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from: Secretary-General of the European Commission,  
signed by Mr Jordi AYET PUIGARNAU, Director

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to: Mr Javier SOLANA, Secretary-General/High Representative

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Subject: Commission staff working paper accompanying the communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions the EU – A Global Partner for Development speeding up progress towards the Millennium Development Goals - State of play

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**COMMISSION STAFF WORKING PAPER**

*accompanying the*

**COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN  
PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL  
COMMITTEE AND THE COMMITTEE OF THE REGIONS**

**The EU — a global partner for development  
Speeding up progress towards the Millennium Development Goals**

**The Millennium Development Goals - State of Play**

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## 1. THE MDGs ARE NOT OUT OF REACH BUT THERE IS AN URGENT NEED TO ACT

Latest reports on Millennium Development Goals (MDGs) from United Nations (2007)<sup>1</sup> and the World Bank<sup>2</sup> combine to present a mixed picture with regard to the implementation of the Millennium Declaration adopted in 2000 and the related Development Goals.

Although there has been some encouraging progress, much still remains to be done. Overall, Asia and Latin America are performing better than Sub-Saharan Africa.

Although South-East Asia is advancing quickly to meet the MDGs, progress has been uneven. The average progress towards MDGs conceals persistent social inequalities and considerable differences at sub-national level.

Overall, Middle East and North Africa region is advancing to meet the MDG. Social and human development indicators showed marked improvements during the 1980s and 1990s: among others, significant advances have taken place in indicators such as life expectancy, child mortality and average years of schooling.

In Latin America and the Caribbean region, the highest income per capita and the highest life expectancy at birth have been registered among developing regions. The continent is on track to meet a number of human development MDGs but lags behind in achieving the poverty and the environmental sustainability goals.

Sub Saharan Africa, still faces huge difficulties in achieving MDGs. At regional level, even if gains are not shared equally within and between countries, Africa lags behind on all MDGs.

Overall, slow growth in the 1990s has meant increases in both the poverty rate and number of poor, making Africa the region with the largest proportion of people living on less than \$1 a day.

Africa's sustained economic growth over the last six years has not succeeded in generating the expected results in terms of sufficient productive employment. Africa has also experienced increases in demographic trends. This is an important reason why output growth has not led to a commensurate reduction in poverty. Moreover, income inequality has risen in many countries, mainly as a result of uneven technological progress and access to it.

This persistent poverty is reflected in very weak human development indicators (especially child and maternal mortality, but also completion of primary education, nutrition, and sanitation). This recent performance suggests that, on current trends, the 2015 objectives are unlikely to be met.

In addition, the omnipresence of new global threats such as climate change and its adverse effects is already being felt by many developing countries. Unless these threats are addressed in the context of implementation of the MDG, development progress as such is at increasing risk of being compromised. Developing countries are also those that suffer most from climate change and are the least able to adapt to it. Moreover, environmental sustainability still has to

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<sup>1</sup> The Millennium Development Goals Report, UNITED NATIONS 2007.

<sup>2</sup> World Bank website, February 2008.

be integrated into core development work. Rural poor are most vulnerable to environmental degradation and difficult access to water and fertile land, which lead to increase of hunger, illness and poverty.

Gender equality is another component intrinsically linked to sustainable development. Achieving MDG3 is instrumental in making progress towards all MDGs. Therefore gender equality must be integrated into development and cooperation strategies.

The current state of progress confirms that, if the targets set out for the Millennium Development Goals are to be achieved in 2015, strong commitment by governments, the adoption of sound policies, public investment strategies in key sectors and increasing support from the international community are crucial. An additional effort in favour of Africa is essential.

**2. ASSESSMENT OF PROGRESS TOWARDS THE GOALS**

A summary of progress for each MDGs is given below. Note that it refers to the goals, targets and indicators as developed in 2002, which were used until 2007 to measure progress towards the MDGs. In 2007, the MDG monitoring framework was revised to include four new targets<sup>3</sup> agreed at the 2005 World Summit and recommended, in 2006, by the Secretary-General in his report on the work of the organization.

The EU will produce a review of its contribution to the MDGs in preparation for the expected UN review event in 2010.

