

COOPERAÇÃO
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IPAD Instituto Português
de Apoio ao Desenvolvimento

A Global Partnership for Development

**Portugal's Contribution Towards
Achieving The Millennium
Development Goals**



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Introduction

Over the course of the 1990s, various high level meetings stressed the need to develop a new and broader partnership to deal with emerging issues that threatened, and still continue to threaten, the international order. Issues such as sustainable development, population, human rights, gender equality and the multidimensional and transversal nature of poverty, the environment and health became an integral part of major global debates. It was imperative to adopt a new approach in terms of comprehending the international system.

The Millennium Summit, held in 2000, sought to provide answers for these needs and symbolised a true commitment towards achieving a more prosperous, equitable and stable world. The final Declaration issued at this meeting¹, which resulted in the establishment of 8 Millennium Development Goals (MDG), represented a revitalisation of the efforts undertaken by countries with regard to development. The MDGs were framed within a clear agenda, with specified timeframes, targets to be attained for each Goal and indicators to monitor the progress achieved on different scales².

Table 1. The 8 Millennium Development Goals

<i>The 8 Millennium Development Goals</i>	
MDG 1:	To eradicate extreme poverty and hunger
MDG 2:	To achieve universal primary education
MDG 3:	To promote gender equality and empower women
MDG 4:	To reduce infant mortality
MDG 5:	To improve maternal health
MDG 6:	To combat HIV/AIDS, malaria and other diseases
MDG 7:	To ensure environmental sustainability
MDG 8:	To create a global partnership for development

These goals, along with their targets and indicators, represent an integrated and concerted strategy to respond to a new and increasingly complex reality. In a globalised world characterised by a growing level of interdependence, it has been

¹ *Millennium Declaration*, adopted by 189 countries.

² The complete list of the 8 goals, the 18 targets and the 48 indicators is set out in the Annex.

established that poverty is not just a problem for less developed countries but gives rise to phenomena that affect the entire international order. The eradication of extreme poverty must thus be considered to be a global priority because development is increasingly viewed as a global public asset, insofar as it is intrinsically linked to the concepts of collective stability, well-being and security. For this to be possible it is essential to promote synergies between developed and developing countries, in a spirit of responsibility, solidarity and sharing. MDG 8 – *Develop a Global Partnership for Development*, therefore serves as a framework for the actions of developed countries to help partner countries to achieve the remaining Goals (1 to 7).

Portugal has committed whole-heartedly to international efforts to reduce poverty and inequalities and has sought to orient its actions in terms of foreign policy, especially its cooperation policy, in a harmonised manner that is aimed at achieving the MDGs. Midway through the timeframe established for achieving these MDGs - 2015 - this report provides an analysis of the progress that Portugal has achieved **as a donor of Official Development Assistance (ODA)**.

This report will therefore focus on **MDG 8** and **Targets 13, 14 and 15**. However, given that ODA itself constitutes a fundamental input to enable partner countries to achieve MDGs 1-7, it will also present a statistical analysis of the way in which Portuguese aid is contributing towards this end. A brief overview of the Portuguese contribution towards achieving MDG 7 has also been included, owing to the urgent and transversal nature of this objective.

A final note concerning the period of the data being analysed. In the case of some of the indicators, information pertaining to 2007 has been provided, supplied by the Institute for Portuguese Development Assistance (IPAD). In cases where the information provided refers to preceding periods (up to 2006), this is due to a lack of more recent data at the time this report was prepared.

The MDGs in National Policies

The responsibilities associated with the commitment to support and contribute towards achieving the MDGs have induced the Portuguese government to include this dimension in some of its main strategic documents.

In the **Main Planning Options** (GOP) 2005-2009³ the policy aimed at reviving Portuguese Cooperation sought to achieve the following objective, *“To correspond to international commitments with regard to the quantity and quality of Official Development Assistance, keeping in mind that the present international context, both in terms of the European Union as well as the commitments undertaken in multilateral terms, requires a great deal of dynamism and efficiency on the part of Portugal, namely, in attempting to fulfil the Millennium Development Goals”*⁴.

Likewise, the **National Strategy for Sustainable Development** (ENDS)⁵ views global poverty and achieving sustainable development as a challenge to be overcome. The *Sixth Objective* of the ENDS frames international cooperation in a dimension of global sustainability, affirming that this should, *“Contribute decisively towards global economic and social development, for the consolidation and reinforcement of peace, democracy, human rights and a Just State, towards reducing poverty and, in general, towards achieving the Millennium Development Goals, as well as a better and safer environment on a planetary scale and, especially, towards preserving the biodiversity and sustainability of eco-systems”*⁶.

³ The **Main Planning Options** are outlined in a strategic document that was prepared by the Portuguese government and approved by the Portuguese parliament, which includes a definition of the main lines of action for the Executive branch of the government, based on the contents of its Programme.

⁴ Law 52/2005, dated 31 August, which approves the *Main Planning Options for 2005-2009*, Chapter I, *5th Option – To Enhance Portugal’s Foreign Positioning and Construct A Suitable Defence Policy to Enable A Better International Position for Portugal*, I. Foreign Policy. Available at: <http://dre.pt/pdf1s/2005/08/167A00/51865284.pdf>

⁵ Approved by the Cabinet of the Portuguese Government, this Strategy seeks to delineate national actions in terms of contributing towards achieving sustainable development, in keeping with the European Strategy for Sustainable Development and the international commitments undertaken within the scope of the UN Conference on the Environment and Development (Rio de Janeiro, 1992), the Special Session of the United Nations General Assembly (1997), the World Summit on Sustainable Development (Johannesburg, 2002) and the World Summit of the United Nations (60th Plenary Session of the General Assembly, 2005).

⁶ *Cabinet Resolution No. 109/2007*, dated 20 August, Part I, I. Introduction. Available at: <http://dre.pt/pdf1s/2007/08/15900/0540405478.pdf>

The **Strategic Vision for Portuguese Development Cooperation**, which will be examined in further detail in the following point, defines Portugal's commitment to achieving the Millennium Development Goals as one of the main guiding principles of Portuguese aid. In the point that is dedicated to this objective, the document concludes that *"(...) The MDGs serve Portuguese Cooperation, just as they serve the Cooperation of many developed countries with regard to Official Development Assistance, as an essential guide for the choices to be made, keeping in mind the harmony between the fundamental values of Portuguese foreign policy and the underlying values of the MDGs"*⁷.

The inclusion of the MDGs in national strategic documents reveals the Portuguese government's growing emphasis on ensuring coherence in terms of policies. Increasingly, it is necessary to ensure that the progress achieved in the struggle against poverty, towards which development aid contributes, is not undermined by governmental discordance while conceiving other policies.

This question is a priority for the European Union and has become an increasingly visible issue within Portuguese Cooperation. It even emerged as one of the priorities on Portugal's agenda during the Portuguese Presidency of the EU, especially in the context of the relationship between Development and the areas of Migration, Climate Change and Security.

⁷ *Cabinet Resolution No. 196/2005*, dated 22 December, Part I, Point 3. Guiding Principles, 3.1 *Commitment to Achieving the Millennium Development Goals*. Available at: <http://dre.pt/pdf1sdip/2005/12/244B00/71807201.PDF>

Portuguese Cooperation for Development: Framework

A New Strategy

In the light of the various commitments undertaken by donors in recent years, development aid has become increasingly stringent, especially in structural terms. In order to achieve objectives, it is not enough to merely increase the volume of aid but it is essential to also improve the quality of aid so as to ensure a greater level of sustainability.

This need has been the subject of much debate in diverse international forums. The *Conference on Financing for Development* (Monterrey, 2002) was an emblematic event in this regard, having identified the challenges involved in seeking innovative sources of finance; a greater emphasis on the benefits to be derived from the relationship between the private sector/trade, financing and development; and greater leadership/responsibility on the part of partner countries in the overall process of development. Another fundamental aspect was the appeal made to donors to increase the amount of ODA they make available, as an essential tool to achieving the MDGs. In response to this appeal, the EU and its Member States have committed to specific goals to be achieved in terms of ODA/GNI (0.33% for each State in 2006, with a view towards achieving a collective EU target of 0.39% and an individual target of 0.51%, in 2010, and a collective target of 0.56%, so that, in 2015, the EU can achieve its objective of 0.7% ODA/GNI).

The *Paris Declaration on Aid Effectiveness* (2005) was decisive for the commitments of donors and partner countries in terms of changing practices with regard to the granting/management of aid, so as to ensure greater aid effectiveness. This document will be examined in greater detail in the chapter dedicated to the subject of Aid Effectiveness. However, it is essential to highlight this declaration as a fundamental input for the international strategy aimed at achieving the MDGs.

In keeping with these debates, the EU and its Member States have also been developing diverse reforms and new strategies concerning the delivery of aid. The *European Consensus on Development* (November 2005) is a paradigm of these new dynamics and the new realities in the world of development aid. It constitutes a matrix of principles and guidelines for EU Member States in this regard.

In the light of this new scenario, Portugal, like many other donors, prepared a new strategy for its policy of cooperation, which was published in December 2005⁸. Via this new document, entitled ***A Strategic Vision for Portuguese Development Cooperation***, an effort has been made to ensure greater clarity in terms of objectives and confer greater effectiveness to Portuguese Cooperation for Development, in harmony with international efforts to achieve the MDGs. Learning from international best practices and attempting to adapt them to its own situation, the Portuguese government has thus adopted a new policy for strategic management, which is aimed at implementing an integrated approach towards programming, monitoring, evaluation and a result oriented management that seeks to attain specific objectives.

An operational document was prepared to facilitate the implementation of this strategy, which encompasses the following dimensions: enacting terms, mechanisms and instruments and the multilateral framework of Portuguese Cooperation; support for the private sector; and the relationship between Portuguese Cooperation and civil society.

Guiding Principles

The fundamental mission of Portuguese Cooperation, as defined in the *Strategic Vision*, is, “*To contribute towards achieving a better and more stable world, especially in Portuguese speaking countries, characterised by economic and social development and the consolidation and strengthening of peace, democracy, human rights and the rule of law*”⁹. Five fundamental objectives were defined in order to achieve this mission, which today provide a framework for all the actions of Portuguese aid:

Table 2. The Objectives of Portuguese Development Cooperation

1.	To steadfastly pursue the Millennium Development Goals
2.	To contribute towards reinforcing human security, especially in "Fragile States" or in post-conflict situations
3.	To support the diffusion and use of the Portuguese language, as an instrument for education and training
4.	To support economic development, with a view to ensuring social and environmental sustainability
5.	To participate more actively in international debates, to support the principle of international convergence around common goals.

⁸ Cabinet Resolution No. 196/2005, dated 22 December 2005. Available at: <http://dre.pt/pdf1sdip/2005/12/244B00/71807201.PDF>

⁹ Cabinet Resolution No. 196/2005, dated 22 December 2005, Part I, Point 3. *Guiding Principles*.

Priorities

With a view to ensuring greater rationality and effectiveness for its cooperation, Portugal has sought to follow the principle of concentrating its priorities, both at a geographical as well as a sectorial level, targeting them to achieve positive results in the quest to fulfil the MDGs.

