFID

Villagers producing palm oil, one of Sierra Leone's biggest exports. DFID is committing £5 million over three years to the African Agricultural Technology Foundation, which supplies affordable technology to African farmers

South Africa

- 2.44 Over the ten years since the democratic transition in 1994, DFID has contributed more than £200 million to support the process of transformation, including through increasing access of previously disadvantaged groups to education, health and water. South Africa is a middle-income country, with a higher per capita income than DFID's fifteen other African focus countries. The programme is therefore less concerned with the transfer of financial resources, and more with support to strengthen capacity for formulating policy and providing services. In 2003 DFID began to shift the focus of its work to give greater emphasis to promoting jobs and growth and to addressing the growing challenge of HIV/AIDS. It is increasingly working

with South Africa to address issues such as conflict and trade policy, which affect the region and continent as a whole.

- 2.45 Around 5 million people in South Africa are HIV positive. The Government of South Africa's strategy on HIV/AIDS was strengthened during 2003 by the decision to start providing treatment with anti-retroviral drugs through the public health service. DFID has committed £30 million to the HIV/AIDS Multi-Sectoral Framework, which will work with a variety of partners in National and Provincial Government, civil society and the private sector to promote a comprehensive response.

Box 2e HIV/AIDS in sub-Saharan Africa

HIV/AIDS

This is one of the most pressing development priorities for Africa, since it is undermining opportunities to reach many of the Millennium Development Goals. AIDS can reduce economic growth by 1-2% in heavily HIV infected countries as well as overwhelming stretched health services and creating new groups of vulnerable people such as AIDS orphans. Over 11 million children in Africa under the age of 15 years have lost one or both parents to HIV/AIDS. By 2010 this is estimated to rise to 21 million children.

HIV Prevalence Rates (adults 15-49 years)

Highest in world – Botswana	38.8%
Sub Saharan Africa	9.0%
South and South-East Asia	0.6%
UK	0.1%

The World Health Organization is aiming to get treatment to 3 million people by 2005, 2 million of whom are in Africa. Drug prices are falling and demand is growing, so it is crucial that in extending access, we ensure that drugs reach the poorest. Effective delivery will also require strengthening health services. HIV/AIDS is a high priority for DFID.

Sub-Saharan Africa UK expenditure on HIV/AIDS and sexual and reproductive health

Year	1998/99	1999/00	2000/01	2001/02	2002/03
Contribution £ Millions	32	42	149	149	184

Tackling HIV/AIDS requires clear national leadership and a co-ordinated and coherent international response. DFID is directly involved with partner governments to support national strategies across Africa.

Sudan

- 2.46 The UK Government has played a major part in the Sudan peace process. As part of this, DFID is a lead policy donor in conjunction with Norway and the US. Through the joint DFID/Foreign and Commonwealth Office Sudan Unit we have contributed £4.5 million of financial and technical support to the peace process and have been a major financial contributor to the emerging ceasefire monitoring mechanisms. DFID supported the delivery of food and public health through the United Nations and non-governmental organisations, and in May 2003 hosted a workshop on Sudan's debt problems for donors and creditors – as a first step towards building the international support needed to secure debt relief.
- 2.47 With others in the international community, we are now planning for recovery, rehabilitation and reconstruction, when there is peace. We are considering what support we can provide in Sudan immediately following the peace agreement to ensure that the Sudanese people see early benefits. We are also considering how we can best support needs – such as the return of displaced people and refugees, demobilisation of the armed forces and landmine clearance.

Tanzania

- 2.48 Tanzania remains one of the continent's poorest nations with more than one third of the population living below the national poverty line. It has undergone significant macroeconomic and structural reform and continues to enjoy political stability, reasonable levels of growth and good donor support. The Government remains committed to its Poverty Reduction Strategy, which is showing significant positive results in its third year. It defines priority sectors for poverty reduction: health, education, water, judiciary, HIV/AIDS, agriculture and roads. Spending on these areas has increased each year since 2000. This should lead to improvements in public services. A strong poverty monitoring system is generating solid data and civil society is increasingly participating in policy formulation.
- 2.49 One clear success of the Poverty Reduction Strategy is in education. Since fees were abolished in 2001 almost twice as many children are entering the first year of primary school – an increase of roughly 750,000 children – and the gross enrolment ratio has risen from 78% to over 100%. More teachers have been recruited and trained, and pupils and teachers benefit from thousands of newly built classrooms. The challenge now is to sustain these gains.
- 2.50 DFID provides 75% of its country commitment in the form of budget support to the Government of Tanzania. We work with 11 other bilateral donors, the EC and the World Bank to provide funding to the Government in support of its Poverty Reduction Strategy Credit.

