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The 20/20 Initiative aimed at increasing expenditure for basic social services is still not fully operational. At a three-day conference in Hanoi (27–29 October 1998), representatives from developing and donor countries discussed the present state of affairs regarding its implementation.

The 20/20 Initiative originated at the World Summit for Social Development in Copenhagen in 1995. In the Programme of Action, governments agreed, in a mutual commitment between interested developed and developing country partners, to allocate, on average, 20% of ODA and 20% of their national budgets, respectively, to basic social programmes. The 20/20 Initiative aims to increase access to basic education, primary health care including reproductive health and population programmes, nutrition, safe water and sanitation.

In a follow-up conference held in Oslo in 1996, it was agreed that World Bank Consultative Group meetings and UNDP Round Table conferences were appropriate fora to discuss implementation of the 20/20 Initiative. The idea behind this is that developing countries have to take the initiative by drawing up national strategies to increase access to basic social services, which donors can then respond to in a co-ordinated way. At the latest conference in Hanoi on implementation, it appeared that in over two years, only two Consultative Group meetings and three Round Tables actually discussed the Initiative. Sadly, neither donors nor developing countries could report any major improvements in spending for basic social services.

RESTRAINTS ON IMPLEMENTATION

Implementation of the 20/20 Initiative is slow. There is consensus about the need to prioritise social development. Economic growth, while vital, is no longer considered to adequately «trickle-down» to the poor. Investing in human capital through basic quality social services is seen as a crucial element for

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sustainable development. Unfortunately, this consensus remains very much at the level of good intentions.

Important donors have committed themselves to the goals set by the World Summit for Social Development in the document «*Shaping the 21st Century*». These donors do not, however, share a common strategy for its achievement, and agreement on allocation of necessary resources to reach the goals is not incorporated in the Shaping document.

Much needs to be done. In a recent brochure prepared by UNDP, UNESCO, UNFPA, UNICEF, WHO, and the World Bank called «Implementing the 20/20 Initiative: Achieving universal access to basic social services», new calculations were presented on the resources needed to implement the 20/20 Initiative. Current allocations fall short by about one-third of the financial requirements, which are estimated at USD 206 billion to USD 216 billion per year. Today, the amount of funds channelled to basic social services is conservatively estimated at about USD 136 billion. Therefore, an increase of at least USD 70 billion to USD 80 billion would be needed annually to provide full coverage. This shortfall is roughly twice as high as an earlier (1994) estimate of between USD 30 billion and USD 40 billion.

These new figures are especially worrying if we realise that aid has dropped to the lowest level ever recorded, falling from USD 55.4 billion in 1996 to USD 47.6 billion in 1997. The *Reality of Aid* report (Earthscan, 1998) says that 3.2 billion people now live on less than two dollars per day, yet rich governments are not willing to invest even 30 cents out of every USD 100 they spend, in the fight against world poverty. Novib believes that donors should spend at least 30% of their ODA budgets on access to basic social services of good quality. Oxfam International will also start a campaign in 1999 on universal access to basic education, which would require 8% of total ODA budgets.

DONOR COMMITMENTS

Exact data for spending on basic social services are difficult to obtain. This is true both for developing countries, who in many

cases have decentralised budgets for social policies, and for donors, in particular the multilateral organisations. Only recently did some bilateral donors report on spending for basic education and health, but not for other aspects of the 20/20 Initiative. Limited data on public spending for water and sanitation suggests a weak commitment to provide these services at all.

The Oslo meeting in 1996 identified the need for internationally comparable statistics to allow for monitoring of donor contributions toward the 20/20 target. In practice donors do not easily provide this kind of statistics. Their reports are tailored to national priorities rather than international ones. Some donors argued against monitoring expenditures for basic social services without taking into account the issue of sustainability, which would include spending for institutional and capacity building and development of infrastructures to enable social service delivery.

On the basis of available data, the OECD/DAC (Development Assistance Committee) reports that bilateral donor spending on basic education for 1996 was 1.4% of total ODA. Average spending on basic health was 2.4% of ODA. These are astonishingly low figures, which indicate that we are still far away from the necessary allocations for basic social services.

For multilateral channels, very little data on ODA and spending for basic social services is available. This includes lending by the World Bank, the regional development banks, the International Fund for Agricultural Development (IFAD) and the European Development Fund (EDF). There are no data from UNDP, the United Nations Population Fund (UNFPA), UNICEF or the UN specialised agencies (Development Initiatives *et alia*, 1998). On the basis of data collected by the OECD/DAC, approximately 20% of ODA lending by the development banks was for basic education, basic health, population (including reproductive health) and water supply and sanitation. If water supply and sanitation are excluded (since these costs do not distinguish between basic provision and expenditures for high-cost technologies and most money is spent on the latter), aid to basic social services was 7% in 1995 and 11% in 1996. 6% of EDF grants were for basic social services (Development Initiatives *et alia*, 1998).

WHERE DO EXPENDITURES GO?