In terms of **geographical priorities**, Portugal has always maintained a very close relationship with Portuguese speaking countries, owing to a common historical past. Angola, Cape Verde, Guinea-Bissau, Mozambique, S. Tome and Principe and Timor-Leste are thus the main partners of Portuguese Cooperation. However, since countries are not isolated units, it is necessary to view them in the regional context in which they are framed. Thus the new *Strategic Vision for Portuguese Development Cooperation* has also focused its attention on the regional areas in which its partner countries are located.

Sectorial priorities have also been defined, in association with these geographical priorities. Common historical and cultural ties have resulted in the creation of an institutional and juridical matrix in these Portuguese speaking partner countries that is similar to the existing matrix in Portugal. This has ensured that Portugal has comparative advantages as compared to other donors - especially in terms of historical and linguistic aspects - which have facilitated its support in certain sectors.

In keeping with these factors, the following areas have been identified as priorities in terms of intervention:

Table 3. Sectorial Priorities for Portuguese Development Cooperation

1. Good Governance, Participation and Democracy
2. Sustainable Development and Poverty Reduction, with a special emphasis on the areas of Education, Health, Rural Development, Environment and Economic Growth/ Generating Employment
3. Education for Development

The System of Coordination between the Actors of Portuguese Cooperation

The Portuguese **Ministry for Foreign Affairs** (MFA) is responsible for defining the policy guidelines, priorities and strategies of Portuguese Cooperation. In its turn, the **Portuguese Institute for Development Assistance** (IPAD) is responsible for implementation and coordinates Portuguese aid under the tutelage of the said Ministry. Amongst other functions, IPAD has been entrusted with the following tasks:

Table 4. The Responsibilities of the Portuguese Institute for Development Assistance (IPAD) ¹⁰

To supervise, orient and coordinate official development assistance
To plan, programme, monitor and evaluate cooperation programmes and projects
To provide a suitable framework for cooperation programmes and public development aid financed and implemented by other Portuguese state bodies and other public entities
To collect and compile information regarding actions developed by private entities
To support initiatives undertaken by civil society with regard to development aid
To ensure and coordinate Portuguese intervention in the area of humanitarian and urgent aid

In addition to these two coordinating entities, the Portuguese cooperation system also involves other public entities, such as institutions from the central and local administration, universities and public institutes, and is characterised by its broad based, non-concentrated nature.

Along with public institutions, private entities such as Development NGOs or Foundations also assist the efforts of Portuguese Cooperation.

Given the multiplicity of these actors, it was necessary to create mechanisms that ensured greater rationality and efficiency for cooperation interventions, coordinating

¹⁰ For comprehensive information about the responsibilities and functions of IPAD, see Decree-Law No. 120/2007, published in the *Diário da República* gazette on 27 April 2007. Available at: http://www.ipad.mne.gov.pt/index.php?option=com_content&task=view&id=20&Itemid=51

actions and making them more coherent. The new *Strategic Vision* document has sought to respond to this need through two essential measures.

On the one hand, the role of the **Inter-Ministerial Committee for Cooperation (CIC)** was revitalised. The CIC is a forum to concert sectorial efforts and an instrument for coordination between different state departments in the field of development cooperation, assisting in the tasks of planning, monitoring and implementing programmes and projects. The CIC holds meetings of its Permanent Secretariat¹¹, in which the sectorial ministries are generally represented by their respective Departments of International Relations. These departments are responsible for circulating the strategic guidelines pertaining to the cooperation policy, as well as their coordination within the scope of intervention by their ministry.

On the other hand, the government sought to ensure a greater articulation between the public and private sectors, creating the **Development Cooperation Forum**. The purpose of this forum is to establish concerted efforts between public and private agents of cooperation and to thus catalyse synergies and promote forms of complementarity between the actions being developed.

Instruments

In order to carry out the coordination functions that have been attributed to it, IPAD has three fundamental instruments at its disposal: the coordination of the Budgetary Programme for Development Cooperation (PO05), the management of the Portuguese Cooperation Database and the preparation of the Indicative Cooperation Programmes.

Created in 2004, the **Budgetary Programme for Development Cooperation (PO05)** was developed as a budgetary programming instrument, which outlines the allocation of funds to commitments undertaken by Portugal in the context of Cooperation. It is coordinated by the Ministry for Foreign Affairs, through IPAD. The PO05 is one of the fundamental mechanisms in terms of aid predictability, since it provides a clearer idea of what each Ministry intends to spend; coordination, since it results in a lesser dispersion of funds, which frequently occurs when there are multiple agents/executors; and accountability, since during the process of allocating funds for cooperation in the

¹¹ The Permanent Secretariat comprises representatives from the sectorial ministries and is presided over by the president of IPAD.

State Budget, targets and indicators are associated with each action that is to be funded.

Ever since it was created, the structure and functioning of the PO05 has been improved, which reflects how important and necessary this mechanism is, not just for the granting of aid but also, mainly, for its effectiveness. In the wake of the Portuguese government's strategy to implement the Performance Budgeting system, to be concluded in 2010, the PO05 was selected as a Pilot Programme for this initiative since it met all the required criteria. A central element in terms of budgeting for programmes is a shift in focus, which is now aimed more at results instead of focusing on resources, with clearly defined and monitored goals and objectives. Another significant aspect is its pluriannual nature. This implies that it is essential to plan and define objectives and goals on a pluriannual basis and that supporting financial resources have to be attributed in a similar timeframe. These characteristics ensure that the PO05 initiative makes Portuguese aid more predictable, due to its pluriannual commitments, and will also improve the quality of aid, owing to a greater concentration on the results. This innovative PO05 initiative is scheduled to be introduced in the 2009 State Budget.

The **Portuguese Cooperation Database** is another essential instrument for the centralisation, coordination and management of official information about cooperation activities. Every year, IPAD collects information about the cooperation activities developed by different agents and compiles it in this Database, thus enabling a reliable monitoring of Portuguese aid flows and activities.

As for the **Indicative Cooperation Programmes**, these are strategic documents that guide Portuguese Cooperation with Portugal's main partner countries. In 2006, Portugal adopted a new strategy for these Programmes, which is based on the *Common EU Country Strategic Programme Framework*. This strategy essentially seeks to institute a common format in keeping with the EU programming framework.

The document entitled *Guidelines for the PICs 2007-2009* establishes the following objectives for all Portuguese Cooperation Programmes:

Table 5. Objectives of the Indicative Cooperation Programmes

Global	<i>To contribute towards reducing poverty, via a medium term approach that allows the promotion of sustainable economic and human development.</i>
Specific	To support the process of good governance and reinforce institutional capacities in a long and medium term perspective, so as to reinforce the capacity to provide services to the population, transparency, a democratic culture and human rights.
	To promote decentralisation, namely via social and community development actions, so as to contribute more directly towards improving living conditions for inhabitants.

These objectives must be implemented keeping in mind questions such as a concentration on geographical and priority areas; the incorporation of transversal questions, coordination and complementarity with other donors; greater integration of actions into multilateral projects; and greater participation by civil society and the private sector.

Aid Effectiveness

International Recommendations

A set of scattered and uncoordinated activities does not represent any benefits for partner countries, who must deal with multiple projects implemented by various donors, characterised by a lack of coherence or any integrated logic. This only ends up by raising greater problems for partner countries in terms of costs and sustainability. On the other hand, the absence of an integrated, coordinated and rational strategy ends up by ensuring that development aid is not an asset for the donor either, since it results in weak, not very visible and, frequently, ineffective results. In the light of a growing culture of accountability and given the important commitments that have been undertaken, donors have been forced to reflect upon their intervention strategies.

This awareness has been the subject of much debate since the dawn of the new millennium. It is a particularly important aspect of the Rome Declaration¹² (2003) and was expounded upon further in the Paris Declaration on Aid Effectiveness (2005)¹³. This document envisages a set of measures and goals to ensure that development aid is truly more effective, so as to reduce poverty and improve living conditions in partner countries.

In the two Forums for Aid Effectiveness, Portugal pledged to change its development aid practices. In order to implement this commitment, Portuguese Cooperation prepared two Action Plans: *Portugal's Action Plan for Harmonisation*¹⁴, prepared by Portuguese Cooperation in 2005, as a manifestation of the commitments undertaken within the Rome Declaration; and *Portugal's Action Plan for Aid Effectiveness*¹⁵, prepared in the wake of the II High Level Forum for Aid Effectiveness.

Portugal's Action Plan for Aid Effectiveness incorporates the measures defined in the *Action Plan for Harmonisation* and adds other measures that, in their turn, translate into goals with timeframes. These measures and goals are structured towards each of the dimensions of the partnership commitments: Appropriation, Alignment, Harmonisation, Result Oriented Management and Mutual Accountability. The implementation of this Plan is currently being evaluated internally by the IPAD.

Portuguese Cooperation likewise seeks to integrate the commitments undertaken within the framework of the European Union with regard to Aid Effectiveness. In addition to incorporating the recommendations contained in the Paris Declaration, Portugal also follows EU guidelines outlined, amongst other documents, in the *Aid Effectiveness Package* (2006), which includes three essential communiqués aimed at improving the quantity and quality of aid: “*Joint Programming Framework*”¹⁶, “*Delivering*

¹² Rome Declaration – Final Declaration of the *I High Level Forum on Harmonisation*, which was held in Rome in February 2003. It encompasses the set of initiatives agreed upon between donors and partners to ensure greater aid effectiveness.

¹³ Paris Declaration – Final Declaration of the *II High Level Forum on Aid Effectiveness*, which was held in Paris in February 2005. It defined targets and indicators, along with a timeframe to be achieved, for the five dimensions established to promote Aid Effectiveness: Appropriation, Alignment, Harmonisation, Result Oriented Management and Mutual Accountability.

¹⁴ Available at: http://www.ipad.mne.gov.pt/images/stories/APD/ha_planodeaccao.pdf

¹⁵ Available at: <http://www.ipad.mne.gov.pt/images/stories/APD/planoeficaciaajuda.pdf> (Portuguese version) and <http://www.ipad.mne.gov.pt/images/stories/APD/PlanoEficaciaAjudaEn.pdf> (English version)

¹⁶ COM(2006)88

*Aid: More, Faster and Better*¹⁷ and “*Financing for Development and Aid Effectiveness – Scaling Up Aid 2006-2010*”¹⁸. These three communications seek to establish a concrete strategy to be adopted by EU Member States in order to achieve the MDGs. In 2008, the European Commission issued the Communication entitled “*The EU - A Global Partner for Development - Speeding Up Progress Towards the Millennium Development Goals*”¹⁹, which analysed the EU’s contribution towards achieving the MDGs and suggested ways of overcoming the obstacles that had been identified in the process. This Communication is an important EU manual in terms of aid effectiveness and serves as an input not just for the next High Level Forum on Aid Effectiveness (Accra, September 2008), but also for the subsequent period. As an EU Member State, Portugal has thus pledged to follow this document.

Implementation at a National Level

Keeping in mind that countries can only appropriate their own development if they have the “capacity” to do so, Portugal has also channelled the aid it provides towards promoting local capacity building for individuals and institutions. This capacity building is an essential condition to ensure that partner countries assume a leadership role over the course of the development process, moving towards greater autonomy and sustainability.