<p><b>GOAL 1</b></p> <p>Eradicate extreme poverty and hunger</p>		<p>The poverty target is within our reach globally; but the gains are not shared equally within and between countries. Sadly, the hunger target is unlikely to be met. Despite progress made since 2000 (poverty rate dropped from 45.9% to 41.1%), Sub-Saharan Africa is the only region which is not on track to reach the poverty reduction goal. Recent growth rates in per capita income in a number of countries however provide a degree of optimism for the future.</p>
	<p><b>Target1</b></p> <p>Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day</p>	<p>In Sub-Saharan Africa the number of poor people has increased by a third, but the proportion of people living on less than \$1 per day has started to fall, particularly since 2000, while in absolute terms it is also beginning to level off. Accelerating growth in India has put South Asia on track to meet the goal. East Asia has experienced a sustained period of economic growth, led by China, while growth and poverty reduction have been slower in Latin America and the Caribbean. The transition economies of Europe and Central Asia saw poverty rates rise in the</p>

<sup>3</sup> According to the 62<sup>nd</sup> Session of the General Assembly, the four new targets are: Target 1.B\_ Achieve full and productive employment and decent work for all, including women and young people; Target 5.B\_ Achieve, by 2015, universal access to reproductive health; Target 6.B\_ Achieve, by 2010, universal access to treatment for HIV/AIDS for all those who need it; Target 7.B\_ Reduce biodiversity loss, achieving, by 2010, a significant reduction in the rate of loss. Moreover, the language has been modified in some cases for technical reasons, so that the data can be more clearly reflected.

		1990s and then fall. There and in the Middle East and North Africa consumption of \$2 a day may be a more realistic limit of extreme poverty.
	<p><b>Target 2</b></p> <p>Halve, between 1990 and 2015, the proportion of people who suffer from hunger</p>	<p>Globally, the MDG target could be achieved, though progress is insufficient in Sub-Saharan Africa. Child malnutrition rates are decreasing at a too slow rate in Southern Asia and Sub-Saharan Africa. However, fewer than 40 percent of the 77 countries with adequate data to monitor trends are on track to reach the Millennium Development Goal target. Faster progress is possible. Programs to continue breastfeeding and to improve the diets of pregnant and lactating mothers help. So do appropriate care and feeding of sick children, oral rehydration therapy, control of parasitic and food-borne diseases, and vitamin A supplementation. Whilst nutritional interventions are certainly needed, it is also crucial to support safe food production or income generation to buy safe and sufficient food, i.e. agricultural and food safety and security programmes.</p>
<p><b>Goal 2</b></p> <p>Achieve universal primary education</p>	<p><b>Target 3</b></p> <p>Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling</p>	<p>Overall, the UN sees encouraging progress with the global attainment of the target at 88%. The number of out-of school children has declined in recent years but is still high at 72 million (2005). However, neither Sub-Saharan Africa nor South Asia are on track to achieve the goal, even if in both regions some countries have shown that it can be done. East Asia and Latin America and the Caribbean are close to achieving universal primary education. The Caribbean is lagging behind. However, high regional averages disguise some countries that lag behind. The good progress in access masks problems in completion of primary school: in half the countries with available data for 2004, less than 87 % of pupils who started grade 1 reached the last grade.<sup>4</sup> Slow progress in Europe and Central Asia reflects the dislocations of the transition period. In the Middle East and North Africa region there has been a decline in completion rates for boys.</p>
<p><b>Goal 3</b></p> <p>Promote gender equality and empower women</p>		<p>The world is still a long way off from equality between women and men. Gains in equality of access to remunerative labour markets have been modest, except in those regions that are coming from a low base. This is paired with lower social protection for women than for men. In many developing regions women are still lacking property rights, and have no access to credit. In general, women's political participation is growing slowly. Rwanda makes a stunning exception with women holding 49% of parliamentary seats in Jan '07. Gender based violence, both within armed conflicts and in peacetime is still a global problem to be addressed</p>

<sup>4</sup> EFA Global Monitoring Report 2008: Education for All by 2015. Will we make it?

