

Millennium Development Goals: The 2005 Agenda

An Introduction to the ODI-APGOOD Meeting Series

Abstract

The Millennium Development Goals (MDGs) are a set of ambitious goals and targets which strive to focus the attention of developing country governments, the international development community and both international NGOs and national level civil society on poverty reduction and development. 2005 is a pivotal year for those interested in seeing the achievement of the MDGs not least because a review of progress will take place at the UN Summit in September 2005. It is also in this year that an international coalition of civil society organisations will seek to make poverty history by lobbying, advocating and mobilising the general public to demand increased aid, trade justice and debt relief. Achieving the MDGs will however require a significant and sustained increase in resources, not least aid. While several, many viable, proposals have been suggested as means of increasing resources, there are a set of real concerns about the desirability of doing this which involve issues surrounding aid absorption, macro-economic stability, accountability of recipient country governments and capacity constraints. Furthermore, achieving the MDGs in difficult environments also requires significant attention as traditional aid and development mechanisms have tended to be inapplicable. Given that 14% of the world's population lives in fragile states and that these countries are most 'off-track' in relation to the MDGs, the need for appropriate support and interventions is made more acute. While attempting to be comprehensive and inclusive, the MDGs goals and targets are unable to address all aspects of development leading to some issues being marginalised. The question then becomes how these sectors can attract support and resources as progress is not demanded by an MDG.

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1 Introduction¹

This paper has been drafted as a brief introductory overview of a jointly hosted meeting series by the Overseas Development Institute (ODI) and the UK Parliament's All Party Group on Development (APGOOD). The series, 'The Millennium Development Goals: The 2005 Agenda' seeks to provide a stimulating forum for the sharing of ideas. As always with ODI meetings series, the meetings will be 'on the record' and a written summary along with audio and video clips will be available on the ODI website in 48 hours. At the end of the series a short synthesis will present the main issues and arguments raised during the series. The joint hosts of the series anticipate that this process of public debate, followed by the production of a synthetic overview, will contribute to the 2005 agenda.

The Millennium Development Goals (MDGs), the focus of the ODI-APGOOD meeting series and this paper, are a set of ambitious goals and targets which strive to focus the attention of developing country governments, the international development community and both international NGOs and national level civil society on poverty reduction and development. The current eight goals and 18 targets were refined from those first outlined in the DAC's 1996 report 'Shaping the 21st Century'. These became known as the Millennium Development Goals when the Millennium Declaration was signed by 189 countries in September 2000 (OECD DAC website, January 2005). These goals and targets act as proxies, against which improvements in development and poverty reduction can be measured. They contain a mix of output and outcome indicators and used carefully, are capable of gauging the effectiveness, or otherwise, of wider pro-poor changes in governance, policy and service delivery. The targets include curbing poverty, hunger, disease, illiteracy, environmental degradation, and discrimination against women by 2015 (see summary below). The MDGs also highlight the pivotal role that the international development community must play if wide-ranging poverty reduction and development processes are to be achieved in developing countries. Goal 8 underlines reciprocal relationship between developed and developing nations. On the one hand it emphasises the need for developing countries to produce and implement pro-poor policies and to strengthen national and local level governance and on the other it emphasises the responsibility of developed nations and donors. It places demands on developed countries, by requiring that they commit to support development processes by increasing aid, reducing trade barriers and providing debt relief (OECD DAC website, January 2005).

2005 is a pivotal year for those interested in seeing the achievement of the Millennium Development Goals, and more widely – the achievement of pro-poor policy change. The UK has a key role and will seek to feed into a number of international processes, many of which are connected with the MDG agenda.

Crucially for the UK, in 2005, it has simultaneous leadership of the EU and the G8 - through the EU Presidency and by hosting the G8. Clear statements have been made by leading UK politicians that they will seek to influence international events around development, poverty reduction and the environment through these leadership roles. For example, poverty in Africa will be a key theme at the G8 summit in Gleneagles this summer.

Substantial efforts have been made to prepare the ground, including support to the Africa Commission, which will publish its report in March this year. The UK government and the

¹ The authors would like to thank Paolo de Renzio (ODI) and Simon Maxwell (ODI) for their useful inputs to an earlier draft. An errors remain the authors own.

UK-based development community will also be seeking to influence a number of other events and processes taking place this year. Some of this will be through the delivery of 'knowledge products' and some through effective lobbying.