Alignment with the mechanisms and strategies of partners is another fundamental step towards improving the quality and effectiveness of aid provided by donors. Consequently, Portuguese Cooperation has sought to align its activities with the priorities of partner countries, identified in their respective *Poverty Reduction Strategy Papers* and other governmental programmes.

In terms of initiatives to promote *harmonisation* with other donors, Portugal has fomented the adoption of new aid modalities, including direct budget support (general and sectorial), and has participated in the joint EU/UN initiative called ODAMOZ, in Mozambique. It has also adopted the EU’s recent *Code of Conduct on Complementarity and the Division of Labour in Development Policy* and has already begun the process of implementing this document.

¹⁷ COM(2006)87

¹⁸ COM(2006)85

¹⁹ COM(2008)177

International guidelines with regard to Aid Effectiveness have also recognised that special attention must be dedicated to **Fragile States**, since the specific nature of their situation requires a different kind of response/intervention than other partner countries. This is because, by definition, they are states with structures and institutions that are so weak or fragile that they do not inspire confidence in donors to intervene.

Portugal is particularly committed to providing aid to these States, especially since four of the six main beneficiaries of Portuguese ODA are considered to be Fragile States²⁰. Consequently, Portugal has collaborated at an international level to develop new strategies and approaches that are specifically directed towards such cases.

During the Portuguese Presidency “The EU response to situations of fragility” and “Security and Development” were priority themes. For the first time UE Ministers discussed this subject jointly, having approved in the Council of Ministers of November Conclusions that underlined the importance of the connection of these two policies as a means of increasing complementarity, coherence and efficiency of EU external aid.

The same Council of Ministers has also approved Conclusions recognising the need of a better use by the EU of the different instruments available to prevent situations of fragility. The Commission was therefore mandated to identify the communitarian and bilateral financial instruments available, as well as possible action by Member States and to prepare an action plan to be presented in 2009. The start of this action plans should be implemented through country working teams and pilot case studies. Portugal is co-leading the pilot case of Guinea Bissau

Another example of this commitment is Portugal’s participation, since 2005, and role as a facilitator for Guinea-Bissau, in the DAC/OECD exercise²¹ that initially sought to identify **Principles for Good International Engagement in Fragile States**, based on a perspective of long term support, which would enable a greater effectiveness of aid to promote institutional capacity building in these countries. After the principles were

²⁰ According to the List of Fragile States (2007) of the International Development Association (IDA) of the World Bank – Angola, Guinea-Bissau, S. Tome and Principe and Timor-Leste are considered to be Fragile States. This list can be viewed at:

<http://web.worldbank.org/WBSITE/EXTERNAL/EXTABOUTUS/IDA/0,,contentMDK:21389974~pagePK:51236175~piPK:437394~theSitePK:73154,00.html>

²¹ DAC/OECD – Development Assistance Committee/Organisation for Economic Cooperation and Development.

identified, measures were taken to implement them in nine Pilot Countries. In 2006, Phase I of this exercise was concluded in Guinea-Bissau, whereby the matrix to implement the principles was validated by the Guinean government. At the same time, a seminar was held in Bissau about the *Application of the Principles*. The conclusions of this seminar highlighted the need to include security reforms within a broader framework of overall reforms; to promote the private sector; institutional capacity building and the appropriation of the development process by the authorities in Guinea-Bissau; the harmonisation of donor procedures; and alignment with the development strategies of the *National Poverty Reduction Strategy Paper* (DENARP).

Portugal has likewise sought to raise awareness amongst the international community about the most pressing needs of the Fragile States that benefit from its aid. It has organised meetings between the governments of these states and the donor community/international organisations. In this context, an important initiative was the organisation of the ***International Conference on Narco-trafficking in Guinea-Bissau*** (December 2007), jointly promoted by the governments of Portugal and Guinea-Bissau. This conference discussed a plan to prevent and combat drug trafficking in Guinea-Bissau²² and raising the respective contributions for its implementation. The overall funding raised from amongst donors touched 6.7 MUSD for 2008. Portugal contributed 3 MUSD, a sum that is approximately one sixth of the plan's total cost.

Another example of these kinds of initiatives is the support that Portuguese Cooperation has extended to holding sectorial round table meetings with donors. This has enabled the governments of Fragile States to present their programmes and projects for the areas they consider to be a priority and to raise awareness amongst donors in order to implement them. S. Tome and Principe (December 2006) and Guinea-Bissau (November 2006) are examples of such efforts. In the case of Guinea-Bissau, some 262.5 MUSD of financial aid was raised in Geneva, to be distributed over the following five years (2006-2011), subject to proof of good governance by the government of Guinea-Bissau.

Result Oriented Management is another important aspect that Portuguese Cooperation has been progressively incorporating into its programmes. The new structure of the PICs already includes result indicators for each of the scheduled actions, so as to

²² Prepared by the UN Office on Drugs and Crime (UNODC), in collaboration with the Guinea-Bissau authorities, this plan has an estimated timeframe of two years (2008-2010).

ensure an effective and reasonable assessment of the impact of development aid in partner countries and improvements in the living conditions of their citizens.

Portuguese Cooperation has also striven to correspond to international requirements in terms of *mutual accountability*. Information about aid flows is regularly provided to partner countries with all the requested details. It is possible to once again cite Portugal's participation in the ODAMOZ initiative as an example, whereby information about Portuguese ODA is sent to ODAMOZ with the requested details and in accordance with the stipulated timeframes. This is a crucial instrument for the Ministry of Planning and Finance in Maputo, since it obtains the (qualitative and quantitative) information it needs about donor activities via this procedure. This has proved to be particularly important for its budgetary exercises.

Likewise, Timor-Leste also requested information from its development partners about the projects currently underway and projects that have been approved but are still being developed, in order to prepare its Budget from Combined Sources for 2008 and 2009. Portuguese Cooperation provided all available information to the East Timor authorities. With regard to Cape Verde, this exercise is in the early stages of implementation, within the framework of an EU coordination initiative in which each Member State indicates beforehand its aid according to sectors.

With these initiatives, the Portuguese government has sought to contribute its share towards improving the quality of aid and the impact that this assistance has in beneficiary countries. Always keeping in mind achieving the MDGs and ensuring sustainable development, Portugal has striven to promote effective appropriation by partners.

The Portuguese Contribution Towards Achieving MDG 8

Official Development Assistance

Official Development Assistance (ODA) represents one of the main mechanisms used by donors to contribute towards advances in terms of the MDGs. Ever since Portugal undertook this commitment; the MDGs have become an integral part of the strategic documents framed for Portuguese aid. Portuguese Cooperation has striven to ensure that Portuguese ODA facilitates the efforts of partner countries to progress in terms of MDGs 1-7.

Between 2003 and 2006, the volume of Portuguese ODA recorded a slight tendency to grow, with the exception of 2004, a year in which the restructuring of Angola's debt (562 M€) caused an exponential rise in aid figures. In 2006, European donors were put to the test before the goal established by the EU to achieve a ODA/GNI ratio of 0.33%. The ratio of Portuguese aid was about 0.21%, below the EU target. The difficulties in honouring this commitment had, in large measure, to do with the Portuguese government's efforts to control Portugal's public deficit and budgetary consolidation, in order to fulfil the rules established by the EU Stability and Growth Pact. In 2007, this ratio grew slightly and was 0.22% ODA/GNI.

Table 6. Indicator 33 – Portuguese ODA disbursed between 1990-2007

	1990	1995	2000	2004	2006	2007
Net ODA (M€)	142	258	271	1.031	396	344
ODA/GNI (%)	0,24	0,25	0,26	0,63	0,21	0,22

Source: DAC/OCDE and IPAD

Most aid is channelled bilaterally - an average of 61% of total ODA, from 2002 to 2007. However, the relative importance of Bilateral ODA, as compared to Multilateral ODA, has reduced progressively during this period, although it still exceeds 50% of total ODA annually.

Table 7. Evolution of Portuguese Multilateral ODA in terms of Total ODA 1990-2007

	1990	1995	2000	2004	2006	2007
Multilateral ODA (% of Net ODA)	27,4	35,7	34,0	15,4	46,7	43,6

Source: DAC/OCDE and IPAD

According to the sectorial priorities defined by Portuguese Cooperation, which have been outlined above, Portuguese bilateral ODA tends to be concentrated more in the sectors of *Social Infrastructure and Services*, since this is the grouping that includes the areas of Education, Government and Civil Society, sectors in which Portuguese aid has traditionally focused.

In terms of ODA for Basic Social Services (BSS), net disbursements have been rising since 2000, while the ratio of BSS ODA/Total Bilateral ODA grew about 32% between 2003/2004 and 2005/2006. In 2007, even though there was a drop as compared to the average for the preceding two years, net flows to Basic Social Services continued to be above the averages for the years between 1997 and 2004.

Table 8. Indicator 34 – Bilateral ODA to Basic Social Services, 1997-2007

	1997-1998	1999-2000	2000-2002	2003-2004	2005-2006	2007
Net ODA (Millions USD)	1,9	3,6	4,7	4,8	7,2	6,6
% of Bilateral ODA	2,5%	2,5%	3,1%	2,8%	3,7%	2,4%

Source: DAC/OCDE and IPAD

Portugal has traditionally had a high percentage of untied aid. Between 1995 and 2007, untied aid represented an average of 84% of total ODA. In terms of international practices, Portuguese Cooperation has implemented the *DAC Recommendation on Untying Bilateral Development Assistance to Least Developed Countries (LDCs)*. It has also joined the international consensus to eliminate minimum untying limits for the activities covered by the Recommendation and approved the option of extending the Recommendation's coverage to include *Heavily Indebted Poor Countries (HIPC)s* that are not LDCs.

With regard to the procedures of *procurement* (processes to acquire goods and services), Portuguese Cooperation has clearly given priority to local and regional *procurement*, thus seeking to stimulate local/regional economies. Procurement from Portugal is used only when local procurement proves to be impossible.

Table 9. Indicator 35 – Untied Bilateral ODA, 1995-2007

	1995	2000	2004	2006	2007
Untied Bilateral ODA (% of Total)	98,1	98,2	99,2	61,3	63,5

Source: DAC/OCDE and IPAD

The main modality of Portuguese ODA is Technical Cooperation, with an annual average that is generally above 50%, owing to the emphasis on the sector of Education and programmes for technical assistance and training. This is also facilitated by the very similar institutional and juridical matrix that exists between Portugal, PALOP and Timor-Leste. Investment projects, debt reorganisation, debt forgiveness and direct budget support are modalities that are likewise used by Portuguese Cooperation.

Portuguese ODA is traditionally highly concessional. Most aid is distributed in the form of grants (table 10). In 2004, there was a sharp rupture in the percentage of grants in terms of total ODA, due to the impact of the debt restructuring operation in the case of Angola.