		urgently.
	<p><b>Target 4</b></p> <p>Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015</p>	<p>Globally, for every 100 boys, 95 girls were enrolled in primary school in 2005. Only 59 countries out of the 181 with data available had achieved gender parity in both primary and secondary education. Disparities remain widespread in sub-Saharan Africa, the Arab States and South and West Asia. The differences between boys' and girls' schooling are greatest in regions with the lowest primary school completion rates and the lowest average incomes. East Asia and Pacific has almost achieved the 2005 target. In some Latin American countries girls' enrolments exceed boys'. In the Middle East and North Africa region more girls are overcoming a bias against educating them.</p>
<p><b>Goal 4</b></p> <p>Reduce child mortality</p>	<p><b>Target 5</b></p> <p>Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate</p>	<p>Although South Asia is on track to reach the goal, having reduced its 'Under 5' mortality rate by 35%, families in Sub-Saharan Africa have only seen a 10% reduction – far behind the required progress. The pace of mortality reduction in East Asia and Pacific is slowing. The regional average in Latin America and the Caribbean disguises wide variations. More than half the countries in the Middle East and North Africa are on track to reach the target, although the regional average falls short. Many causes of early childhood deaths are preventable through the basic elements of public health and developing regions with more than 90 percent immunization rates are on par with the high-income economies.</p>
<p><b>Goal 5</b></p> <p>Improve maternal health</p>	<p><b>Target 6</b></p> <p>Reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio</p>	<p>The target to reduce by 3/4, between 1990 and 2015, the maternal mortality ratio seems far away. In developing countries, the percentage of deliveries attended by skilled health care personnel increased from 43% to 57% since 1990 to 2005. In particular, in Sub-Saharan Africa the percentage has grown only from 42% to 45%. Maternal mortality ratios are still unacceptably high in many developing countries and especially in rural Africa and South Asia as a result of high fertility rates and a high risk of dying each time a woman becomes pregnant. Each year more than 500,000 women die from treatable or preventable complications of pregnancy and childbirth. A disproportionate share of these women is adolescents. Some developing countries have substantially improved maternal health through better services in hospitals and increased numbers of trained birth attendants and midwives. Others not only improved maternal health, but significantly lowered fertility rates directly through use of contraceptives and indirectly through increased female education</p>
<p><b>Goal 6</b></p> <p>Combat HIV/AIDS,</p>	<p><b>Target 7</b></p> <p>Have halted by 2015 and begun to reverse the spread of</p>	<p>By the end of 2006, an estimated 39.5 million people worldwide were living with HIV (up from 32.9 million in 2001), mostly in sub-Saharan Africa. Globally, 4.3 million people were newly infected with the virus in 2006. The number of people dying</p>

malaria and other diseases	HIV/AIDS	from HIV has also increased – from 2.2 million in 2001 to 2.9 million in 2006. More efforts are needed in rural areas to accelerate prevention, especially among vulnerable groups and to address the increasing feminization of the epidemic. The global prevalence rate is levelling off and the number of new infections is falling, in part due the impact of HIV programmes. Scaled up access to effective HIV treatment has brought a small decline in AIDS mortality, but due to unmet treatment needs, AIDS remains among the leading causes of deaths globally and the primary cause of deaths in Africa. Outside of Sub-Saharan Africa, the number of people living with HIV increased significantly in Eastern Europe and parts of Asia during 2007. Continued scaling up of effective treatment and prevention programs will be necessary to halt and reverse the HIV epidemic <sup>5</sup> .
	<p><b>Target 8</b></p> <p>Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases</p>	<p>Malaria is now largely a disease of the tropics. It takes its greatest toll in Sub-Saharan Africa, where more than million people die each year, most of them children under the age of five. Tuberculosis rates are on the rise or falling slowly. The number of tuberculosis cases per 100,000 population (excluding people who are HIV-positive), decreased from 367 to 255 (-31%) in developing regions as a whole but increased in sub Saharan Africa (from 331 to 490). Moreover, poorly managed tuberculosis programs allow drug-resistant strains to spread.</p>
<p><b>Goal 7</b></p> <p>Ensure environmental sustainability</p>	<p><b>Target 9</b></p> <p>Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources</p>	<p>From 1990 to 2005, the world lost 3 per cent of its forests, an average decrease of 0.2 per cent a year. Deforestation, primarily due to the conversion of forests to agricultural land in developing countries, continues at an alarming rate – about 13 million hectares a year.</p> <p>The losses have been greatest in the great tropical forests of Sub-Saharan Africa and Latin America and the Caribbean. Carbon dioxide's emissions rose by 1 billion metric tons between 1990 and 2002. China is the world's second largest emitter, next to the United States. Emissions by India are also increasing. It is worth remembering that an individual in Sub-Saharan Africa accounts for less than 1/10th of the CO2 produced by an average person in the developed world.</p>
	<p><b>Target 10</b></p> <p>Halve, by 2015, the proportion of people without sustainable access to safe drinking water</p>	<p>The UN says that it will require extraordinary efforts to achieve the water and sanitation target. In Sub-Saharan Africa 300 million people lack access to improved water sources and 450 million lack adequate sanitation services. South Asia, instead, has made excellent progress in providing water, but</p>

