
Executive Summary

Bold actions are urgently needed if the development vision that world leaders laid out in remarkable unison at the turn of the century is to be realized. The Millennium Development Goals (MDGs) and the Monterrey Consensus have created a powerful global compact for development. The MDGs set clear targets for eradicating poverty and related human deprivations. The Monterrey Consensus stresses the mutual accountability of developing and developed countries in achieving these goals. But the continued credibility of this compact hinges on expediting its implementation. Nearly five years have passed since the Millennium Declaration was adopted, and current stocktaking of progress during that time has focused global attention on the need to scale up action—making 2005 a crucial year to build momentum for the MDGs.

Without faster progress, the MDGs will be seriously jeopardized—especially in Sub-Saharan Africa, which is off track on all the goals. At stake are prospects not only for hundreds of millions of people to escape poverty, disease, and illiteracy, but also prospects for long-term global security and peace—objectives intimately linked to development. Behind cold statistics on the MDGs are real people, and lack of progress has immediate and tragic consequences. Every week in the developing world, 200,000 chil-

dren under five die of disease and 10,000 women die giving birth. In Sub-Saharan Africa alone, 2 million people will die of AIDS this year. And as many as 115 million children in developing countries are not in school. The need to scale up and speed up action is thus urgent, and the opportunities presented by the year 2005 must be seized.

To be sure, there has been progress. Developing countries have continued to improve their policies and governance, which has contributed to an encouraging acceleration in their economic growth. Even Sub-Saharan Africa may be turning the corner, with several countries in the region showing notable progress in reforming policies and reviving growth. Developed countries have increased aid and introduced actions to make it more effective. Some initial steps have also been taken toward trade policy reform. But, overall, progress has been slower than envisaged, uneven across policy areas and countries, and far short of what is needed to achieve the MDGs.

With just a decade to go until 2015, achieving the MDGs seems daunting, especially in Sub-Saharan Africa. But rapid progress is possible—if there is sufficient commitment to reform and sufficient support from development partners. Better-performing developing countries provide reasons for hope for others. Even in many lagging countries, including in Sub-Saharan Africa, advances are being made

and the ground is being laid for better performance. What is needed is to quicken and broaden this progress, based on the framework of the enhanced global partnership envisaged at Monterrey.

How to generate momentum and broaden progress? Developing countries must take the lead in articulating and implementing strategies that aim higher—to rise above current trends and substantially accelerate progress. Deeper improvements are needed in policies and governance, to expedite economic growth and scale up human development and related key services. Developed countries must also step up implementation of their part of the development compact. They must provide more and better aid but also show leadership on trade policy reform that would open markets for developing country exports and give greater coherence to their policies in terms of their impact on development.

A Five-Point Agenda

To build the momentum needed to achieve the MDGs, this report proposes a five-point agenda of accelerated and concerted actions by developing and developed countries—based on the Monterrey framework of mutual accountability. Within this agenda, special focus must be given to accelerating progress in Sub-Saharan Africa, the region that is furthest from the development goals but that has recently demonstrated a capacity for improvement in economic performance—capacity that must be fostered through further domestic reform and stronger support from development partners.

Anchor Actions to Achieve the MDGs in Country-Led Development Strategies

- For coherence and effectiveness, the scaling up of development efforts at the country level must be guided by country-owned and -led poverty reduction strategies (PRSs) or equivalent national development strategies. Framed against a long-term development vision, these strategies should

set medium-term targets—tailored to country circumstances—for progress toward the MDGs and related development outcomes. And they should define clear national plans and priorities for achieving those targets, linking policy agendas to medium-term fiscal frameworks. Donors should use these strategies as the basis for aligning and harmonizing assistance.

Improve the Environment for Stronger, Private Sector–Led Economic Growth

- Promotion of economic growth must be at the center of the strategy to achieve the MDGs. Sub-Saharan Africa needs to almost double its growth rate, to an annual average of about 7 percent over the next decade.
- Progress in macroeconomic management should be deepened, with a focus on fiscal management and the structure of public spending—to create more fiscal space for priority expenditures while ensuring fiscal sustainability.
- Improving the enabling climate for private activity—by removing regulatory and institutional constraints and strengthening infrastructure—is key. An important area of reform in many countries is the strengthening of property rights and the rule of law, including legal and judicial reform. Countries should use the improved diagnostics and metrics of the private business environment now available (such as the World Bank’s Doing Business Indicators and Investment Climate Surveys) to guide action and monitor progress. Spending on infrastructure, for both investment and operation and maintenance, needs to rise in all regions but must double in Sub-Saharan Africa—from about 4.7 percent of GDP in recent years to more than 9 percent over the next decade—as gaps in infrastructure are especially severe in that region. Across countries, the pace of the increase in investment will depend on institutional capacity and macroeconomic conditions.

- Overarching this agenda is the need to improve governance—upgrading public sector management, controlling corruption—as doing so is crucial to both the private sector’s business environment and the public sector’s development interventions. The New Partnership for Africa’s Development and its African Peer Review Mechanism are promising African-led initiatives with a focus on strengthening institutions. Member countries should take advantage of the impetus they provide to develop and implement national capacity building strategies, which donors should support. Developed countries can also help curb corruption by demanding high standards from their companies active in developing countries, including by giving high-level political endorsement to the Extractive Industries Transparency Initiative.