Table 10. Proportion of Grants in Portuguese ODA

	1990	1995	2000	2004	2006	2007
Grants in % of Gross ODA	75	72	99	33	95	95

Source: DAC/OCDE and IPAD

While the main beneficiaries of bilateral ODA are PALOP and Timor-Leste, the major share of multilateral Portuguese aid goes to the European Union, as a result of contributions to the European Development Fund (EDF), which finances EU aid to ACP (Africa, Caribbean, Pacific) countries, and to the European Commission Budget for External Aid, which finances aid to developing countries that are not covered by the EDF.

In the context of the United Nations, Portugal contributes towards diverse UN agencies, namely to the UNDP, FAO, UNFPA, UNHCR, UNICEF and the WHO. Contributions to the United Nations received an average aid of approximately 8.7 M€ between 2002 and 2007.

The group of Financial Institutions constituted by the International Monetary Fund (IMF), World Bank and the World Trade Organisation (WTO) received an average of about 10.7 M€ during the same period.

Portugal has simultaneously sought to maintain an active role in diverse regional *fora* in Africa, Latin America and Asia. The Community of Portuguese Speaking Countries (CPLP) is particularly relevant in this regard, since it is the forum that brings together the main beneficiaries of Portuguese Cooperation, along with Brazil.

As recommended by the Strategic Vision document, Portuguese Cooperation has been fomenting the implementation of a bilateral-multilateral approach. Since the general tendency is to establish an alliance of efforts between bilateral cooperation and multilateral cooperation, since both work for the same purpose and since this is an effective means of harmonisation between donors, Portugal has sought to participate actively in programmes/actions promoted by multilateral institutions in given partner countries. An example of this is its participation in UNDP programmes (projects in the sector of Justice and the Democratic Governance Trust Fund) and World Bank initiatives (Trust Fund for Timor-Leste and Direct State Budget Support) in Timor-Leste.

Least Developed Countries

The main partners of Portuguese Cooperation (Angola, Cape Verde, Guinea-Bissau, Mozambique, S. Tome and Principe and Timor-Leste) absorbed an annual average of 78% of Portuguese bilateral ODA during the period 2002-2007. According to the classification of the United Nations, all are considered to be Least Developed Countries (LDCs), with the exception of Cape Verde, which became the second LDC to graduate from this group ever since the category was instituted in 1974 and was thus removed from the group in early 2008. Hence, as per the data in the following table, more than 50% of the total ODA/GNI ratio is attributed to LDCs.

Table 11. Portuguese ODA to Least Developed Countries, 1990-2007

	1990	1995	2000	2004	2006	2007
Net ODA to LDCs (<i>Millions €</i>)	100	165	171	878	240	251
Net ODA to LDCs/GNI (%)	0,17	0,16	0,16	0,53	0,13	0,12

Source: DAC/OCDE and IPAD

Also worthy of note is the fact that the main beneficiaries of Portuguese bilateral ODA are all located in sub-Saharan Africa, with the exception of Timor-Leste. Between 2002 and 2007, the region South of the Sahara received, on average, more than 50% of Portuguese bilateral ODA. This detail is extremely important while analysing Portugal's contribution towards achieving the MDGs, keeping in mind that, according to the 2007 United Nations MDG Report, this is the region where progress in terms of most of the targets faces the greatest difficulties.

Landlocked Countries

Developing countries that are characterised by their interior geographic location, the so-called “landlocked countries”, face greater difficulties when compared to other developing countries. They must deal with greater limitations in terms of accessibility, infrastructure and access to the global economy and therefore require specific attention with regard to their strategy for development and sustainability.

Portuguese Cooperation has taken this aspect into consideration and this is reflected in the growing volume of aid attributed to landlocked countries²³. As an example of the Portuguese bilateral contribution to support the specific needs of this category of developing countries, one can cite the aid granted to Afghanistan within the scope of NATO peacekeeping operations. Since one of the common characteristics of landlocked is a greater institutional weakness, the Portuguese contribution thus also entails the promotion of peace and good governance. These are, moreover, essential conditions for sustainable development.

Table 12. Indicator 36 – Portuguese ODA to Landlocked Countries, 1990-2007²⁴

	1990	1995	2000	2004	2006	2007
ODA to Landlocked Countries (% of Total)	0,2	2,4	6,2	3,1	12,5	2,6

Source: DAC/OCDE and IPAD

Small Island Developing States

Another category that deserves similar attention is that of Small Island Developing States (SIDs). Of the six main beneficiaries of Portuguese ODA, four are SIDs: Cape Verde, Guinea-Bissau, S. Tome and Principe and Timor-Leste. This fact explains the high ratio of ODA attributed to SIDs as compared to the total ODA (table 13). This would be even higher if only bilateral ODA was taken into consideration²⁵.

²³ The ratio for 2004 ended up by being influenced by the debt restructuring operation for Angola in that year. In net terms, there has been a tendency towards growth from 1990 onwards. The imputation of multilateral ODA in aid for these countries has not yet been ascertained and thus only the amounts of bilateral ODA have been included for 2007.

²⁴ Year 2007: source IPAD. It only includes data pertaining to bilateral ODA. The imputed costs of multilateral ODA for this group of countries are supplied by the DAC and are not yet available.

²⁵ Once again, the ratio for 2004 was affected by the concessional debt restructuring operation for Angola.

Table 13. Indicator 37 – Portuguese ODA to Small Island Developing States, 1990-2007²⁶

	1990	1995	2000	2004	2006	2007
ODA to SIDs (% of Total)	31,3	28,3	38,3	8,4	30,0	25,4

Source: DAC/OCDE and IPAD

Portugal recognises and supports international efforts that seek to divulge and assist with the most pressing needs of these countries, which face a situation of greater vulnerability, especially in terms of trade and the environment. According to the definition framed by UNCTAD, these states face a greater risk of marginalisation in the global economy due to their diminutive size and geographical isolation. At the same time, they have more fragile eco-systems and are thus exposed to greater environmental risks. For this very reason, the Indicative Cooperation Programmes that Portugal establishes with these countries lay a great deal of emphasis on institutional reinforcement, so that their governments can overcome the obstacles they face in a more effective manner.

Access to the Global Market

In the context of poverty reduction and development, an essential question is that of access to the global market as an invaluable stimulus for the growth of developing countries and especially LDCs.

Effectively, the link between trade and development has been a constant feature of the international agenda. One of the main objectives of development aid is to build capacities within the governments of partner countries so that they can become self sufficient, via the creation of basic structural conditions that enable them to create their own wealth and to increase investments in their economies and national infrastructure.

In their turn, in an age of intense globalisation, access to world markets and competitiveness are essential for the survival of economies. Developing countries evidence clear structural disadvantages in this regard as compared to developed countries. The Brussels Declaration (2001) drew attention to the risk of developing countries, especially the LDCs, being marginalised in the global economy. The Ministerial Declaration of Doha, along with the entire programming agenda that

²⁶ Year 2007: source IPAD. It only includes data pertaining to bilateral ODA. The imputed costs of multilateral ODA for this group of countries are supplied by the DAC and are not yet available.

emerged on the basis of this declaration, including the *Aid for Trade* initiative, was a watershed for the process of facilitating access to global markets on the part of partner countries.

Multilateral Framework

As a Member State of the European Union, Portugal applies the directives concerning the EU Generalised System of Tariff Preferences, in its three aspects: the general regime (for all developing countries), the special incentives regime within the scope of the Everything But Arms initiative (for LDCs) and the special regime of incentives for sustainable development and good governance. Portuguese trade policies likewise contemplate the directives of the Trade Regime with ACP Countries, established by the Cotonou Agreement and the dispositions of the Euro-Mediterranean Partnership, pertaining to access to the EU Market for products from North African countries.

During the Portuguese Presidency in 2007 “The EU Strategy on Aid for Trade” was formally adopted by the Council of Ministers in October. Economic Partnership Agreements development compatible were also promoted, although results can not yet be considered satisfactory

From 1 January 2008, the Economic Partnership Agreement between the EU and Caribbean States came into effect, fulfilling the guidelines defined by the Cotonou Agreement. Provisional Agreements were also concluded with some African and Pacific countries and negotiations continue between the EU and the other countries of the ACP group.

The following tables contain information regarding indicators 38 and 39 of the MDGs, for the European Union:

Table 14. Indicator 38 – Proportion of total imports by developed countries (in terms of value and excluding armaments) from LDCs or developing countries, which entered without tariffs (%)²⁷

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Market Developing Economies	52.20%	51.17%	46.14%	60.19%	64.91%	63.25%	71.68%	71.83%	81.21%	81.93%	82.54%
Least Developed Countries	94.65%	97.30%	97.51%	96.92%	97.83%	99.83%	96.99%	96.61%	96.00%	97.82%	98.00%

Source: ITC, UNCTAD and WTO (www.mdg-trade.org)

²⁷ Data for 2007 not yet available.

Table 15. Indicator 39 – Average tariffs imposed by developed countries on imports of textiles, garments and agricultural products from developing countries and LDCs (%)²⁸

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Market Developing Economies (for Type of tariffs)											
More Favoured Nation	12.56%	12.20%	12.20%	10.99%	10.99%	10.99%	11.15%	11.10%	11.19%	11.12%	10.74%
Preference Systems	9.74%	9.57%	9.57%	8.91%	8.91%	8.90%	8.70%	8.65%	7.04%	7.04%	6.64%
Market Developing Economies (for Type of tariffs)											
More Favoured Nation	8.82%	8.54%	8.54%	7.53%	7.53%	7.53%	7.70%	7.65%	7.66%	7.72%	7.67%
Preference Systems	1.01%	0.97%	0.97%	0.99%	0.99%	0.58%	1.06%	1.06%	1.22%	1.22%	1.05%

Source: ITC, UNCTAD and WTO (www.mdg-trade.org)

The Portuguese Presidency of the EU during the second half of 2007 also conducted the debate around the question of the *Joint Strategy* and the *Action Plan* for the *Africa-EU Strategic Partnership*²⁹, where the aspects of trade and regional integration emerged as fundamental axes of the partnership between the two continents.

Within the EU framework, Portugal is also committed to efforts to ensure that the development aspect of the Doha Agenda can be achieved with the greatest benefits for developing countries and especially for LDCs. The conclusion of the negotiations concerning this Agenda in conditions that correspond to the aspirations and needs of poorer countries is thus a priority, since access to fair and balanced trade can undoubtedly contribute towards progress in achieving the MDGs. Moreover, the promotion of South-South cooperation is an integral part of the objectives expressed in the *Strategic Vision for Portuguese Cooperation*, an area where the Doha Development Agenda promises to have a great impact.

Bilateral Framework

At a bilateral level, and in an effort to follow multilateral strategies and recommendations, the Portuguese government has deemed support for the private sector - both within Portugal and in partner countries - to be a priority in the context of supporting developing countries and their transition to market economies.

Support for the Private Sector

Between 2006 and 2007 the legal framework for support and incentives for Portuguese investments abroad was reformulated, particularly in the context of developing countries and, within this category, preferably in PALOP and Timor-Leste. The areas

²⁸ Data for 2007 not yet available.

²⁹ Document approved during the EU-Africa Summit that was held in Lisbon from 7 to 9 December 2007.

covered by this new legislative framework include credit for exports, risk capital and credit guarantees.