<sup>5</sup> Source: The 2007 Epidemiological Update from UNAIDS, December 2007.



	and basic sanitation	progress has been slower in providing sanitation. In East Asia rapid urbanization is posing a challenge for the provision of water and other public utilities. Latin America and the Caribbean has made slow progress in providing sanitation services.
	<p><b>Target 11</b></p> <p>By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers</p>	Approximately one-third of the urban population globally live in difficult conditions: typical slums in developing countries are unplanned informal settlements where access to services is minimal to non-existent and where overcrowding is the norm. Slum conditions result in placing residents at a higher risk of disease, mortality and misfortune. 94% of the world's slum dwellers live in developing regions, which are the regions experiencing the most rapid growth in urban populations and with the least capacity to accommodate this growth. Where available, trend data indicate that this problem is worsening. UN-HABITAT estimates that in 2001 there were 924 million slum dwellers in the world and that without significant intervention to improve access to water, sanitation, secure tenure and adequate housing this number could grow to 1.5 billion by 2020.
<p><b>Goal 8</b></p> <p>Develop a global partnership for development</p>	<p><b>Target 12</b></p> <p>Develop further an open, rule-based, predictable, non-discriminatory trading and financial system. Includes a commitment to good governance, development, and poverty reduction – both nationally and internationally</p>	On trade, EU prominence as world's biggest importer of agricultural products from DCs and as key trading partner for DCs including Sub-Saharan African is increasing. For instance, EU imported about €38 billion worth of goods in 2003-2005, ahead of the US, Japan, Canada, Australia and New Zealand put together. Two-third of total EU import was from DCs, compared to one third on average from these 5 countries in the same period <sup>6</sup> . EU absorbs over 80% of African exports (including agricultural products such as fruits and vegetables, fishery products, etc), including from small landlocked countries like the Gambia, Swaziland, Lesotho, etc.
	<p><b>Target 13</b></p> <p>Address the special needs of the least developed countries. Includes: tariff and quota free access for least developed countries' exports; enhanced programme of debt relief for HIPC and cancellation of official bilateral debt; and more generous ODA for countries committed to poverty reduction</p>	At the December 2005 WTO Hong Kong Ministerial Conference a Decision was taken to provide duty-free and quota-free (DFQF) market access for least-developed countries (LDCs). With its Everything But Arms (EBA) regime, the EU already grants full DFQF treatment, with just some tariff rate quotas for sugar and rice, to be phased in 2009. Some other developed countries (such as Japan and Canada) have enhanced their DFQF treatment to comply with the Hong Kong Decision that called for coverage of at least 97 per cent of products originating from LDCs, defined at the tariff line level. However, the United States and some other developed countries have not yet clarified how they intend to provide duty-free and quota-free market access to all LDCs on a lasting basis, while also several bigger emerging economies are invited to adopt DFQF measures in
	<p><b>Target 14</b></p> <p>Address the special needs of landlocked developing</p>	

<sup>6</sup> Monitoring Agri-trade Policy (MAP), No. 02-07, July 2007.

	<p>countries and small island developing States (through the Programme of Action for the Sustainable Development of Small Island Developing States and the outcome of the twenty-second special session of the General Assembly)</p>	<p>favour of the LDCs. In the meantime, work has well advanced on the enhancement of the Integrated Framework (IF) as a viable instrument for LDCs' trade development, building on its principles of country ownership and partnership and contributing to reducing the supply side constraints that many LDCs face. Although the process has suffered some delays, the remaining outstanding issues are now rapidly falling into place and is expected the Enhanced IF to be up and running in the second quarter of 2008.</p>
	<p><b>Target 15</b></p> <p>Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term. Official development assistance (ODA).</p>	<p>Although the burden of debt is becoming lighter, and the benefits of mobile and internet technology are rapidly spreading, this is not enough to achieve the goal. Net real ODA/DAC disbursements fell in 2006 and are expected to be even lower in 2007, while recently non-DAC donors have increasingly become major players in Africa (i.e. China). Net ODA by the United States fell by 20 per cent in real terms in 2006, the ODA of Japan fell by 9.6 per cent to 0.25 per cent of GNI. On the positive side, the combined ODA of the 15 EU-DAC members, accounting for about 57 per cent of the total, rose by 2.7 per cent in real terms in 2006. The EU intends to scale up its aid further to reach 0.56 per cent of its combined GNI by 2010 or a minimum individual target of 0.51 per cent for the 15 DAC-EU members (and 0.17% for EU-12).</p> <p>Aid plays an important role in development, especially in low-income countries. The extremely poor countries of Sub-Saharan Africa and Asia still need substantial increases in aid to reach their development goals. In addition to aid, developing countries meet part of their financing needs through private capital flows. Rapidly growing economies need and attract large flows of direct and portfolio investment, which have been particularly important in East Asia and Pacific. The sustainability and the collection of legitimate tax revenues require that these economies develop tax systems in line with internationally recognised principles, such as those of good governance in the tax area, in order to allow their smooth integration in the world economy. Export demand can be an important source of growth, and trade surpluses can also provide substantial foreign exchange earnings. Remittances from people living and working abroad are a growing source of income for households in some developing economies. Moreover, creating opportunities for developing countries to sell their products in wealthier markets is an important complement to aid.</p> <p>Finally the debt relief program for the most heavily indebted poor countries has reduced future debt payments for 28 nations by \$59 billion since 1998,</p>