Significant events in the 2005 calendar include the DAC high level meeting on aid effectiveness, which will take place in March 2005, the publication of a report by the UN Millennium Project 'Investing in Development: A Practical Plan to Achieve the Millennium Development Goals', widely known as the Sachs report, and the forthcoming publication by the UN Millennium Project of evidence of progress by a range of countries against the MDGs. In the sections below, we discuss the key events taking place this year and some of the key themes connected with the Millennium Development Goals.

Summary of the MDGs

Goal 1: Eradicate extreme poverty and hunger

Target 1: Halve, between 1990 and 2015, the proportion of people whose income is <\$1/day

Target 2: Halve, between 1990 and 2015, the proportion of people who suffer from hunger

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

Goal 3: Promote gender equality and empower women

Target 4: Eliminate gender disparity in primary and secondary education preferably by 2005 and to all levels of education no later than 2015

Goal 4: Reduce child mortality

Target 5: Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate

Goal 5: Improve maternal health

Target 6: Reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio

Goal 6: Combat HIV/AIDS, malaria and other diseases

Target 7: Have halted by 2015, and begun to reverse, the spread of HIV/AIDS

Target 8: Have halted by 2015, and begun to reverse, the incidence of malaria and other major diseases

Goal 7: Ensure environmental sustainability

Target 9: Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources

Target 10: Halve, by 2015, the proportion of people without sustainable access to safe drinking water

Target 11: By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers

Goal 8: Develop a Global Partnership for Development

Target 12: Develop an open, rule-based, predictable, non-discriminatory trading and financial system.

Target 13: Address the Special Needs of the Least Developed Countries

Target 14: Address the Special Needs of landlocked countries and small island developing states

Target 15: Deal comprehensively with the debt problems of developing countries

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 (e.g. ICTs)

Source: Conway (2004: 7).

2 The 2005 Agenda

2.1 UN's Millennium Project

The UN Millennium Project² was commissioned by the United Nations Secretary-General in 2002. It will come to an end in June 2005 and in September 2005 there will be a UN General Assembly Special Summit to review what progress has been made towards achieving the MDGs since the 2000 Millennium Declaration (Millennium Project website).

At the beginning of the project, ten subject task forces were established under the overall leadership of Professor Jeffrey Sachs. These investigated a number of poverty-related

² For more information about the Millennium Project refer to <http://www.unmillenniumproject.org/html/about.shtm>

themes (poverty, hunger, education, gender equity, child and maternal health, HIV/AIDS, malaria and TB, access to medicines, the environment, water and sanitation, trade and science and technology), and produced a series of background papers. These fed into what has become known as 'The Sachs Report' (*Investing in Development: A plan to achieve the Millennium Development Goals*³). Launched in mid January 2005, following wide-ranging consultations of earlier drafts, this report argues for a massive scaling up of aid flows, complemented by trade and other measures, to reach the MDGs by 2015. It also put forward ten key recommendations which are outlined in the box below.

Box 1: Ten key recommendations from the Sachs Report.

1. Developing country governments should, by 2006, have adopted MDG-based poverty reduction strategies bold enough to meet the MDGs by 2015. Existing PRSs should be aligned with the MDGs
2. These country-level poverty reduction strategies should be the basis for decisions about public investment, domestic resource mobilisation, and official development assistance
3. MDG related policies should be transparent and inclusive, and developing country governments should work closely with civil society organisations, the domestic private sector and international partners
4. International donors should identify at least twelve 'fast-track' countries which will receive scaled-up development assistance in recognition of their good governance and absorptive capacity
5. Developing and developed countries should work jointly to identify a group of 'Quick Win actions' to 'save and improve millions of lives and to promote economic growth, they should also put substantial effort into building expertise at the community level
6. Developing country governments should align their initiatives with regional initiatives e.g. NEPAD, and donors should support such regional initiatives, directly
7. High income countries should develop a timetable for delivering 0.7% of GNP in support of the MDGs by 2015, they should also work to increase aid quality through donor harmonisation and the delivery of predictable and largely grand-based budget support
8. High income countries should use the Doha round of trade negotiations to open their markets, they should also investment in trade-related infrastructure (e.g. electricity, roads and ports)
9. International donors should work to mobilise \$7 bn per year by 2015 to fund global scientific research and development to tackle the needs of the poor in health, agriculture, natural resources and environmental management, energy and climate
10. The UN Secretary General and the UN Development Group should strengthen the coordination of the UN agencies, funds, and programmes to support the MDGs at headquarters and country level.

