20% of EU ODA for health, education and social protection: why does it matter for the next MFF?

"The EU reiterates its commitment to allocating at least 20 % of its Official Development Assistance to social inclusion and human development" New European Consensus on Development

1. What is needed?

Access to quality education, health services, nutrition and social protection, are central to lifting people out of poverty and reducing inequalities as recognised by the international community in the 2030 Agenda for Sustainable Development. Yet decades of underinvestment in these areas have led to growing inequalities among and within countries. Despite progress, we know that development has been uneven. This is not just a problem for low income countries, but a problem for the world: healthy and educated populations produce more equal and stable countries. The EU needs to ensure broader support to lower and middle-income countries. Thus, to fulfil the commitments made in the European Consensus on Development and in Agenda 2030, the EU must prioritise health, education and social protection in the 2021-2027 Multiannual Financial Framework (MFF)[1], investing especially in mechanisms proven to produce results for the most marginalised[2] people and children - especially women and girls - and communities so that we leave no one behind.

Recommendations

1. Explicitly maintain ring-fenced levels of spending for health, education and social protection as per the EU commitment to allocate at least 20% of EU ODA for human development and social inclusion, across all programmes, geographic and thematic, annually and over the whole MFF period
2. Establish separate budget lines in future programmes with appropriate funding for each of those three sectors, as these are core contributors to human development and social inclusion
3. Ensure a balanced approach to aid modalities that prioritises the most marginalised communities, people, and children with a mix of funding to global initiatives, multilateral organisations, and CSOs, including grassroots organisations
4. Publish reports on a yearly basis and at the end of the multiannual financial framework on how the 20% benchmark has been implemented and adapt programming accordingly
5. Organise a meaningful consultation with key stakeholders at the mid-term review and at the end of the period

2. Why is investment in education, health (including nutrition) and social protection important?

Health, education and social protection are crucial to achieving the Sustainable Development Goals dedicated to health, nutrition and education, but are also key contributors to the wider set of Goals including on gender equality, decent work, poverty and inequalities.

Without good **health** and **nutrition**, children and adults cannot attend school or training which in turn keeps them from securing decent and stable jobs. Being malnourished in early childhood reduces school

[1] The EC has defined the commitment to the allocation of 20 % of ODA to social inclusion and human development as allocations to health, education and social protection. As the same commitment now stands in the new European Consensus on Development 2017, we call on the EC to maintain this definition.

[2] Different groups of people within a given culture, context and history at risk of being subjected to multiple discrimination due to the interplay of different personal characteristics or grounds, such as sex, gender, age, ethnicity, religion or belief, health status, disability, sexual orientation, gender identity, education or income, or living in various geographic localities (European Institute for Gender Equality, based on the EU Agency for Fundamental Rights and the UN High Commissioner for Human Rights)

attendance and adult wages. Access to health services and information, including sexual and reproductive health, reduces precarity by preventing unintended and teen pregnancies. Poor health and malnutrition result in loss of productivity and negatively impact government expenditure and national economy.

Without completion of primary and secondary **education**, access to further vocational training and prospects on the job market is limited. Ensuring access to education for girls reduces child deaths, early marriages and teenage pregnancies. Lifelong quality education from early childhood onwards has been proven to contribute to changing social and gender norms and helps to achieve more gender equality and health promotion and literacy.

Social protection ensures minimum floors and safety nets for people, limiting the risk of poverty due to out of pocket expenditures or vulnerable situations. Social protection is a key driver of inclusive growth: labor market interventions promote employment and decent work conditions, and protect workers.

The responsibility to guarantee quality health and education affordable and accessible for all with adequate social protection measures lies with the national and local government. However, in many countries across the development continuum, political commitment to these vital services remains low, resulting in people being deprived of their basic rights and preventing sustainable development. This is exemplified by the fact that these topics are often not chosen for engagement by partner countries in the EU bilateral cooperation (under the current MFF, only 26 out of 77 partner countries have chosen health, education or social protection as one of their sectors for cooperation with the EU). This means that the EU can play a key role in bridging the gap through strategic investment, but also by keeping human development and social inclusion high on the development cooperation agenda.

Furthermore, **the economic case for investment is persuasive** and return on investment in these key areas is huge. For example, increasing the amount spent on key health interventions for women and children by $5 per person per year until 2035 across 74 low and middle income countries could yield a nine fold return on investment in economic and social benefits[3]. Effective investments could not only save millions of lives but also offer a $16 economic return for every $1 invested. A 12% cut in world poverty could be achieved by providing all in low income countries with basic reading skills[4].

3. What is the EU added value?

An overwhelming majority **(89%) of EU citizens consistently support development cooperation,** believing it is in the EU's own interest. 68% support tackling poverty as a key priority for ODA.

Impressive progress has been made in the field of global health and education and EU aid sponsored projects have led to tangible results, such as:

- contributing to the enrolment of **53 million children in primary and secondary education**;
- reducing child and maternal mortality by ensuring that **16 million births were attended by skilled health personnel** and that **nearly 12 million children** were immunised under the age of one;
- providing access to **nutrition-related programmes for more than 10 million women and children;**
- providing **10 million people living with HIV** with antiretroviral therapy.[5]

[3] Stenberg et al. 2013. "Advancing social and economic development by investing in women's and children's health: a new Global Investment Framework." The Lancet 383: 1333-54. http://www.thelancet.com/pdfs/ journals/lancet/PIIS0140-6736(13)62231-X.pdf.
[4] UNESCO. 2014. "Education for All: Global Monitoring Report 2013/14". http://unesdoc.unesco.org/images/0022/002256/225660e.pdf
[5] EU International Cooperation and Development Results report 2016.

In spite of all this progress, **there is a long way to go.** Almost 800 women die every day from complications related to pregnancy, a number that would drop by 67% through access to health care services recommended by the World Health Organization[6]. Additionally, 155 million children globally are chronically malnourished[7]. Despite a 16% annual decline in new HIV infections since 2010, we are unlikely to go below 500.000 new infections per year by 2020 (the 2016 Target agreed by the United Nations General Assembly). One in every five children is out of school, a figure which has not changed over the last 5 years and points to progress coming to a standstill.

The EU added value is clear. Simply put, there is global need to step up investments in health, nutrition, education and social protection and the EU has a key role to play if it wants to contribute significantly to achieving the SDGs and ending poverty by 2030.

4. **How can we track it?**

The current methodology used by the EU keeps track of the EU implementation of the 20% benchmark as follows:

- Monitored instruments contributing to the benchmark are all managed by DEVCO.
- The DAC codes[8] counted as contributing to the benchmark: health including nutrition (121, 122, 130 excluding 13010), education (111, 112, 113) and social protection and services (16010, 16020, 16050, 16064).
- In order to capture social transfers, additional decisions may be selected amongst those Decisions currently coded under agriculture (DAC 311) and other relevant sectors.

This effective methodology allows for the consistent identification of relevant EU investments and should be maintained.

[6] Guttmacher Institute. 2014. "Adding It Up: The Costs and Benefits of Investing in Sexual and Reproductive Health in 2014". https://www.guttmacher.org/pubs/AddingItUp2014-summary.html.
[7] Development Initiatives. 2017. "Global Nutrition Report 2017: Nourishing the SDGs"
[8] The OECD's Development Assistance Committee publishes a set of codes used by donors to report on aid in a homogeneous classified manner.