		bringing their debt service payments to less than seven percent of their export earnings. But for many poor countries, even this reduced level is too high.
	<p><b>Target 16</b></p> <p>In co-operation with developing countries, develop and implement strategies for decent and productive work for youth</p>	<p>Sustainable development has the status of an overriding objective for EU. The specific focus on decent work constitute a call for the integration of economic and social objectives and for a combination of measures in the areas of productive employment, rights at work, social protection and social dialogue. EU promote decent work through</p> <p>(1) trade agreements (for example instrument of preference for promoting core labor standards -GSP and special incentive for sustainable development and good governance, GSP +; cooperation with the African Union concerning the social dimension of regional integration and decent work, as well as bilateral cooperation with South Africa. Decent work taken into account in the context of the Cotonou Agreement and regional strategies -Africa, Caribbean, Pacific); (2) development policies (fostering employment through the development of the private sector, removing barriers to formalization of the labor market, improving the business environment and encouraging entrepreneurship; sustaining the strengthen of governance, labor market regulations and policies, social protection and social dialogue)</p>
	<p><b>Target 17</b></p> <p>In co-operation with pharmaceutical companies, provide access to affordable, essential drugs in developing countries.</p>	<p>To support progress towards the MDGs, the Kigali ICT Summit of October 2007 put forward goals on promoting connectivity and access to ICT services, on related regulatory measures and the development of ICT skills as well as adopting national e-strategies in Africa. Pledges worth of 55B\$ were made primarily by the private sector during the summit. At the end of 2007 there were 278 million mobile phones on the continent.</p>
	<p><b>Target 18</b></p> <p>In co-operation with the private sector, make available the benefits of new technologies, especially information and communications</p>	

SOURCES: The Millennium Development Goals Report 2007, United Nations; World Bank website, February 2008; European Commission.

### 3. HAVE THE MDGs MADE ANY DIFFERENCE TO EFFORTS TO COMBAT GLOBAL POVERTY?

The MDGs have had a number of important benefits. Firstly, they have created a precedent, namely a commonly held set of development goals towards which all can work. This single, and relatively simple, wide-ranging, framework of goals and targets has become a rallying point, creating an international consensus to combat world poverty. MDGs were the result of a series of world conferences and global summits in the 1990s<sup>7</sup>, from which emerged the need for a political pact being built around a partnership of mutual benefit between the countries of North and South. As a result of the MDGs, many partner countries have adopted national plans with a shape and form that reflect the global targets. Over 140 nations have published reports showing progress towards the MDGs. For the first time, the international community is able to read and compare national development plans all stemming from a common set of overall objectives. Developing countries have adapted the targets and indicators to their local reality, this being a sign that they intend seriously to commit themselves to achieving the goals.

Ethiopia is a good example of success in linking national efforts to achieve MDGs to international support. Indeed during a Consultative Group Meeting held in December 2002, the Ethiopian Government presented the Poverty Reduction Strategy Paper (PRSP) to donors for funding and, for the first time, articulated its commitment to base the PRSP on the MDGs. The communiqué of the meeting referred to the PRSP *“as the primary development programme for Ethiopia, providing a shared platform to achieve accelerated growth to overcome the country’s pervasive poverty and food insecurity and for reaching the Millennium Development Goals”*. The monitoring systems of the MDG and PRSP are synchronized. The annual targets and performance indicators of the PRSP policy matrix, which form the basis of the annual progress reports, were linked to MDG indicators. Moreover, the Government aligned the timing of the MDG report with the PRSP’s Annual Progress Report<sup>8</sup>.