Source: UN Millennium Project 2005

MDG-based poverty reduction strategies and 'Quick Win' actions

The Sachs report argues that country strategies should not be limited by resource constraints, but on plans which outline the necessary investments and complementary initiatives to reach the MDGs, and which are "bold, needs-based, and goal-oriented" (Millennium Project, 2005:24). PRSPs, where they exist, should be revised so that they are "ambitious enough to achieve the goals" (ibid). ODA "should be generous enough to fill the financing needs, *assuming that governance limitations are not the binding constraint*" (ibid, emphasis added). Strategies should include a public sector management strategy based on transparency, accountability, human rights and results-based management, and a private sector strategy to promote economic growth.

The report identifies seven investment-and-policy clusters which the strategies should cover (ibid, 27-31), and existing best practices for each of them, but focuses also on a

³ To see a copy of the report, refer to <http://unmp.forumone.com>

number of short-term initiatives that could result in “breathtaking results within three or fewer years” (ibid, 25). There is a list of 17 of them (ibid, 26) including:

- Free distribution of malaria bed-nets and anti-malarial medicines;
- Ending user fees for primary schools and essential health services;
- Completing a 3 by 5 campaign on antiretrovirals;
- Expanding school meals programmes;
- Replenishment of soil nutrients for smallholder farmers.

They also include a massive training programme of community-based workers, to increase capacity and expertise in a number of service delivery and management areas.

2.2 Commission for Africa Report

Established in February 2004, the Commission for Africa is intended to ‘take a fresh look at Africa’s past and present, and the international community’s role, in order to agree clear recommendations for the future’ of Africa (CfA website January 2005). The outcome of its consultations and meetings will be published as a report in April 2005 and are intended to contribute to the 2005 processes and enable the UK to put Africa firmly on the agendas of the G8 and the EU when it holds the chairmanship of the former and the presidency of the latter. Through these avenues, it is also hoped that the Commission’s report will also feed into the UN’s review of progress on the MDGs. This is especially important given that Africa, and particularly Sub-Saharan Africa, will fail to achieve many of the goals in 2015 unless urgent action is taken now.

ODI, in collaboration with the Africa All-Party Parliamentary Group and the Royal African Society held a series of meetings in autumn 2004. The purpose of the series was to look at the Developed World’s contribution to Africa’s development performance to feed into the work of the Commission. A summary of the meeting is available on the ODI website at <http://www.odi.org.uk/speeches/africa2004/summary.html>

2.3 DAC Senior Level Forum on Development Effectiveness in Fragile States⁴

There is at present no universally agreed definition of what a fragile state is or indeed a list of countries belonging to this category. Increasingly however, donors are explicitly recognising the need to work with fragile states (arguably those countries that are either unwilling or unable to provide basic social services to their populations, especially the poor) by promoting peace and security, respect for the rule of law, human rights and social and economic development. Following a workshop in October 2002, held jointly by the European Commission, the UNDP and the World Bank, a Learning and Advisory Process on Difficult Partnerships (LAP) was established to share analysis and best practice based on concrete country experiences. These processes fed into a Senior Level Forum on Development Effectiveness in Fragile States convened by OECD DAC, the European Commission, UNDP and the World Bank and hosted by DFID which was held on 13th-14th of January 2005. The objective of this two-day Forum was to help shape a consensus on how donors should engage with fragile states. In particular, the focus of the Forum was on

⁴ See http://www.oecd.org/document/36/0,2340,en_2649_201185_34041636_1_1_1_1,00.html) for background papers and other resources

strategic frameworks and donor policy coherence; aid allocation to fragile states; coordination, harmonisation and alignment as well as service delivery and aid instruments. The outputs of this Forum, particularly progress on identifying which sorts of aid are appropriate (and those that are not) and conclusion from the debate on aid allocations, service delivery, harmonisation and alignment, will be reported to the High Level Forum on Aid Effectiveness and Alignment to be held in Paris in March 2005 (OECD website).

2.4 DAC High Level Meeting on Aid Effectiveness, Harmonisation and Alignment

Work by the Development Assistance Committee (DAC) of the OECD contributes to achievement of the Millennium Development Goals (MDGs) through monitoring progress towards the achievement of MDG-related goals, attempting to increase aid effectiveness and examining the link between conflict prevention and peace building and the MDGs (OECD DAC website, January 2005).

On 1-2 February 2005 the DAC, in collaboration with the UNDP, will convene a 'Senior Level Forum on Partnership for More Effective Development Co-operation'. The aim is to generate greater dialogue and mutual understanding between donors particularly around issues of aid effectiveness and donor harmonisation and alignment.

The importance of aid effectiveness in delivering development outcomes will be a central theme in this meeting series, with Richard Manning of the OECD presenting on what the prospects are for more and more effective aid in support the MDGs.