Scale Up Human Development Services

- The human development MDGs require a major scaling up of education and health services—primary education, basic health care and control of major diseases such as HIV/AIDS, and women’s access to education and health care—and of water and sanitation infrastructure, which is closely linked to health outcomes. Again, the shortfalls are most serious, and the need to scale up most urgent, in Sub-Saharan Africa.
- Critical to effective scaling up are: rapidly increasing the supply of skilled service providers (health workers, teachers); providing increased, flexible, and predictable financing for these recurrent cost-intensive services; and managing the service delivery chain to ensure that money produces results.
- To strengthen the Education for All Fast Track Initiative, partners should make monitorable, public, long-term commitments to significant annual increases in funding for primary education. Still larger additional resources are needed to achieve the health MDGs. It is important to ensure that global programs organized around spe-

cific health interventions are aligned with recipient countries’ priorities and support—rather than undermine—the coherence of their health sector strategies and systems.

Dismantle Barriers to Trade

- The international community must aim for an ambitious outcome to the Doha Round that fully realizes its development promise, including in particular a major reform of agricultural trade policies in developed countries. The round should be completed by 2006.
- “Aid for trade” should be scaled up substantially to help poor countries address behind-the-border constraints to their trade capacity, including through investments in critical trade-related infrastructure.

Substantially Increase the Level and Effectiveness of Aid

- Official development assistance (ODA) must at least double in the next five years to support the MDGs, particularly in low-income countries and Sub-Saharan Africa, with the pace of the increase aligned with recipients’ absorptive capacity. To signal that needed resources will be forthcoming, 2005 is an opportune time for donors to raise their initial post-Monterrey commitments and extend them over a longer time horizon—2010 or beyond. Also, exploration should continue on the merits and feasibility of innovative financing mechanisms to complement increased aid flows and commitments.
- Equally important is improving the quality of aid, with faster progress on alignment and harmonization, and delivery modalities that increase aid flexibility and predictability. Firm implementation of the Paris Declaration on Aid Effectiveness is central to this agenda.
- Closure should be reached in 2005 on current proposals for additional debt relief for poor countries with heavy debt burdens

that are pursuing credible reforms. Any additional debt relief should not cut into the provision of needed new financing—which for these countries should be primarily in the form of grants—and should not undermine the financial viability of international financial institutions.

Role of International Financial Institutions

How should international financial institutions—multilateral development banks and the International Monetary Fund (IMF)—strengthen and sharpen their support for this agenda? This report emphasizes action in five areas, as outlined below. In each of these areas there has been progress, but there is a need to do more and pick up the pace. The priorities for action and monitoring progress are:

- Support the deepening of the PRS framework in low-income countries, and the operationalization of the MDGs and alignment of assistance within that framework. For low-income countries under stress, support to building institutional capacities is especially important.
- Continue to adapt approaches and instruments to better respond to the evolving and differentiated needs of middle-income countries, including further streamlining of conditionality and investment lending.
- Ensure that the implications of dismantling trade barriers and increasing the scale and effectiveness of aid are adequately reflected in support for country capacity building, so that emerging opportunities can be fully utilized. International financial institutions should sharpen the strategic focus and improve the effectiveness of their support for global and regional public goods.
- Strengthen partnerships and harmonize further by improving transparency, reducing red tape and enhancing the flexibility of assistance (through simplification and use of sectorwide approaches), and promoting the development and use of country systems—for procurement, financial management, and environmental assessment.
- Strengthen the focus on results and accountability by supporting country efforts to manage for development results—strengthening public sector management and development statistics—and furthering progress within international financial institutions in enhancing the results orientation of their country strategies and quality assurance processes. Adopt a common framework for self-evaluation of multilateral development banks’ performance and results measurement, and adapt to IMF operations as much as possible.

Millennium Development Goals (MDGs) Goals and Targets from the Millennium Declaration

GOAL 1	ERADICATE EXTREME POVERTY AND HUNGER
TARGET 1	Halve, between 1990 and 2015, the proportion of people whose income is less than \$1 a day
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 at 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 programs and reverse the loss of environmental resources
TARGET 10	Halve by 2015 the proportion of people without sustainable access to safe drinking water and basic sanitation
TARGET 11	Have achieved a significant improvement by 2020 in the lives of at least 100 million slum dwellers
GOAL 8	DEVELOP A GLOBAL PARTNERSHIP FOR DEVELOPMENT
TARGET 12	Develop further an open, rule-based, predictable, nondiscriminatory trading and financial system (including a commitment to good governance, development, and poverty reduction, nationally and internationally)
TARGET 13	Address the special needs of the least developed countries (including tariff- and quota-free access for exports of the least developed countries; enhanced debt relief for heavily indebted poor countries and cancellation of official bilateral debt; and more generous official development assistance for countries committed to reducing poverty)
TARGET 14	Address the special needs of landlocked 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 22nd special session of the General Assembly)
TARGET 15	Deal comprehensively with the debt problems of developing countries through national and international measures to make debt sustainable in the long term
TARGET 16	In cooperation with developing countries, develop and implement strategies for decent and productive work for youth
TARGET 17	In cooperation with pharmaceutical companies, provide access to affordable, essential drugs in developing countries
TARGET 18	In cooperation with the private sector, make available the benefits of new technologies, especially information and communication

Note: The Millennium Development Goals and targets come from the Millennium Declaration signed by 189 countries, including 147 heads of state, in September 2000. The goals and targets are related and should be seen as a whole. They represent a partnership of countries determined, as the Declaration states, "to create an environment—at the national and global levels alike—which is conducive to development and the elimination of poverty."

Source: United Nations. 2000 (September 18). *Millennium Declaration*. A/RES/55/2. New York.

United Nations. 2001 (September 6). *Road Map towards the Implementation of the United Nations Millennium Declaration*. Report of the Secretary General. New York.