Partner countries have sometimes preferred to adopt their own development targets that use language coming from national political debate. This is a way to develop local commitment and ownership. For example Vietnam has set out 12 Development Goals which are in line with the MDGs and adapted to the country’s specific conditions. These goals are integrated into its socio-economic development strategies and programmes and include additional goals, such as reducing the number of poor households, developing pro-poor infrastructure and creating job.

The national progress reports presented an opportunity for donors to direct their assistance to those countries most in difficulty. The MDG monitoring system has also helped identify where extra monitoring efforts are needed due to lack of statistical capacity. This has led to

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<sup>7</sup> World Conference on Education for All, World Summit for Children, UN Conferences on the LDCs, UN Conference on Environment and Development, International Conference on Nutrition, World Conference on Human Rights, Global Conference on the Sustainable Development of Small Island Developing States, World Conference on Natural Disaster Reduction, International Conference on Population and Development, World Summit for Social Development, 4th World Conference on Women, UN Conference on Human Settlements, World Food Summit, UN Conference on Trade and Development, World Summit on Sustainable Development.

<sup>8</sup> Linking the National Poverty Reduction Strategy to the MDGs: a case study of Ethiopia, UNDP 2005 more information at the following link: <http://www.undp.org/mdg/goodpractices/Ethiopia-casestudy.pdf>

national development policies being based on better evidence, and improved tracking of the progress of programmes designed to implement the policy.

Finally, the MDGs have been a powerful communication tool used by politicians and civil society to generate higher levels of commitment as seen at the G8 Summits in 2005 and 2007 and at the World Economic Forum in January 2008.

Although the MDGs clearly have great strengths, there are some difficulties. The main problem is that it is not clear who is accountable for achieving the goals. When the 55<sup>th</sup> UN General Assembly adopted the Millennium Declaration it was in the spirit of a shared resolve. Translating this into a clear accountability framework has not been easy. Lack of progress can be due to a range of issues, each depending on the contributions of different stakeholders. It is also not clear whether it was intended that the MDGs would be achieved globally, by region or nationally. Currently the UN publishes a progress report with global and regional summaries that are to some extent distorted by the presence of countries with large populations.

#### **4. POLITICAL AGREEMENTS IN SUPPORT OF THE MDGs**

The first half of the 2000-2015 period saw the development of some significant policy statements and agreements. In particular, the Monterrey Consensus on Financing for Development (2002), the Paris Declaration on Aid Effectiveness (2005) and the European Consensus on Development (2005) all make specific reference to the centrality of the MDGs in development policy.

2008 is an important year for development policy and therefore for the MDGs. There will be two important, high-level events to review progress regarding the Paris Declaration and the Monterrey Consensus; plus a High Level Event in September on the MDGs. The Africa-EU Partnership on MDG, one of the eight partnerships of the Joint Africa-EU Strategy, will also become operational during 2008.

All major donors are members of the OECD Development Assistance Committee (DAC). In the DAC's 2007 Development Co-operation Report, an assessment was made of the 23 members' commitment to the MDGs. It found that the vast majority (including most EU member states and the EU as a whole) had established clear political links with the MDGs as part of their international development policies.

Insufficient progress has led to a recent resurgence of high-level political attention being directed at the MDGs. In 2007, the UN Secretary General gathered leaders of the major multilateral and inter-governmental organizations working for development in Africa to form the MDG Africa Steering Group, of which the President of the European Commission is a member. The group's objective is to coordinate and redouble efforts in support of the MDGs across the African continent. With a clear focus on implementation, it will expedite efforts to follow through on existing commitments to support development in Africa and issue key recommendations inter alia related to agriculture and food security, education, health and infrastructure.

The UK Prime Minister, Gordon Brown and the UN Secretary General, Ban Ki-Moon launched the MDG Call to Action in July 2007. This initiative is currently<sup>9</sup> supported by 22 heads of state or governments and 21 private sector leaders who joined the initiative at the last meeting in Davos<sup>10</sup>. This initiative seeks to galvanise the international community to rise to the challenge of meeting the MDGs and build an international consensus about what needs to be done.