2.5 NGO Make Poverty History Campaign

The *Make Poverty History Campaign* is spear-headed by the UK-based NGO community and has links with international celebrities, academia, policy think-tanks, trade unions, faith groups and the general public to mobilise those 'who are united by a common belief that 2005 offers an unprecedented opportunity for global change'. The Campaign seeks to raise awareness and lobby rich country governments, donor organisations and governments in developing countries for change around poverty issues. Bono, for example, has worked with others to create a sense of urgency and has helped to ensure that both policy makers and the general public have the sense that the achievement of the MDGs is a 'do-able' project, rather than a distant and unrealistic task.

"We are the first generation that can look extreme poverty in the eye, and say this and mean it – we have the cash, we have the drugs, we have the science. Do we have the will to make poverty history?"
Bono, September 2004

Twenty years ago Band Aid was the first time that many in the developed world were confronted with poverty. Many ordinary people gave generously and many were then disappointed by the apparently limited impact that their donations were able to achieve. The Make Poverty History Campaign has attempted to learn from previous experience by broadening the coalition to include a wider range of development NGOs and to feed into existing development processes (for lobbying for a change in donor behaviour – with the goal of the achievement of the MDGs - and the proposed International Financing Facility (IFF)). It is also attempting to capture the imagination of a generation reputed to be simultaneously 'switched off' by politics, but galvanised by the anti-globalisation movement

and both deeply individualistic and materialistic but who gave generously recently to the various Tsunami appeals. The Make Poverty History Campaign has ensured that its membership organisations represent a wide range of UK-based organisations and pro-poor interests.

The Make Poverty History Campaign expresses its key aims 'in 9 words... Trade Justice. Drop the Debt. More and Better Aid.'

The Campaign is part of a global movement, the Global Campaign for Action Against Poverty.

3 Key Issues in the 2005 Agenda

3.1 Building a constituency for poverty reduction

Building a constituency in developed countries for increased spending on development and poverty reduction in poor countries involves a set of stages:

- Communicate to the electorate, taxpayers, charitable givers and policy makers in developed countries the scale and severity of 'the problem'. In order to do this, 'the problem' must be clearly articulated
- Persuade these interest groups that
 - there are viable solutions to the problem
 - poor people are deserving of support
 - that adequate funds for development and poverty reduction cannot be generated in-country through cost-cutting reforms or domestic resource mobilisation (taxation)
 - that developing country governments are capable of (and will) use aid money well (and/or that governments can be circumvented and poverty reduced and the MDGs achieved through the creation of parallel delivery mechanisms, e.g. via NGOs)

3.2 Financing the MDGs

The world clearly has the *resources* to finance the MDGs. The issue then becomes whether the world has the *commitment* and *motivation* to do so. The Monterrey Consensus (envisaged among other things to create a new development partnership between developed and developing countries, based on a framework of mutual accountability) reflects this commitment. The continuation of human deprivation and its violation of human rights, security, growth and prosperity, also identifies the world's motivation to reach the MDGs. The major question then becomes *how* to achieve the MDGs. This is related to three major dimensions of the financing issues: estimating the cost of achieving the MDGs; mobilising the necessary resources and aid absorption and efficiency (Jahan 2003).

Estimating the cost of achieving the MDGs

Estimating the cost of achieving the MDGs is highly sensitive to the assumptions and scenarios used. The first attempt to do this was in 2001 in a study led by former Mexican President Ernest Zedillo known as the 'High-level Panel on Financing for Development'. This study estimated a need for approximately US\$68 billion in additional resources, or slightly more than a doubling of current levels. A series of further studies have attempted

to quantify the cost of meeting the MDGs for particular regions, countries or a particular goal, a selection of which are summarised in Appendix 1 (Clemens et al 2004). The most recent estimate, and the one on which much of the debate in 2005 will likely rest, is that of the UN Millennium Project. This report, led by Jeffery Sachs, quantifies the amount of additional development assistance required to meet the MDGs on the basis of five country case studies where MDG needs assessments were carried out. Their results 'suggest that in a typical low income country with an average per capita income of US\$300 in 2005, external financing of public interventions will be required on the order of 10-20 percent of GNP' (UN Millennium Project 2005(55)). Indicative figures put the project ODA needs at US\$135 billion in 2006, growing to US\$195 billion in 2015, which represents 0.54 percent of DAC countries' GNI.