Law 4/2006 enshrined the possibility that, via the Directorate-General of the Treasury - the Portuguese State could grant, *“Personal guarantees to fulfil the obligations undertaken by countries that receive Portuguese aid, for national or foreign financial institutions, within the scope of aid credit operations, which have been approved beforehand by the Ministry of Finance and the Ministry of Foreign Affairs”*.³⁰

In the context of aid credit operations, the concession of direct loans by the Portuguese State is worthy of note, as is the providing of loans with interest rebates by financial institutions or loans with the inclusion of a donation component on the part of the Portuguese State. Both modalities offer more advantageous financial conditions than available on the general market and are always in accordance with international rules about aid credit. The attribution of interest rebates or other types of non-refundable subsidies on the part of the State, in the context of aid credit operations, is regulated by Decree-Law 53/2006, dated 15 March³¹.

The Council for Financial Guarantees for Exports and Investments (COSEC) was created by Decree-Law 51/2006, dated 14 March³². It is responsible for defining the guiding policy as well as analysing project proposals for personal guarantees by the State for these aid credit operations or insurance for exports and Portuguese investments abroad. According to this Decree-Law, the COSEC must liaise with the CIC in order to articulate the cooperation for development policy and the corporate cooperation policy and promote coordination and coherence between policies.

Another initiative in terms of support for the private sector was the creation of the Financial Development Company (SOFID). International practices and debates, especially Monterrey, suggest that cooperation agencies should act in a concerted manner with an institution that provides development finance. Thus, in December 2005 the government constituted a working group to establish SOFID, which seeks to be a *“catalyst for efforts, information, sources of funding and minimising risk, while simultaneously developing specialised knowledge in putting together financial*

³⁰ Law 4/2006, dated 21 February, Art. 1. Available at: <http://dre.pt/pdf1sdip/2006/02/037A00/13451346.PDF>

³¹ Available at: <http://dre.pt/pdf1sdip/2006/03/053A00/19091911.PDF>

³² Available at: <http://dre.pt/pdf1sdip/2006/03/052A00/18261828.PDF>

investment operations in these countries”³³. Formally instituted in October 2007, SOFID also aims to reinforce the link between the policy for development cooperation and the policy for corporate cooperation, supporting Portuguese companies during the process of internationalisation in the markets of partner countries. Thus, efforts will be made to dynamise the corporate sector in these countries, through the promotion of Portuguese investments and the establishment of partnerships with local entities, while simultaneously contributing towards their development in a sustainable manner. SOFID became a member of the EDFI (European Development Financial Institution)³⁴ on 1 February 2008.

This new legislative framework and the creation of SOFID seek to fill the gap that was created after the extinction of the Economic Cooperation Fund and the Portuguese Development Support Agency. They complement the instruments that support the internationalisation of Portuguese companies and encourage Portuguese direct investments in developing countries, so as to reverse the downward tendency in recent years.

Table 16. Foreign Direct Investment by Portugal in Developing Countries

	1989-91	1994-96	1999-01	2004-06	2007
FDI to Developing Countries (<i>Millions USD</i>)	12	228	2.351	262	1.550
FDI to Developing Countries (<i>% of GNI</i>)	0,02	0,23	2,21	0,15	0,72

Source: DAC/OCDE and IPAD

This tendency was essentially a result of the climate of economic recession that has been affecting Portugal, but was also due to the absence of institutions and mechanisms that transmitted the necessary confidence to the Portuguese corporate sector to invest in countries that were traditionally unstable, both in political as well as economic terms.

At the level of agreements for the Reciprocal Promotion and Protection of Investments, Portugal has maintained pacts with Cape Verde, Guinea-Bissau, Mozambique and Timor-Leste.

³³ *Cabinet Resolution No. 8/2006*, dated 29 December 2005, available at: <http://dre.pt/pdf1sdip/2006/01/016B00/05070507.PDF>

³⁴ The EDFI brings together a series of financial institutions from various European countries working in the area of development. For further information about this network and its respective members, see: <http://www.edfi.be/>

Trade Related Capacity Building

Notwithstanding the importance of support for the private sector (both of the donor as well as the beneficiary nation) and direct investment in the economies of partner countries, to ensure appropriation and development that is less dependent on external aid, it is essential that the governments of these countries provide minimum structural conditions so that companies can develop their activities. In this area, the State plays an essential role with regard to private initiative, as expressed in the *Strategic Vision for Portuguese Cooperation*. This chapter of this strategic document highlights the fact that an “efficient and equitable market economy” requires “the development and permanent consolidation of a legal, social and economic base, which, above all, the State must ensure”³⁵. As such, Portuguese Cooperation has simultaneously developed projects that contribute towards this capacity. Examples of these efforts are the projects to reinforce the judicial systems, capacity building for the public administration or macroeconomic stabilisation in PALOP countries and Timor-Leste.

The initiatives to provide micro-credit developed by the Ministry of Labour and Social Solidarity are equally important for the creation and implementation of small businesses, with a view to creating self-employment and to strengthen and stimulate the economies of partner countries.

In addition, Portuguese aid has sought to support other sectors linked to trade, in order to foment the diversification of the economies of beneficiary countries and reinforce capacity building in this area. Amongst these sectors, special attention has been given to *agriculture/ rural development, tourism* and the *environment*. Table 17 shows the contribution of the European Union towards supporting agriculture, within the scope of indicator 40 of the MDGs, while table 18 depicts Portugal’s contribution towards capacity building in the area of trade.

Table 17. Indicator 40 – Support to countries for domestic agriculture (in % of GDP)³⁶

Estimated Agricultural Support (% GDP)	1990	1995	2000	2001	2002	2003	2004	2005	2006 ^p	
European Union ¹	USD	125 228	143 471	100 652	97 671	114 517	137 901	167 967	153 088	156 452
	EUR	98 644	109 749	109 218	109 060	121 510	122 064	135 190	123 177	125 027
	Percentage of GDP	2,1	1,6	1,3	1,2	1,3	1,3	1,3	1,1	1,1

Source: DAC/OECD and the OECD PSE/CSE Database, 2007

p: forecast

1.UE15 for 1995-2003; UE25 for 2004.

³⁵ Cabinet Resolution No. 196/2005, Part II, Point 6, *Support for the Private Sector*.

³⁶ Data for 2007 not yet available.

Table 18. *Indicator 41* – Portuguese ODA for Trade Related Capacity Building (%)

	2001	2002	2003	2004	2005	2006	2007
Trade Related Capacity Building in % of Bilateral ODA	0,7	8,8	1,6	1,1	1,2	0,6	0,6

Source: DAC/OCDE and IPAD

Debt Sustainability

External debt relief for developing countries is an essential condition for achieving the MDGs. Without this, the governments of poorer countries will continue to have very limited capacities for public investments and economic growth will inevitably be jeopardised.

Portugal has collaborated in diverse initiatives in terms of debt, both multilaterally by contributing to the MDRI-*Multilateral Debt Relief Initiative* and bilaterally through restructuring operations within the framework of the Paris Club, through agreements that observe income and debt levels in indebted countries (table 19).

Table 19. Debt Relief by Portugal

	1990	1995	2000	2004	2006	2007
Debt Relief (% of Net ODA)	0,0	10,1	7,1	68,3	0,1	0,2

Source: DAC/OCDE and IPAD

Note: In 2004 the high percentage is due to the restructuring of Angola's debt.

For Highly Indebted Poor Countries, in addition to debt rescheduling operations, other kinds of support have also been considered, such as schemes to convert debt into investment, after the budgetary and monetary implications on the indebted countries have been duly analysed and respected (table 20).

Table 20. *Indicator 43* – Debt relief commitments under the HIPC initiative

	2001	2002	2003	2004	2005	2006	2007
Debt Relief under HIPC Initiative (% of Net ODA)	7,2	3,4	1,8	0,5	0,8	0,0	0,6

Source: DAC/OCDE and IPAD

From amongst the main beneficiaries of Portuguese Cooperation, Mozambique, São Tome and Príncipe and Guinea-Bissau were considered to be eligible for the benefits available under the *HIPC initiative*.

Mozambique achieved the *Conclusion Point* in September 2001, which enabled the country to obtain a debt cancellation of 95% from the Paris Club and even 100% in the case of some bilateral creditors, namely the EU. Portugal is in the midst of negotiations

with the government of Mozambique with a view to signing a debt relief agreement concerning the former's debt to Portugal, which is currently around 386 MUSD.

S. Tome and Principe achieved the *Conclusion Point* in March 2007 and the Paris Club officially confirmed the pardon of 100% of its debt. As in the case of Mozambique, a debt relief agreement is also being negotiated regarding the sums S. Tome and Principe owes to Portugal, which will include about 36 MUSD.

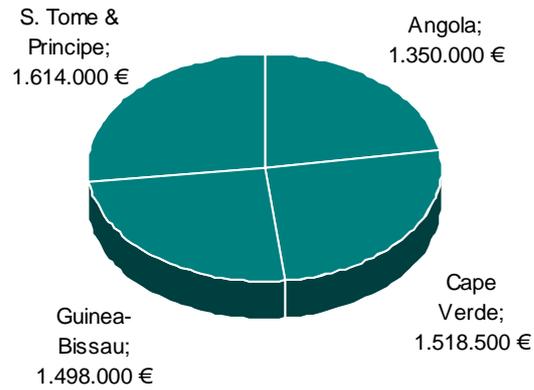
Guinea-Bissau has had the greatest difficulty in concluding this process, after having achieved the *Decision Point* at the end of 2000. Predictions have indicated that the Conclusion Point could be achieved by 2010, when about 95% of bilateral debt will be cancelled by the Paris Club, or even 100%, in case the EU Member States maintain their official commitments.

Countries must go through a long and rigorous process in terms of a satisfactory macroeconomic performance, the effective implementation of strategies to reduce poverty and positive indicators in terms of governance and transparency in public accounting in order to effectively achieve the cancellation of debt. Aware of the challenges faced by countries that are candidates for this initiative, Portuguese Cooperation has always been available to support its partners in these areas, essentially through programmes for technical assistance and support during negotiations with multilateral organisations.

The question of debt also presupposes good policies to plan and implement public finances in order to guarantee their sustainability. With a view to ensuring an effective management of public accounts, the main beneficiaries of Portuguese Cooperation also receive technical assistance from the Office for Planning, Studies, Evaluation and International Relations (GPEAR), of the Portuguese Ministry of Finance, which promotes *Integrated Programmes for Cooperation and Technical Assistance in Public Finances* (PICATFin) with the governments of these countries. These programmes seek to reinforce the capacities of the financial services of partner countries, thus supporting aid for good governance, transparency and accountability for public finances, in a strategy articulated with the PICs.

For the period 2007-2011, the GPEARI is implementing the PICATFin with Angola, Cape Verde, Guinea-Bissau and S. Tome and Principe, with an overall envelope of about 5.9M€, distributed in the following manner:

Graph 1. Distribution of the financial envelope of the PICATFins



The Portuguese Contribution Towards Achieving MDG 7

Sustainable development can only be effectively achieved by ensuring the rational management of natural resources and environmental protection. One of the main global concerns is precisely to find a balance between economic growth and the preservation of these resources. Climate change and environmental degradation have serious consequences for all countries, however, the poorest countries and especially small island states are the most vulnerable to these threats. Everybody is responsible for collaborating not just to mitigate but also to prevent environmental degradation.