This confluence of events and initiatives will build up the political pressure for results to be delivered in the second half of the 2000-2015 period.

## 5. WHAT FUTURE FOR THE MDGS?

The international community has expected the MDGs to be many things at the same time: political rallying-point, mobilisation of additional development finance, objective reference for monitoring and planning, whilst being globally and nationally relevant for development action. Although it seems as though the renewed political commitment is strong for the second part of the MDG period, there may be pressures to reform the framework as we draw closer to 2015.

One of these pressures comes from the fact that it is not always easy to work within a long-term fixed and limited set of goals and targets. Some degree of flexibility is needed in order to be able to respond to evolving needs and situations. The growing concerns about climate change and its development impacts illustrates this point. MDG 7 on environmental sustainability has one target related to climate change, which hardly reflects the current political prominence of the issue.

Political partnerships are becoming increasingly important as a means of translating shared resolve to attain the MDGs into concrete practical action, in turn leading to development outcomes. The Africa-EU Strategic Partnership is a good, recent example. It focuses on the following strategic areas: peace and security, governance and human rights, trade and regional integration, and key development issues (of which one is 'accelerating progress towards the MDGs'). Through these partnerships, the MDGs are seen as part of the wider political context of international relations. Latin American and Caribbean countries together with the EU have repeatedly expressed in all international fora and events their continued commitments to the fulfilment of the MDGs by 2015.

Asia is home to two “new” emerging donors China and India. In its relations with China, the EU recognises that closer cooperation on international development including in pursuing the MDGs would benefit the EU, China and partners in the developing world. The MDGs will be one of the topics of discussion at the next ASEM Summit in Beijing this year. India is itself becoming an increasingly active player in an evolving development policy: it is both a recipient and a donor, a user of developmental innovations and exporter of new concepts. The EU India joint action plan foresees exchanges on global development issues in order to

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<sup>9</sup> As for 5 March 2008. The number of signatories has expanded to 22, the later additions being China, Denmark, Ireland, Mexico, Nigeria, New Zealand, Sweden and Vietnam. There remains a significant North-South imbalance, the other signatories being Brazil, Canada, France, Germany, Ghana, India, Italy, Japan, Norway, Portugal, Spain, the UK, the USA and the European Commission.

<sup>10</sup> Davos, January 2008.

identify areas where cooperation can create added value for both India and the EU, in particular in Africa.

Beyond governmental action, it is now increasingly clearly realised that the private sector can bring its finances, networks and expertise to bear on the MDG challenge in large scale and with good effect. We have already seen good examples of this in the health sector with private sector innovations on vaccines. It is highly likely that the role of the private sector and private foundations will increase in the second part of the 2000-2015 period.

Identifying synergies and targeting development and research funding to tackle the problems facing the attainment of the MDGs will be another way in which to draw on resources.

Harmonization between donors and alignment on developing countries' own strategies are now recognised as key principles for aid effectiveness and the MDGs offer a point around which such harmonisation can take place. The newer versions of the PRSPs are now much more closely aligned to the MDGs, and result from a more participatory process of formulation involving a greater degree of local ownership. The UN expects that annual progress reports on PRSPs can be used as a tool for interim monitoring of progress towards the MDGs.

The logical theory of the MDGs is that if the goals are attained then poverty will be dramatically reduced. Poverty is broadly described as the collective non-attainment of the MDG targets. MDGs provided us with a sharper sense of collective purpose; however, these goals are not fully underpinned by a coherent theory of development means, and sound thinking about how they are to be achieved. In recent years, there has been growing interest in aggregate or composite economic and social indicators, and new concepts such as human well-being are given a lot of attention by development research<sup>11</sup>. A broad range of research methods has emerged aimed at exploring the ways in which poverty, inequality and people's perceptions of the quality of their life are interlinked. The results of this research work show that subjective measurement of needs and aspirations, as well as deeper analysis of country-specific multidimensional determinants of well-being, can contribute to designing better-focused poverty reduction policies and programs and thereby to enhancing the effectiveness and efficiency of aid. In working within the MDG framework, we need to explore ways to make best use of this new thinking.

A venue towards a more holistic approach to achieve the MDGs, e.g. in terms of their financing may also imply to assist these countries in developing efficient tax systems in line with the principles of good governance in the tax area<sup>12</sup>.