Mobilising the necessary resources

Often the proposals for financing the MDGs have been limited to the issue of mobilisation of resources to achieve the goals. Various proposals (some of which have gained greater support than others) have been offered in pursuit of this including;

- Reviving the 20:20 initiative⁵ to ensure a critical mass of resources to basic social services in order to ensure universal access to these services;
- Debt relief in order to release resources in pursuit of the attainment of the MDGs;
- The removal or reduction of perverse developed world subsidies in pursuit of the MDGs for example the Common Agricultural Policy;
- The reduction of inequitable or restrictive trade tariffs
- A doubling in the absolute amount of ODA for example through the International Finance Facility⁶ (IFF).
- International taxation for poverty reduction which could be raised via a levy on airline tickets some fuels or financial transactions for example or on currency flows (Tobin Tax)
- The creation of Special Drawing Rights
- A global lottery or global premium bond
- Increased remittances from emigrants (Atkinson 2004)

Aid absorption and efficiency

The argument to double aid in pursuit of the MDGs is not universally accepted as desirable owing to scepticism arising from issues of aid absorption and efficiency. De Renzio (2005) summarises these arguments into five main points

1. Aid, like all investment, has diminishing returns and all countries are bound to reach a 'saturation point' beyond which additional aid has less impact. He estimates that this point could be reached at about 25-30% of GDP;
2. Large additional aid inflows can cause serious macroeconomic imbalances including Dutch disease⁷ and interest and inflation rate rises which could have a negative effect on private investment;

⁵ The 20:20 initiative proposes that 20% percent of domestic resources and ODA should be channelled to the basic services

⁶The UK Chancellor Gordon Brown has proposed a new scheme to double aid flows from \$50bn to \$100bn in order to meet the MDGs The proposed 'International Financing Facility' would enable donor countries to borrow from the international capital markets in order to provide large increases in aid flows between now and 2015. The money borrowed in this way would be paid back up to around 2032 by the donor country out of its long term aid budget.

⁷ Dutch disease is a situation where increased foreign exchange flows cause an appreciation of the exchange rate and harm the export sector

3. Poor institutions and policies in recipient countries may limit their capacity to use aid effectively with the risk that more aid can weaken institutions and domestic accountability rather than strengthen them
4. Lack of infrastructure and administrative capacity represents a major obstacle for more effective service delivery. This is compounded by the effect of HIV/AIDS on the health and education workforce
5. The nature of the aid system can also frustrate the efficient use of aid where uncoordinated donor practices exert increased pressure on institutions and administrative structures.

While these problems can be addressed, this can only be achieved through an urgent response in the short-term combined with capacity-building for the longer term. In the short term there is a need to

1. Recognise that the critical constraints concern institutions and policies. Specifically, donors need to understand the political systems of the countries they are working with and support accountable domestic institutions from the national level all the way down to local structures and participation in the management of schools and clinics. This is necessary in order to address issues related to corruption, elite capture and unrepresentative government. Donors should also back regional frameworks including the peer review mechanism of NEPAD and the African Union
2. Act on the assumption that donors are often part of the problem and not of the solution. While many donors have recognised the need for harmonisation, simplifying procedures and finding ways to reduce the high transactions costs of aid, this does not go far enough. Poor countries in Africa for example would benefit from fewer donors who would work more closely with each other, channel funds through budget support wherever feasible and provide a larger share of aid through multilateral agencies. Implicit in this would be defining the mechanisms through which the IFF would function as would consideration of reforms of the global aid architecture.
3. Work on a country by country and sector by sector basis to overcome the key constraints to absorptive capacity to assist governments to develop sound strategies for scaling up
4. Manage macro-economic concerns sensibly. For example, if aid in the form of money to fund budget support is forcing the exchange rate up and making exports uncompetitive, then investments on the supply side, designed to force costs down, would be necessary (de Renzio 2005).

3.3 Achieving the MDGs in difficult environments

The underlying intellectual argument behind the MDGs is also challenged in difficult environments. Traditional aid and development mechanisms have tended not to be applicable in failed and fragile states. This is often due to the challenges exerted from weak governance, issues of political will, conflict and insecurity. In concert with this however, aid has tended not to reduce poverty in fragile states because, not only has it often been insufficient, but the timing of the aid delivery or the modality through which it has been delivered has at times also been inappropriate (DFID 2005).

The impacts of weak and fragile states on global security and the successful achievement of the MDGs, identify a clear imperative for development agencies to develop appropriate mechanisms to remain engaged. This need is especially acute where weak institutions and policies frustrate these efforts and where partnerships are particularly difficult to establish.