Keeping the issue of the environment and, more specifically, climate change in mind as a central aspect of sustainable development, Portugal has taken various national measures in this regard. Steps have been taken to contribute towards preserving the environment and resources not just at a national level but also on a global scale, since the conduct of each state in this regard can have repercussions on other countries.

The **National Strategy for Climate Change**³⁷ was approved in 2001 and diverse Plans and Strategies have been prepared subsequently, which have sought to guide national actions in response to the international commitments undertaken in this field, such as the Kyoto Protocol or the EU Shared Responsibility Agreement.

Amongst these Plans, especially worthy of note are the **National Programme for Climate Change** (PNAC)³⁸ and the **National Plan for Attributing Emission Licences** (PNALE)³⁹. The PNAC defines a set of internal policies and measures that seek to reduce emissions of Greenhouse Gases by sectors such as Energy, Transport or Agriculture and Cattle Breeding, based on concerted policies. The PNALE seeks to respond to the requirements arising from the EU Emissions Trading Scheme (ETS).

³⁷ Cabinet Resolution No. 59/2001, dated 30 May. Available at:

<http://dre.pt/pdf1sdip/2001/05/125B00/31793182.PDF>

³⁸ The most recent version dates from 2006 (Cabinet Resolution No. 104/2006, dated 23 August, available at <http://dre.pt/pdf1sdip/2006/08/16200/60426056.PDF>). Some changes were introduced in 2008, by Cabinet Resolution No. 1/2008, dated 4 January. Available at: <http://dre.pt/pdf1sdip/2008/01/00300/0010600141.PDF>

³⁹ The PNALE I was approved by Cabinet Resolution No. 53/2005, dated 3 March, available at: <http://dre.pt/pdf1sdip/2005/03/044B00/19101927.PDF>. The PNALE II was approved by Cabinet Resolution No. 1/2008, dated 4 January, available at: <http://dre.pt/pdf1sdip/2008/01/00300/0010600141.PDF>

Equally important is the **Portuguese Carbon Fund** (FPC), which is responsible for diverse activities to obtain carbon credits, through investments in flexibility mechanisms envisaged by the Kyoto Protocol (such as Joint Implementation Projects – IC and the Projects for Clean Development Mechanisms - MDL). Some PALOP countries, namely, Angola, Cape Verde, Guinea-Bissau and Mozambique are already benefiting from FPC investments in MDL projects.

In the past five years, national sectorial activities have made progress in terms of sustainability. There has been an improvement in the integration of environmental concerns in sectorial policies, namely in terms of economic policies and cohesion. Economic agents and civil society in general have been made more aware of environmental issues and economic policies generally reveal a far greater concern for integrating environmental aspects. The criteria for granting financial support to companies under the Programme for Incentives for Modernizing the Economy (PRIME) are an example of this.

In terms of cooperation relations for development, and at a bilateral level, Portugal has also been developing diverse projects in the sector of the environment, in PALOP countries and in Timor-Leste, which focus, above all, albeit not exclusively, on the areas of water and sanitation, combating climate change and institutional capacity building for this sector. Examples include the *Project to Quantify Stored Carbon and the Carbon Sink Capacity of Forests*, in Guinea-Bissau; or aid for the implementation of the *Climatic Information System and the State of the Sea to Support Sustainable Development*, in Cape Verde, Guinea-Bissau and S. Tome and Principe. In terms of institutional capacity building, Portugal has supported CPLP countries in the areas of: environmental licensing; environmental impact evaluation; environmental inspections; environmental education; Implementation of the main international agreements and conventions regarding the environment, territorial organisation, cartography and records.

At a multilateral level, Portugal has contributed financially towards the main conventions, protocols and funds dedicated to environmental protection, namely the *Global Environment Facility* (GEF), the *Multilateral Fund for the Montreal Protocol*, the *UN Framework-Convention on Climate Change*, the *Convention on International Trade in Endangered Species* or the *International Union Convention for Conservation of Nature*, amongst others. Portugal has also joined the *EU Water Facility* initiative.

Within the framework of relations between Portuguese speaking countries, Portugal has participated in meetings of the Lusophone Network for Climate Change and has granted support to enable PALOP and Timor-Leste to participate not only in CPLP meetings especially dedicated to the environment but also in multilateral meetings in this sector.

Statistical Analysis of the Contribution of Portuguese Public Development Aid Towards Achieving MDGs 1-7

Despite being framed essentially by MDG 8, it is a basic principle that all ODA should contribute towards achieving the other MDGs as well. This has been confirmed through two logical rationales.

On the one hand, it is possible to conclude that all ODA contributes towards MDG 1, Target 1 (*To reduce by 50%, between 1990 and 2015, the percentage of individuals with an income of less than 1 dollar/day*), since the primary objective of development aid is precisely to contribute towards reducing poverty and promoting sustainable development in partner countries.

At a second level, logically, it is possible to affirm that ODA is also aimed at the goals and targets that correspond to the specific areas that the projects/programmes being developed seek to foment.

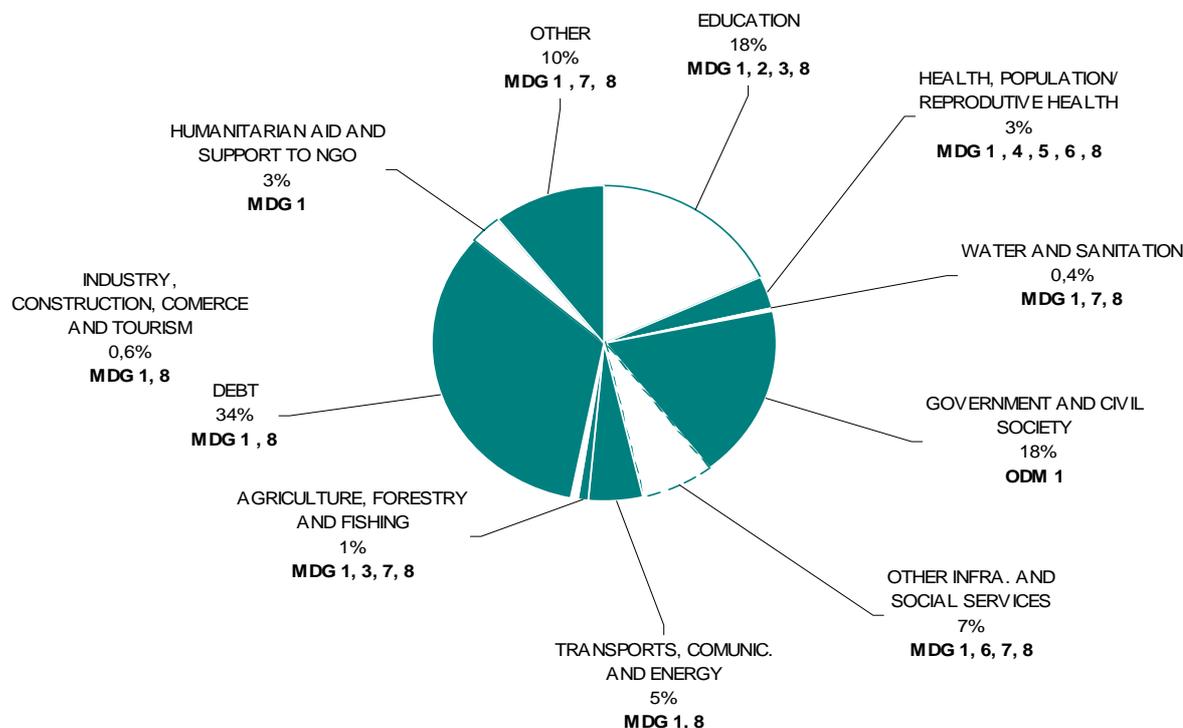
According to these principles, Portuguese Cooperation has associated its sectorial bilateral ODA to each of the MDGs, as shown in Graph 2⁴⁰. This distribution allows us to observe that about 46% of bilateral Portuguese ODA is concentrated on **supporting the social sectors**, according to the sectorial priorities that have been delineated. The sectors of *Education* (18%), *Government and Civil Society* (18%) and *Other Infrastructure and Social Services* (7%) are the areas that account for the greatest volume of aid, while *Health, Population/Reproductive Health* received about 3% and *Water and Basic Sanitation* accounted for 0.4%.

The sector of *Debt Related Actions* was a significant component of aid between 2001 and 2007, even accounting for 34% of ODA. As mentioned above, this was essentially due to the extraordinary operation in 2004 of concessional debt restructuring in the case of Angola, to the tune of 562 M€. Without this debt operation in Angola, the weight of Debt sector would fall to 2,5%.

⁴⁰ For detailed statistic information, please consult the Annex, page 48.

The category of **Other**, accounting for 10% of ODA, includes the sectors of *Administrative Costs*, *Unspecified Aid*, *Multisectorial Aid* and *Aid for Refugees in the Donor Country*.

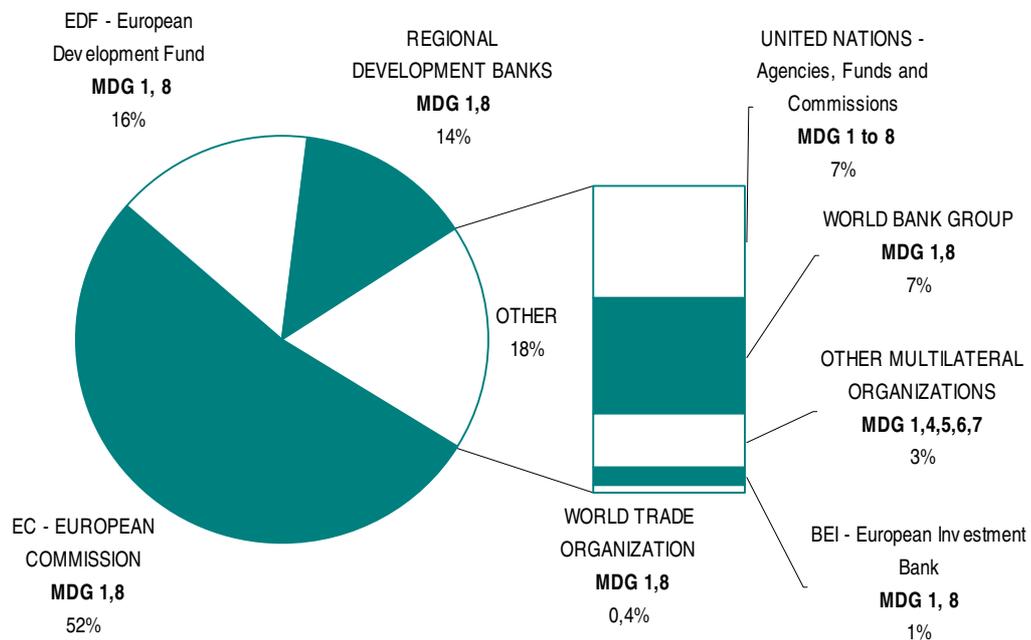
Graph 2. BILATERAL ODA/ MDG (2001-2007) %



The same exercise was applied to the multilateral ODA⁴¹, based on the same presuppositions: all multilateral aid contributes towards MDG 1, Target 1, as well as towards one or more Goals and Targets, according to the mandate/activity of each multilateral organisation, resulting in the following distribution:

⁴¹ For detailed statistic information, please consult the Annex, page 49.