How much are developing countries spending themselves? Again, clear data on expenditures for basic social services are lacking, because budgets for social sector support are often decentralised to provinces or other local authorities. Also public spending on basic social services is classified by type of expenditure rather than by level within the social sectors. This makes assessment of expenditures very difficult. Even the World Bank Public Expenditure Reviews are seldom able to give exact data on basic social services.

From a study by UNICEF and UNDP on basic social service expenditures by governments in 30 developing countries, it is clear that although countries differ substantially in their allocation of public spending for basic social services, all of them seem to require additional resources. Average spending is 12%–14% of national

budgets. Very few of these countries spend less than 10% and very few reach 20%. Particularly low allocations occur in Benin, Cameroon and Zambia in sub-Saharan Africa, Bangladesh and the Philippines in Asia, and Brazil, Dominican Republic and Nicaragua in Latin America. A few countries in Latin America and sub-Saharan Africa (Belize, Burkina Faso, Namibia, Niger, Uganda and Peru) allocate close to 20% to basic social services (UNICEF/UNDP, 1998).

Budgets are not well directed in two ways. Defence spending and debt payments are given priority in many budgets. In many countries, combined spending for debt servicing and defence is higher than for basic social services. The UNICEF/UNDP study mentioned above shows that in Benin, Cameroon, Chile, the Philippines and Sri-Lanka, defence spending absorbs more resources than basic social services. Countries that pay more on debt servicing than basic social services are: Brazil, Cameroon, Cote d'Ivoire, El Salvador, Jamaica, Kenya, Nepal, Niger, Peru, the Philippines, Sri-Lanka, Tanzania and Zambia. International action can help in terms of debt relief: initiatives like the HIPC (Heavily Indebted Poor Countries) must be implemented at an accelerated pace.

A second problem is the unbalanced, hence inefficient, spending within the social service sector. Issues of allocative efficiency are strongly related to geographical equity. Policies are not well targeted to the people living in poverty. Poor people in rural areas especially lack access to basic education and basic health. An urban bias seems strongest in the health and water and sanitation sectors (UNICEF/UNDP). In Kenya, for instance, where 70% of the population live in rural areas, rural health services receive only 13% of the health budget. Total health spending is not well targeted to the poorest groups in society. There is a tendency for governments to allocate large shares of their health budget to tertiary health, which are not widely used by the poor and have relative high costs.

RESULTS FROM HANOI

Among the countries taking the 20/20 Initiative seriously are many African countries. The main actors in the debate in Hanoi were the representatives from Zambia, Uganda, Mali, Tanzania, Niger, Cote d'Ivoire, Ghana, Malawi, Benin, Namibia, Mozambique, and Burkina Faso. Other developing countries that showed interest were Sri Lanka, Nepal, Vietnam, the Philippines, and Bangladesh. There were some representatives from Latin America (Peru, El Salvador, Bolivia, Chile, and Costa Rica), but they showed no big interest. From the donor side, only five countries are strongly committed to the 20/20 Initiative: Norway, the Netherlands, Germany, Canada and the United Kingdom. Finland, France and Belgium are committed to a lesser extent.

Some important elements of the Hanoi consensus on the 20/20 Initiative:

- The goal of meeting universal access to basic social services, which comprise basic education, primary health care including reproductive health and population programmes, nutrition and safe water and sanitation, was reiterated.

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- The meeting agreed that the current economic and financial crisis adds to the relevance of the 20/20 Initiative to protect access to basic social services of the most vulnerable people.
 - The meeting reaffirmed the necessity for a mutual commitment by developing countries and their development partners to give higher priority to basic social services and to translate this commitment into financial terms.
 - Special efforts are needed to reach the poor and vulnerable groups more effectively, especially women, girls and boys. Institutional capacity is insufficiently developed to deliver quality services in an efficient, equitable and sustainable manner.
 - In some countries, specific threats such as anti-personnel land-mines and the HIV/AIDS pandemic constitute a heavy burden on their basic social services, making assistance all the more important.
 - The meeting agreed that gathering and analysing relevant information on social sector expenditure and its outcome is of critical importance to design and implement social policy reforms. It agreed that specific institutional mechanisms should be clarified and operationalised by governments of developing countries to co-ordinate and monitor spending on basic social services.
 - The appropriate fora and instruments for policy co-ordination should deal with all aspects of the 20/20 Initiative, in particular the Consultative Group and Round Table meetings, sectoral investment programmes, national human development reports, public expenditure reviews, and structural adjustment lending.
 - The meeting recognised that for the heavily indebted poor countries, debt servicing presents one of the main obstacles to development, and that urgent action is needed to alleviate the debt burden of these countries.
 - The meeting encouraged NGOs to continue their advocacy and dialogue with governments.
 - The multilateral organisations were requested to examine their programmes of co-operation to ensure that basic social programmes receive a higher priority. They were also encouraged to provide data regarding their spending on basic social services to the OECD/DAC.
 - The meeting called upon donor countries to undertake all possible efforts to allocate 20% of their ODA budgets for basic social services.
 - The Hanoi consensus will be a matter of consideration at the special session of the United Nations General Assembly to review the implementation of the Copenhagen Declaration and Plan of Action. The Preparatory Process should consider reports from the World Bank, UNDP, UNICEF, UNFPA, OECD/DAC and other multilateral organisations.