Table 1 compares progress in fragile states overall with other developing countries

Table 1: Progress on MDGs in fragile states compared with other poor countries (2000)		
Millennium Development Goal	Low-income fragile states	Other low- and middle-income states
Population	871m	4,361m
MDG 1 Number living on less than \$1 a day	343m	821m
Proportion of undernourished (mean 1999-2001)	33%	15%
MDG 2 Primary education enrolment	70%	86%
MDG 3 Primary education female:male enrolment ratio	0.84	0.92
MDG 4 Child mortality rate per 1,000 (2002)	138	56
MDG 5 Maternal mortality rate per 100,000	734	270
MDG 6 Number of people living with HIV/AIDS (2001)	17.1m	21.4m
Malaria death rate per 100,000	90	7
MDG 7 Proportion of population without access to safe water	38%	18%
MDG 8 Telephone and cellphone subscriptions per 100 people	4.5	18.8

DFID (2005)

Dependent on the definition used, approximately 46 countries can be classified as fragile and 14% (870 million) of the world's population lives in a fragile state (DFID 2005). As indicated in this table, fragile states are most off-track in relation to the MDGs making the need for appropriate support and interventions more acute. Box 1 summarises the poverty experience in fragile states

Box 2: Poverty in fragile states

- People who live in fragile states are more likely to die early or live with chronic illness. The malarial death rate is nearly 13 times higher than elsewhere in the developing world and the proportion of people living with HIV/AIDS is four times higher.
- People in fragile states are less likely to go to school or to receive essential health care. In 2000 there were 37 million children in fragile states who were not at school.
- Nearly half of all children who die before the age of five are born in fragile states. Child mortality is almost two-and-a-half times higher than in other poor countries and maternal mortality is more that two-and-a-half times greater.
- Fragile states have very weak economic growth. From 1990 to 2002 their gross domestic product (GDP) per capita was broadly flat while other developing countries grew at 1.17% a year in real terms.

DFID (2005:9)

4 Themes poorly addressed by the MDGs

MDG goals and targets are useful for measuring progress in the particular sector that they represent, for example school enrolment, but they can also act as proxies for wider developmental and poverty reducing processes. However, some would argue that by focusing the attention of governments, donor behaviour and other actors on improvements in particular processes and issues, others become ignored and marginalised.

Although the MDGs mention trade and youth employment there are no other specific goals or targets for improvements in economic growth, the productive sectors or employment and livelihoods.

4.1 Agriculture and the productive sectors

The private sector clearly has a role if the MDGs are to be achieved. The Sachs report highlights the role of investment and returns on investment in generating broadly spread and pro-poor growth. And there is clearly a need for growth if developing countries are to reduce reliance on aid, increase tax base and improve downward accountability. However, the nature of growth clearly matters, and economic growth needs to be able to generate employment, diversified and sustainable livelihoods and secure and adequate incomes to poor people in both rural and urban areas.

For such pro-poor growth to occur international trade has a role to play. Target 12 (Goal 8) highlights the importance of developing an open, rule-based, predictable, non-discriminatory trading and financial system. This highlights the importance of trade for economic growth and poverty reduction.

Trade policy changes can have ambiguous impacts on economic growth and on different groups of poor people. For instance, some policy changes may result in the death of sectors which are uncompetitive, internationally. This may have substantial and long-run impacts on workers in such sectors, if labour market (or other) barriers prevent them from moving to other, growing, sectors. Conversely, market openness which reduces the prices of key staples down to those of the world market can benefit poor consumers significantly, and improved economic performance achieved in a 'market exposed' sector through greater competition can benefit the wider economy.

Evidence from work examining trade-poverty linkages suggests that the impact of trade policy change on economic growth and poverty incidence (and depth, severity and distribution – by sector, geography or social grouping) need to be assessed on a case by case basis, and that findings from one country or one sector cannot always be easily applied to others.

Multi-national corporations play a crucial role in national, regional and international trade. In many cases they are important sources of employment, technical innovation and skills transfer and foreign direct investment. Their activities can be hugely stimulating through the creation of backwards and forwards linkages to enterprises of different sizes and types within the national and wider economy. However, this to a certain extent depends on the policy pursued by the specific company and the increased attention being given to corporate responsibility is shifting debates and sharpening expectations in this sort of area. In some sectors, changes in Northern markets can (perversely) result, in squeezing poor

small producers out. So, for example, altering consumer preferences in some segments of the UK food market has led to changed sourcing and supply chain management policy in parts of the UK supermarket sector, as – particularly food retailers - seek to comply with high standards of traceability.