Graph 3. MULTILATERAL ODA / MDG (2001-2007) %



Reinforcing the evaluation that was made with regard to the concentration of Portuguese multilateral ODA, it can be noted that EU financial instruments (European Development Fund and European Commission Budget for Developing Countries) absorb most of this kind of aid (68%). Regional development banks account for about 14%.

It is possible to obtain a more accurate notion of the efforts of Portuguese Cooperation to achieve these goals by associating the bilateral and multilateral ODA contributions to the scope of each MDG.

Priorities and Strategies Towards 2015

Increase the volume of Portuguese ODA

Despite having reaffirmed its commitment to the pledges undertaken in the context of global efforts to achieve the MDGs, Portugal has faced serious difficulties in increasing its ODA. It is impossible to ignore the fact that most Portuguese ODA is still derived from the State Budget. In a phase of strict budgetary restrictions imposed in order to reduce the national deficit, this fact makes it difficult to increase sums allocated to ODA without having a serious impact on Portugal's public finances. Future international financial commitments will require Portugal to achieve a ratio of 0.51% ODA/GNI in 2010 and 0.7% ODA/GNI in 2015. For this to be possible, the proposal for the Main Planning Options for 2009⁴² has established an intermediary target of 0.45%, which, upon being approved by Parliament, will entail a greater financial effort on the part of the entire central administration.

Search for Innovative Sources of Finance and Using Public-Private Partnerships

The debate about *Innovative Sources of Finance* and *Public-Private Partnerships* has become an increasingly important issue for the agents of Portuguese Cooperation, who have thus sought to attenuate the difficulties involved in honouring financial commitments undertaken internationally within a classic budgetary framework.

It is essential that this debate results in new solutions so that Portugal can fulfil the targets established in Monterrey in these areas. The *Development Cooperation Forum* must emerge not just as a space for dialogue with civil society but also as a mechanism that mobilises resources for Portuguese Cooperation. Thus, a great deal of dynamism will be required, so that it can attract the attention and investment resources of private entities that are inclined to collaborate with public interlocutors.

Simultaneously, the comparative advantages for Portuguese Cooperation must be analysed with regard to participation in innovative international partnerships such as UNITAID⁴³.

⁴² Available at: <http://www.parlamento.pt/Paginas/GrandesOpcoesdoPlanopara2009.aspx>

⁴³ UNITAID (International Facility for Purchasing Medicines) was officially launched on 19 September 2006 by the governments of Brazil, Chile, France, Norway and the United Kingdom, with a view to contributing towards facilitating access to treatment to combat AIDS/HIV, malaria and tuberculosis in developing countries by negotiating purchases of medicines at favourable prices. This initiative includes an innovative financing mechanism, which consists of

Improving the Quality and Effectiveness of Aid

Portuguese Cooperation has been focusing - and will continue to focus - on the quality of aid granted and its concentration in areas where Portugal has comparative advantages. In this regard, it is essential to continue to implement *Portugal's Action Plan for Aid Effectiveness*, incorporating the results of the mid-term evaluation and the *Code of Conduct on Complementarity and Division of Labour in Development Policy*. Simultaneously, the commitments that will be established at the *III High Level Forum on Aid Effectiveness* (the future *Accra Agenda for Action*), to be held in September 2008, will also be adopted.

Result oriented management will also be promoted, since it is only possible to evaluate true progress with regard to the MDGs via an effective monitoring of the impact that the aid has achieved on the ground. It is not enough just to increase the volume of aid, it is also necessary to verify that it is being appropriated and implemented suitably by the partner nation, with visible and effective results. Otherwise it is essential to redefine programmes and actions.

An equally important aspect is that the reforms implemented in the context of Portuguese Cooperation, begun in the legislative cycle 2005-2009, should not lose the growing dynamism that has been evident in recent years, increasingly learning from international best practices.

Fragile States

Special attention will be given to Fragile States, since the majority of countries that benefit from Portuguese Cooperation are classified as such. Moreover, diverse indicators have shown that these are the States in which the MDGs are the hardest to achieve, which makes granting aid in these situations even more vital.

Aid to fragile states is vital because these countries record the highest levels of extreme poverty, political and social instability is greater and there is a constant risk of conflicts breaking out. For these very reasons, fragile states require greater efforts to improve living conditions, following the matrix of the MDGs, which, in these cases, can

establishing a tax on airline tickets issued. In addition to this mechanism, it also entails classic pluriannual budgetary contributions by participating countries.

serve as a veritable guide for balanced and sustained intervention by the international community.

Portugal will remain committed to the cause of Fragile States in diverse international forums, always drawing attention, whenever possible, to their specific needs.

Promote Development as a Path to International Stability and Security

Security and development are intrinsically interlinked. Reality has shown time and time again that extreme poverty, bad governance, environmental degradation and the living conditions of populations have resulted in situations of extreme violence. For this very reason, promoting development must also be viewed as a contribution towards global stability and security.

Nevertheless, a development process can only be considered to be sustainable in a peaceful climate, where democracy, good governance and respect for human rights are the order of the day. Thus, these are priority areas for Portuguese Cooperation, in an effort to provide a dual contribution: to reinforce human security and promote sustainable development.

Promoting the integration of partner countries into the global economic system

In a globalised and interdependent world, isolation only contributes towards aggravating poverty in developing countries. Integration into the global economy in a balanced manner, taking into account specific needs, is thus a fundamental means of being able to access the benefits of globalisation. The MDGs are very clear with regard to this point.

Portugal is committed to assisting the integration of developing countries, especially the LDCs, into the world market. To this end, it has implemented two kinds of approaches. At a bilateral level, it seeks to create the necessary conditions for developing a market economy in partner countries, via incentives for private investments and support for capacity building in the various sectors related to trade (such as justice or training). At a multilateral level it attempts to support partner countries in diverse international forums to the best of its capacities.

Reinforcing Portugal's role in international fora

Portugal has affirmed the useful and essential role played by diverse international *fora* in the process of international debates and coordination in terms of transnational issues that affect everyone. Successfully achieving the MDGs depends on great efforts to ensure concerted international actions, which is only possible via dialogue, an exchange of ideas, harmonising strategies and permanent practices.

Portuguese Cooperation is keenly aware that it must participate in these dynamics; however, owing to some limitations in terms of funds and human resources, it has to judiciously manage its presence in diverse international institutions. This management is carried out on the basis of Portugal's strategic, geographic and sectorial priorities.

Be it in the context of the EU, the United Nations and its agencies or international financial institutions, priority will be given to questions pertaining to the development of Africa, both due to historical ties with Portugal as well as the fact that this continent represents a greater challenge in terms of poverty reduction and achieving a greater level of stability.

Regional development banks have also proved to be an important space for promoting development, regional integration and access to the global economy. Thus, apart from the Portuguese presence in international financial institutions (World Bank, IMF or the WTO), Portugal's participation in these entities will continue to be reinforced.

In a regional context, the CPLP, quite naturally, is the main priority for Portugal. This is also because reinforcing and providing capacity building facilities within the Lusophone space has traditionally been a primary objective of Portugal's foreign policy. However, other support for regional initiatives will also be evaluated, not just in Africa, but also in Latin America and Asia, given the positive evidence that progress in processes of regional integration is linked to the promotion of peace, democracy and socio-economic development.

Conclusion

There is no doubt that some progress has already been made and the 2007 UN Report on the MDGs has recognised this fact. However, the road ahead to 2015 still presents innumerable challenges, both for donors as well as for partner countries. Everyone will have to make an additional effort in order to achieve the MDGs.

It is also equally essential to ensure that international coordination efforts are increasingly reinforced and made more efficient. In this regard, 2008 will be a very significant year, with three fundamental events being held: the *III High Level Forum on Aid Effectiveness* (Accra, September), the *High Level UN Event on the Millennium Development Goals* (September, New York) and the *Follow-Up International Conference on Financing for Development, To Review the Implementation of the Monterrey Consensus* (Doha, November/December).

Portugal will be represented at these three events, where international commitments to realise the MDGs, reduce poverty and achieve sustainable development will be reinforced.

There is no doubt that the MDGs will constitute the main thrust of Portuguese Cooperation until 2015, since they represent not just the path to achieving sustainable development for poorer countries but also pave the way for greater equilibrium, justice and equity for people throughout the world. As mentioned in Portugal's *Strategic Vision for Cooperation*, "*More than an expression of basic solidarity rooted in a common human condition, the MDGs offer us an affirmation of the minimum conditions for stability and international peace in the context of globalisation*"⁴⁴. Hence, achieving these goals is one of the prime objectives of Portuguese Cooperation.

⁴⁴ Cabinet Resolution No. 196/2005, Part I, Chapter 3. *Guiding Principles*, Objective 3.1 *Commitment to Achieving the Millennium Development Goals*



Statistical Annex

Complete listing of the goals, targets, and indicators for MDGs

Goals and targets	Indicators
<p>Goal 1 Eradicate extreme poverty and hunger Target 1: Halve, between 1990 and 2015, the proportion of people whose income is less than \$1 a day</p> <p>Target 2: Halve, between 1990 and 2015, the proportion of people who suffer from hunger</p>	<ul style="list-style-type: none"> • 1. Proportion of population below \$1 (PPP) a day • 1a. Poverty headcount ratio (percentage of population below national poverty line) • 2. Poverty gap ratio (<i>incidence x depth of poverty</i>) • 3. Share of poorest quintile in national consumption • 4. Prevalence of underweight in children (under five years of age) • 5. Proportion of population below minimum level of dietary energy consumption
<p>Goal 2 Achieve universal primary education Target 3: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling</p>	<ul style="list-style-type: none"> • 6. Net enrollment ratio in primary education • 7a. Proportion of pupils starting grade 1 who reach grade 5 • 7b. Primary completion rate • 8. Literacy rate of 15 to 24-year-olds
<p>Goal 3 Promote gender equality and empower women Target 4: Eliminate gender disparity in primary and secondary education preferably by 2005 and in all levels of education no later than 2015</p>	<ul style="list-style-type: none"> • 9. Ratio of girls to boys in primary, secondary, and tertiary education • 10. Ratio of literate women to men ages 15- to 24 • 11. Share of women in wage employment in the nonagricultural sector • 12. Proportion of seats held by women in national parliament
<p>Goal 4 Reduce child mortality Target 5: Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate</p>	<ul style="list-style-type: none"> • 13. Under-five mortality rate • 14. Infant mortality rate • 15. Proportion of one-year-old children immunized against measles
<p>Goal 5 Improve maternal health Target 6: Reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio</p>	<ul style="list-style-type: none"> • 16. Maternal mortality ratio • 17. Proportion of births attended by skilled health personnel
<p>Goal 6 Combat HIV/AIDS, malaria, and other diseases Target 7: Have halted by 2015 and begun to reverse the spread of HIV/AIDS</p> <p>Target 8: Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases</p>	<ul style="list-style-type: none"> • 18. HIV prevalence among pregnant women ages 15- to 24 • 19. Condom use rate of the contraceptive prevalence rate • 19a. Condom use at last high-risk sex • 19b. Percentage of 15-24-year-olds with comprehensive correct knowledge of HIV/AIDS • 19c. Contraceptive prevalence rate • 20. Ratio of school attendance of orphans to school attendance on non-orphans ages 10-14 • 21. Prevalence and death rates associated with malaria • 22. Proportion of population in malaria-risk areas using effective malaria prevention and treatment measures • 23. Prevalence and death rates associated with tuberculosis • 24. Proportion of tuberculosis cases detected and cured under directly observed treatment short course (DOTS)