POLICY TOOLS TO PROMOTE THE AIMS OF THE 20/20 INITIATIVE

To implement the 20/20 Initiative, developing country governments have to make plans for financing and delivery of

basic social services. NGOs should lobby for such plans. Since the World Summit for Social Development, the importance of improving the delivery, coverage and outcomes of basic social services is clearly emerging as part of the policy dialogue. The next step is to discuss these plans in international meetings with donors, such as the Consultative Group (CG) and Round Table (RT) meetings. Public Expenditure Reviews (PERs) and Structural Adjustment Loans (SALs) also provide opportunities for governments, donors, and the World Bank and UN agencies to explore the issues of financing and delivery of basic social services.

In addition to a stronger financial commitment to basic social services, recent policy dialogue has emphasised the need to enhance the efficiency of delivery systems, target resources to the neediest groups and regions, and improve the quality of the services provided.

Consultative Group (CG) meetings are important official fora for governments, donors and multilaterals to discuss country development strategies and their financing. NGOs are allowed to attend some of these meetings as observers. CG meetings take decisions on mobilising and co-ordinating development aid. They are organised and chaired by the World Bank, working closely with senior country officials, especially from the Ministry of Finance. The CGs offer an opportunity to raise social sector issues and stress the importance of access to basic social services. So far only a few CGs paid attention to promoting the 20/20 Initiative (Ghana, Uganda and Vietnam). Often, they discussed the social sectors in very general terms, with no emphasis on basic social services (UNDP/World Bank, 1998).

Round Table (RT) meetings are formal consultations among government representatives, donors, and more and more, NGO and private sector representatives. UNDP's role is to facilitate the meeting. The aim is to discuss a country's development policy, goals and strategies. RT meetings should deal with implementation of the 20/20 Initiative. Since the World Summit for Social Development, 13 RTs have been held. Three RTs specifically referred to the 20/20 Initiative: Bhutan, Laos and Niger. Most RTs did, however, stress the need to enhance the efficiency of social-sector delivery, target resources to the neediest groups and regions, and improve the quality of the services provided (UNDP/World Bank, 1998).

Another policy tool is the Public Expenditure Review (PER). PERs are conducted primarily by the World Bank, but more and more are formulated as a result of a joint exercise between governments and donors. The aim of a PER is to scrutinise a government's spending records and plans. The reviews can serve as an important monitoring and advisory function for governments. One of their strengths is that they often systematically analyse each of the social sectors.

Policies to improve access to basic social services will benefit from the so-called partnership strategy. The Development Partnership Strategy is developed by the OECD/DAC to implement the goals of universal primary education; reduction in infant, child and maternal mortality; universal access to reproductive health services; gender equity; and the halving of extreme poverty. This strategy involves: genuine commitment to the poor on the part of

developing country governments; involving civil society organisations in planning and design of social sector support; sector-wide approaches by donors instead of project support by budgetary funding; and improved co-ordination among the funders.

THE ROLE OF NGOS IN IMPLEMENTING THE 20/20 INITIATIVE

Operationalising the 20/20 Initiative requires a strong partnership between governments, donors, NGOs, and the private sector. NGOs play an important role in delivery of basic social services. For instance in Nepal, NGOs channelled resources to basic social programmes equal to one-tenth of total government expenditure for basic social services in 1995. In Malawi, 40% of all health delivery is performed by NGOs (UNDP/World Bank, 1998).

The increased role of the non-profit sector in service delivery is partially driven by the fact that governments face revenue constraints. NGOs who lobby for greater access to basic social services, however, stress the need for central public-sector financing and provision. Governments should be primary responsible to ensure improved access to and more effective targeting of basic social services. Apart from its central role in financing and provision of basic services, the public sector also needs to ensure adequate standards across providers and guarantee the right of all citizens to provision of basic social services.

NGOs in donor countries have lobbied strongly for 20/20. The issue was taken up at the World Summit for Social Development, and an NGO statement was included as part of the report of the Oslo meeting, 23–25 April 1996. Ten international NGOs attended the Hanoi meeting and were able to participate fully in the debates.¹ The Hanoi consensus reflects the contribution by NGOs as follows (Paragraph 28): «The meeting encouraged non-governmental organisations and community-based organisations to continue their advocacy and dialogue with governments and multilateral

development organisations to promote greater accountability, participation and better targeting of basic social services on the poor. Examples of best practice in the design and delivery of these services should be better shared among governmental and non-governmental providers. Governments were encouraged to welcome a dialogue with the NGO community on the strategies, programmes and funds required to provide basic social services to all».

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- Novib, Netherlands Organisation for International Development Co-operation, Member of Eurostep, Member of Oxfam International.

¹ NGOs present at Hanoi meeting were Care, Children's Alliance, Eurostep, German NGO Forum, IBFAN, ICSW, Oxfam, Social Watch, TWN, and World Vision.