As we have indicated in the sections above, the agricultural sector is of key importance in many poor developing nations – as a source of livelihood and household food security. We have also indicated that without economic growth it will be hard for the MDGs to be met in many countries. A key outstanding issue that we need to introduce is that of resource rich nations which are, in effect, cursed by their riches. There are numerous cases of countries with significant mineral reserves that see their economy becoming distorted (dutch disease) and slip into severe, complex and long-term conflict. The questions then become, how can the international community assist governments and poor people in such countries? How can the MDGs be made relevant and be achieved in such settings?

4.2 Demography, HIV/AIDS and reproductive health

The current debate around the distortive impact of indicators is illustrated by demographic and reproductive health issues. These are arguably poorly addressed by the MDGs although Goal 6 - and Targets 7 & 8 - seek to encourage the combating of HIV/AIDS, malaria and other diseases. It is necessary however for demography, HIV/AIDS and reproductive health issues to be more forcefully addressed if the world is to achieve the MDGs. There exists clear evidence that increasing access to reproductive health services, including family planning and sexual health, reduces poverty within families and nations and that despite the devastation caused by HIV/AIDS many countries will continue to experience population growth because of high fertility levels (with the exception of some Southern African countries with exceptionally high HIV/AIDS prevalence rates).

5 Complex, intractable and intangible issues

5.1 Gender

2005 presents a strategic window for women's human rights advocacy. In this year, the Beijing Platform for Action, in addition to the Millennium Declaration and the MDGs will be reviewed (Painter 2004). It must be noted however that 'the faces of women in the MDGs are predominantly those of a girl child, a pregnant woman and a mother' (Painter 2004:21). Women's empowerment is pursued, not because of its intrinsic value as a human right, but rather because equality will address market inefficiencies and produce other positive externalities such as improved economic growth arising from gender equality in education. Furthermore, while proxy measures such as education, literacy rates and parliamentary representation can be useful indicators of women's empowerment, more specific models, such as the Gender Development Index and the Gender Empowerment Measure, have not been prioritised in the MDGs. Accepting these very real concerns, the 2005 review processes offer a valuable opportunity to re-affirm the MDGs, and stress the importance of gender equality in the MDGs and for civil society to hold governments to account (Painter 2004).

5.2 Rights

Broadly speaking, the human rights and MDG agendas are compatible. Indeed 'there are clear synergies and commonalities of interest between the human rights and development communities in relation to the MDGs. Both sides however, need to make a greater effort to identify an acceptable *modus operandi*' (Alston 2004). Alston classifies the points of discordance into two sets. The first is of general applicability and concerns the historical division between the two communities which reflect different disciplinary assumptions, the influence of the Cold War and competing institutional and jurisdictional claims. The second set of issues relate to the concerns of the human rights community about the MDG project as a whole. These are directed at what the community perceives as the technocratic nature of the process; the fact that the goals don't go far enough (for example only halving rather than eliminating poverty); the absence of a full human rights framework, particularly in relation to civil and political rights; lack of attention to the role and private sector; the fear that the MDGs would divert resources from human rights campaigning and inadequate monitoring and follow up. While many of these critiques are surmountable, this would require the development community to make necessary adjustments so that the MDG campaign may benefit fully from the perspectives offered by incorporating the human rights agendas. This could include for example, the reinforcement of legal obligations voluntarily undertaken by governments that have ratified human rights treaties (Alston 2004). Shetty (2005) explores clear examples of how a rights-based framework may be used to help achieve the MDGs but argues that there is an absolute need for further work to identify specific steps on how the synergy between the Human Rights and MDGs agenda can be maximised (Shetty 2005).

6 Conclusion

2005 has been, and increasingly is, recognised as a year of destiny for the world, the turning point from which poverty can be made history through efforts such as increased aid, trade justice and debt relief. It is widely feared however, that the MDGs will not be met unless the momentum that has been building in order to exploit the various inputs into the 2005 agenda, is maintained. Indeed, the UN Millennium Project is confident that the MDGs can be achieved by 2015, even in the poorest countries, as long as a breakthrough is reached in 2005. There are however five key questions that should be addressed when considering the attainability of the MDGs.

Firstly, there is a need to consider whether the underlying intellectual argument behind the Millennium Project's report is sound. To summarise, this recognises that several of the least developed countries and groups within these countries are faced with poverty that prevents them exploiting opportunities to develop. In order to escape these poverty traps, investment is needed and investing in the MDGs is seen as a way of spurring economic growth for poverty reduction. Is this logic sound? What are the 'what if' considerations that could make this model unobtainable? What can be done about them?