PSA Objective I Highlight

- ✓ **Health:** budget support in Uganda has helped resource a significant increase in primary health care – immunisation coverage is up from 41% to over 70%. DFID supports a \$12m bed net programme in Tanzania, which is expected to stop 40,000 children a year dying from malaria.

Uganda

- 2.51** The Government of Uganda's commitment and leadership have ensured that Uganda is firmly on track to meet the poverty and education Millennium Development Goals. Under the Poverty Eradication and Action Plan, the proportion of the population living below the national poverty line has decreased from 56% in 1992 to 38% in 2002. 86% of school age children are now enrolled in primary schools, compared to 62% in 1992. Wealth and gender biases in education have largely been addressed.
- 2.52** Although progress in reducing child and maternal mortality rates has been disappointing, recently there have been major improvements in healthcare indicators. Nationally, outpatient attendances have increased by 75% over the last three years, and immunisation coverage has increased from 41% to over 70%. These are important first steps in making more rapid progress in health outcomes. Uganda has also achieved enormous success in fighting HIV/AIDS – the prevalence rate among expectant mothers has fallen from around 20% in the early 1990s to just above 6% in 2002. Uganda met the HIV/AIDS Millennium Development Goal in 1996 and we are now implementing an HIV/AIDS Umbrella Programme. This provides assistance to the Uganda AIDS Commission, which co-ordinates the national effort and finances non-governmental organisations providing care and treatment services.
- 2.53** DFID has made a considerable contribution to Uganda's achievements, mainly, as in previous years, in the form of General Budget Support. This assistance has underpinned the progress that has been made in health and education in particular by supporting major increases in public expenditure to priority areas for poverty reduction. Allocations to the Poverty Action Fund are now nearly 40% of the Government of Uganda's budget compared to 20% six years ago.



Panos Pictures

Dancing to raise awareness of AIDS amongst pupils in the copper belt in Zambia. There is a 16% HIV infection rate among 15-49 year olds but this has remained stable over the last ten years

Zambia

- 2.54 73% of Zambia's citizens live below the national poverty line and one in six children die before their fifth birthday. Maternal mortality, deaths from AIDS, and child hunger have been rising. Alongside others, DFID's contributions to Zambia's health, education and HIV/AIDS programmes are focusing on addressing these issues, especially in terms of strengthening delivery of basic services. Recent reviews show real progress. HIV infection rates have stabilised, enrolment in primary education is improving, school literacy is rising, immunisation coverage is increasing and child death rates are falling. Priorities for Zambia in the coming months are firstly, to agree another Poverty Reduction and Growth Facility with the International Monetary Fund, and secondly, to achieve Completion Point for Heavily Indebted Poor Countries for debt relief next year

Zimbabwe

- 2.55 The political crisis in Zimbabwe has led to a large increase in poverty and hunger. Zimbabwe used to be relatively prosperous and economically important to the Southern Africa region. It is now entirely dependent on international humanitarian support, which feeds over half its population. Unemployment is estimated at over 70% and Zimbabwe has the highest inflation in the world. Other sectors such as health and education are crumbling, making it much harder to tackle the HIV/AIDS pandemic. DFID has spent some £30 million in 2003/04 on HIV/AIDS and humanitarian support.

2.56 The crisis in Zimbabwe has also damaged neighbouring economies. Negative perceptions have deterred international investment, cut tourism to the region and contributed to currency volatility. A study published in May by the Zimbabwe Research Initiative found that the Zimbabwe political crisis had cost the region's economies £1.5 billion since 2000. It also estimated that South Africa's economy lost the equivalent of £1.2 billion – the amount of lost trade with Zimbabwe. Mozambican ports and railways announced losses of \$21 million last year, also a consequence of the Zimbabwe crisis. Traffic on the Limpopo line has fallen by more than half. DFID will continue to monitor the political situation in Zimbabwe and respond appropriately with changes to the development assistance provided.