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<sup>11</sup> Human Development Indices developed by the UNDP: Human Development Index (HDI); Gender-related development index (GDI); Gender empowerment measure (GEM); Human Poverty Index for developing countries (HPI-1); Human Poverty Index for OECD, eastern Europe and CIS countries (HPI-2). Living Planet Index (LPI) developed by the Global Footprint Network; Happy Planet Index (HPI) by New Economic Foundation; Commitment to Development Index (CDI) by Center for Global Development; Climate Change Performance Index (CCPI), by Germanwatch; Quality of Life Index (QOL) developed by Ed Diener, University of Illinois; Index of Social Progress (ISP) developed by R. Estes, University of Pennsylvania; Global Person Generated Index (GPGI) by L. Camfield and D. Ruta, University of Bath.

<sup>12</sup> See on this approach: Oxfam, (2000) Tax Havens: Releasing the hidden billions for poverty eradication, Oxfam Policy Paper 6/00, Oxford, UK, and the OECD issue "Governance, taxation and accountability: issues and practice" (March 2008).

While it would be easier to communicate if we focused on a few 'key' goals, the integrated package of the MDG framework needs to be maintained if we are to see 'development' success. Getting this balance right between simplicity of message and complexity of reality will be an important communication challenge for the remaining years. Initiatives that mobilise more support for action will be needed.

Civil society, nationally and internationally is another increasingly relevant source of strength for the attainment of the MDGs. There are still opportunities for closer collaboration at the national level between governments and civil society to mobilise political, human and financial resources in pursuit of the goals.

## **6. KEY ISSUES FOR THE SECOND HALF OF THE MDG PERIOD**

During the second half of the MDG period, up to 2015, it will be most important to turn words and declarations into action; and to turn discussions into active partnerships that deliver results. The mixed progress towards the MDG targets is an issue of significant political importance for the international community. There are a number of key focal areas:

- The pursuit of the MDGs is primarily a responsibility for the developing countries' governments.
- All levels of government have a role to play. The potential of local governments' contribution, in particular, should be better used. There are opportunities, such as twinning between local governments in the North and the South, which should be considered in support of this approach.
- Even if Official Development Assistance (ODA) is only one part of the response needed, it is clear that without such increased funding the MDGs will not be attained. Indeed, a connection can be drawn between the increased efforts by the whole of the international community, in particular by the EU, and the progress made by partner countries in the achievement of MDG.
- Donors and partner countries need to speed up progress on the commitments of the Paris Declaration on Aid Effectiveness
- It will be equally important that partner countries are able to mobilize and use domestic public funds in pursuit of the MDG targets, and to ensure that public administration, operation of tax systems, and public financial management is efficient and effective. This should be explored in conjunction with international institutions and other donors.
- Greater efforts must be made by donors and partner countries to draw in the private sector and private foundations that play an important part in achieving the MDGs.
- Pressure to reform the MDG framework should be resisted. In the short time left, all energies need to be devoted to delivering on the existing targets. The building blocks are in place: now results are needed.
- An increased focus needs to be placed on the importance of national-level monitoring and reporting of progress to attaining the MDGs. All progress reports rely on data and, in far too many cases, quality data are not available. Without greater efforts, we will not be able



to track our progress to the goals. The recent innovations of assessing and publishing country-level progress reports should become a feature of the UN's reporting from 2008 onwards. All stakeholders need to have easy access to common, detailed information on progress from the starting points towards the targets, so that they can agree a response strategy.

- The socio-economic growth and wealth creation of partner countries depend also on their capability to create innovations that are based on Science and Technology, and on their societies' and economic actors' ability to turn them into products and services for the domestic, regional and world markets. It will therefore be important that partner countries are able to use and mobilize domestic as well as external aid funds to support science and technology capacity building. This is for example important for meeting specific MDGs, such as fighting poverty-related diseases, maternal health and child health as well as on relevant public health and health systems research issues such as access and quality of care, as well as the successful pursuit of their wider development ambitions. It is also important in areas such as agriculture or renewable energies.
- Climate change is likely to hamper the achievement of the MDGs. Therefore, it is important that MDG policies take account of likely climate change effects. All international operators/ agencies engaged in development co-operation - including the EU - must be prepared to seriously examine the opportunities to better reflect the urgency and importance of this international challenge in their co-operation programmes. Moving towards building low carbon economies should also attract investment and ODA.
- Rising commodity prices affect development sometimes in positive ways by raising producers' revenues, sometimes negatively as regards livelihood of poor consumers and food insecure people. These impacts on the achievements of the MDG must be analyzed on a country specific basis and taken into account.