Goal 7 Ensure environmental sustainability

Target 9: Integrate the principles of sustainable development in to country policies and program and reverse the loss of environmental resources

- 25. Proportion of land area covered by forest
- 26. Ratio of area protected to maintain biological diversity to surface area
- 27. Energy use (kilograms of oil equivalent) per \$1 GDP (PPP)
- 28. Carbon dioxide emissions (per capita) and consumption of ozone-depleting chlorofluorocarbons (ODP tons)
- 29. Proportion of population using solid fuels

Target 10: Have, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation

- 30. Proportion of population with sustainable access to an improved water source, urban and rural
- 31. Proportion of population with access to improved sanitation, urban and rural

Target 11: Have achieved, by 2020, a significant improvement in the lives of at least 100 million slum dwellers

- 32. Proportion of households with access to secure tenure.

Goal 8 Develop a global partnership for development

Target 12: Develop further an open, rule-based, predictable, nondiscriminatory trading and financial system (includes a commitment to good governance, development, and poverty reduction—both nationally and internationally)

Some of the indicators listed below will be monitored separately for the least developed countries, Africa, landlocked countries, and small island developing states.

Official development assistance

Target 13: Address the special needs of the least developed countries (includes tariff and quota-free access for exports enhanced program of debt relief for HIPC and cancellation of official bilateral debt, and more generous ODA for countries committed to poverty reduction)

- 33. Net ODA total and to the least developed countries, as a percentage of OECD/DAC donors' gross national income
- 34. Proportion of bilateral, sector-allocable ODA of OECD/DAC donors for basic social services (basic education, primary health care, nutrition, safe water, and sanitation)
- 35. Proportion of bilateral official development assistance ODA of OECD/DAC donors that is untied
- 36. ODA received in landlocked countries as proportion of their gross national incomes
- 37. ODA received in small island developing states as proportion of their gross national incomes

Market access

Target 14: Address the special needs of landlocked countries and small island developing states (through the Program of Action for the Sustainable Development of Small Island Developing States and 22nd General Assembly provisions)

- 38. Proportion of total developed country imports (by value and excluding arms) from developing countries and from least developed countries, admitted free of duty
- 39. Average tariffs imposed by developed countries on agricultural products and textiles and clothing from developing countries
- 40. Agricultural support estimate for OECD countries as a percentage of their gross domestic product
- 41. Proportion of ODA provided to help build trade capacity

Debt sustainability

Target 15: Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term

- 42. Total number of countries that have reached their HIPC decision points and number that have reached their HIPC completion points (cumulative)
- 43. Debt relief committed under HIPC initiative
- 44. Debt service as a percentage of exports of goods and services

Target 16: In cooperation with developing countries, develop and implement strategies for decent and productive work for youth

Target 17: In cooperation with pharmaceutical companies, provide access to affordable, essential drugs in developing countries

Target 18: In cooperation with the private sector, make available the benefits of new technologies, especially information and communications

Other

- 45. Unemployment rate of 15- to 24-year-olds, male and female and total
- 46. Proportion of population with access to affordable, essential drugs on a sustainable basis f
- 47. Telephone lines and cellular subscribers per 100 population
- 48a. Personal computers in use per 100 population
- 48b. Internet users per 100 population

Table I - Portuguese Bilateral ODA By Sector of Destination - Correspondence Sector/MDG (2001-2007)

Thousands of euros

SECTORS	MDG																		2001	2002	2003	2004	2005	2006	2007	TOTAL	%
	1	2	3	4	5	6	7			8																	
	Targets																										
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18									
I - SOCIAL INFRASTRUTURE AND SERVICES																			114 934	151 477	121 099	91 415	100 752	112 187	148 091	839 956	46,5
EDUCATION	1		3	4								13			16			34 714	38 112	55 864	43 758	51 536	52 211	52 161	328 356	18,2	
HEALTH	1				5	6	7	8				13			16	17		8 070	8 437	7 120	7 716	8 013	8 269	7 871	55 496	3,1	
POPULATION AND REPRODUCTIVE HEALTH	1				5	6	7					13						32			227	87	6	278	630	0,0	
WATER SUPPLY AND SANITATION	1										10	11	13		16			1 271	334	126	1 743	2 001	499	1 148	7 122	0,4	
GOVERNMENT AND CIVIL SOCIETY	1											13						51 808	80 351	41 778	20 963	19 946	35 453	71 217	321 516	17,8	
OTHER SOCIAL SERVICES	1						7					11	13		16			19 041	24 242	16 210	17 009	19 169	15 749	15 416	126 836	7,0	
II - ECONOMIC INFRASTRUTURE AND SERVICES																			22 941	9 145	3 536	6 248	23 203	20 489	22 536	108 099	6,0
TRANSPORT AND STORAGE	1											13			16			4 293	4 360	1 255	1 150	20 411	16 951	18 817	67 237	3,7	
COMMUNICATIONS	1											13					18	3 680	907	770	2 595	1 099	2 810	2 808	14 669	0,8	
ENERGY	1											13			16			609	1 720	342	961	926			4 558	0,3	
BANKING AND FINANCIAL SERVICES	1										12	13	14		16			549	886	653	454	523	378	515	3 958	0,2	
BUSINESS AND OTHER SERVICES	1										12	13	14					13 811	1 273	515	1 088	244	350	396	17 678	1,0	
III - PRODUCTION SECTORS																			8 152	7 235	3 501	3 498	4 894	2 604	1 940	31 824	1,8
AGRICULTURE	1	2						9	10			13			16			5 722	4 759	2 452	1 969	2 167	1 165	1 451	19 685	1,1	
FORESTRY	1							9				13			16			41	52	125	141	113	38	60	571	0,0	
FISHING	1	2						9				13			16			112	3	15	8	9	26	4	178	0,0	
INDUSTRY	1	2										13						240	142	32	188	161	138		901	0,0	
MINING	1										12	13	14		16			214	329	350	181	804	94	30	2 002	0,1	
CONSTRUCTION	1											13						1 262	1 146	314	787	1 429	937		5 875	0,3	
TRADE	1										12	13	14		16			20	9	13	150	162	43	151	547	0,0	
TOURISM	1											13						541	794	201	74	50	163	244	2 066	0,1	
IV - MULTISECTOR / CROSS-CUTTING																			7 771	4 171	13 758	7 741	15 083	11 519	11 996	72 039	4,0
TOTAL SECTOR ALLOCABLE																			153 799	172 027	141 895	108 902	143 933	146 799	184 563	1 051 918	58,2
V - COMMODITY AID AND GENERAL PROGRAMME ASSISTANCE	1	2										13						16 234	46	2 655	2 539	1 851	483	- 1 128	22 680	1,3	
VI - ACTION RELATING TO DEBT	1											13		15				21 871	12 341	4 672	564 536	781	- 1 555	- 1 360	601 286	33,3	
VII - HUMANITARIAN AID	1	2										13						2 624	1 807	1 072	14 827	10 249	5 592	502	36 672	2,0	
VIII - ADMINISTRATIVE COST OF DONORS	1											13						7 316	7 417	8 829	8 273	12 721	10 203	10 173	64 932	3,6	
IX - SUPPORT TO NGOs	1											13						2 298	2 930	1 358	3 082	4 947	5 946	2 421	22 981	1,3	
X - REFUGEES IN DONOR COUNTRIES	1											13											194	306	500	0,0	
XI - UNALLOCATED/UNSPECIFIED	1											13						554	876	1 013	287	1 163	671	1 883	6 447	0,4	
TOTAL BILATERAL																			204 695	197 443	161 494	702 446	175 644	168 333	197 360	1 807 416	100

Source: IPAD/DPP

Table II - Portuguese Multilateral ODA - Correspondence Organization/MDG (2001-2007)

Thousands of euros

MULTILATERAL ORGANIZATIONS	MDG																		2001	2002	2003	2004	2005	2006	2007	TOTAL	%
	Targets																										
	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18																										
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18									
UNITED NATIONS																			8 696	11 489	7 139	8 270	8 397	8 134	9 071	61 196	6,7
1.1. United Nations - Agencies, Funds and Commissions	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	8 696	11 489	7 139	8 270	8 397	8 134	9 071	61 196	6,7
EUROPEAN COMMISSION																			77 061	77 766	78 232	90 508	102 708	99 139	103 270	628 684	69,1
2.1. Orçamento CE p/ Países em Desenvolvimento	1												13						63 222	64 642	60 966	63 708	76 600	72 740	75 480	477 358	52,4
2.2. FED - Fundo Europeu para o Desenvolvimento	1												13						13 839	13 124	17 266	25 585	22 601	24 347	25 608	142 370	15,6
2.3. BEI - Banco Europeu de Investimento	1												13									1 215	3 507	2 052	2 182	8 956	1,0
IMF, WORLD BANK AND WTO																			847	7 896	10 185	10 573	10 194	12 403	13 129	65 227	7,2
3.1. World Bank Group	1												13	15					338	7 298	9 590	9 990	9 590	11 800	12 544	61 150	6,7
3.2. World Trade Organization	1											12	13	14					509	598	595	583	604	603	585	4 077	0,4
REGIONAL DEVELOPMENT BANK																			6 247	46 766	21 584	13 996	2 821	24 201	12 700	128 315	14,1
OTHER MULTILATERAL ORGANIZATIONS																			2 201	935	4 239	4 097	3 662	3 564	8 196	26 894	3,0
<i>of which:</i>																											
<i>GEF - Global Environment Facility</i>	1								9	10			13						919		2 134	1 103	1 103	1 558	2 751	9 568	1,1
<i>Montreal Protocol</i>	1								9	10			13						801	355	1 130		50	473	1 996	4 805	0,5
<i>CPLP - Community of Portuguese-Speaking Countries*</i>	1												13									724	572	984	881	3 161	0,3
<i>GFFATM - Global Fund to Fight AIDS, Tuberculosis and</i>	1			5		7	8						13								336	494	1 238	1 558	2 062	5 688	0,6
TOTAL GERAL																			95 052	144 852	121 379	127 445	127 782	147 441	146 366	910 317	100

Source: IPAD/DPP

* CPLP is part of the DAC Multilateral Organizations List since July 05. The contributions here included have a multilateral character.