Secondly, there is a need to consider the likelihood of progress in 'orphan sectors', in other words, those that are not represented by a MDG goal, target or indicator. Reproductive health is a salient case in point. In efforts to attain the goals that were enshrined in the Millennium Declaration in 2000, how can orphan sectors seek to attract resources, attention and commitment from governments, donors and the public in general?

Thirdly, the difficulty of attaining the MDGs in failed and failing states calls into question the likelihood of the MDGs being met in affected countries. In difficult environments, traditional aid and development mechanisms have tended not to be applicable. How then can the MDGs be met? The need for innovative and appropriate mechanisms to engage becomes clear but what is the likelihood of their success in the available time frame?

For 2005 to prove to be the turning point for the attainment of the MDGs, depends largely on this year being able to muster the political will in both developed and developing countries. This extends beyond the perceptions of governments, policy makers and financiers to include those of the general public. The taxpaying and voting constituency will affect the degree of movement possible on aid, trade justice and debt relief. How can a formidable constituency for poverty reduction be built and how can this be translated into significant and rapid political commitments?

Finally, it is universally accepted that the MDGs will not be achieved without significant additional resources (which are preferably long-term, predictable and front loaded). Various proposals have been suggested as ways of securing these large increases in funds. It is, however, not universally accepted that rapid increases in funds are desirable owing to issues surrounding aid absorption, macro-economic stability, recipient government accountability and capacity constraints. These problems are surmountable and there is a need for these competing arguments to be addressed if 2005 is to prove to be the turning point in world development and poverty reduction.

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Web Resources

Commission for Africa Website <http://213.225.140.43/english.htm>

OECD website <http://www.oecd.org/home/>

OECD DAC http://www.oecd.org/about/0,2337,en_2649_34585_1_1_1_1_1,00.html

Make Poverty History Campaign <http://www.makepovertyhistory.org/home.html>

Millennium Campaign

<http://www.millenniumcampaign.org/site/pp.asp?c=grKVL2NLE&b=138312>

UN Millennium Project

<http://www.unmillenniumproject.org/html/about.shtm>

<http://www.unmillenniumproject.org/html/fags.shtm#whodoes>

Appendix 1

Study	Covering	Estimate of additional resources per year ⁸
Devarajan et al 'Goals for Development (World Bank, April 2002)	Global Poverty Goal	\$54-62 billion
	Global social and environmental goals	\$35-75 billion
	Global primary education	\$10-15 billion
Vandemoortele, 'Are the MDGs feasible ?' (UNDP, July 2002)	Global MDGs	\$50-80 billion
Greenhill, 'The Unbrekable link' (Jubilee Research, Feb 2002)	Global poverty goal	\$15-46 billion plus 100% debt cancellation
	Global, other goals	\$16.5 billion plus 100% debt cancellation
'Supporting Sound Policies' (World Bank, August 2003)	Asia and South Asia	Double or triple aid
	Africa and Central Asia	60% increase
'Achieving the MDGs in Africa...' (African Development Bank, June 2002)	Sample of 30 African countries	\$20-25 billion
Delamonica, et al (Unicef, August 2001)	Global primary education	\$9.1 billion
'Education for Dynamic Economies...' (World Bank, April 2002)	Primary education for 47 IDA countries 'at risk'	\$2.5-5 billion
	African primary education	7x aid
Naschold, 'Aid and the MDGs' (ODI Feb 2002)	Global primary education	\$9 billion
Filmer, 'Costing the Goal...' (World Bank, 2002)	Global primary education	\$30 billion
Mingat, et al 'Financing Education for all' (World Bank June 2002)	Primary Education for 33 African countries	\$2.1 billion
Brossard and Gacougnolle, 'Educatoin Primarie Univerelle : Combien ?' (Unesco, 2001)	African primary education	\$2.9-3.4 billion
Bruns et al 'A chance for every child' (World Bank, 2003)	Low-income primary education	\$5-7 billion

Source : Clemens et al (2004 :7).

⁸ This column is meant only to give an indication of the additional resource estimates from a sample of studies. The figures may not be directly comparable as some of the figures cited in this column are in constant US dollars with different base years, ranging from 1995 to 2002. Similarly, some studies distinguish between 'total additional resources' and 'external financing requirements' (netting out an estimate of increased domestic resources). Given the range of assumptions and deviations in estimates, the authors do not attempt to rectify these disparities for comparability. Their intention is merely to give a sense of the range of cost estimates that have been undertaken (Clemens et al 2004:6).