

# GLOBAL PARTNERSHIP, HUMAN RIGHTS AND THE GLOBAL CALL AGAINST POVERTY IN THE CONTEXT OF MDGS

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*"Wherever we lift one soul from a life of poverty, we are defending human rights. And whenever we fail in this mission, we are failing human rights."*<sup>2</sup>

## Introduction

The issues of human rights and democracy have become buzzwords drawing a lot of attention and energy among development practitioners, activists and beneficiaries. Building democratic states capable of focusing on reducing poverty is one of the key challenges facing poor low income countries in the 21st century. The human rights approach to development draws its strength from the United Nations Declaration on the "Right to Development with its emphasis on the centrality of the human person as a subject of the development process". Echoes of this approach have opened up debate on the need for transparency and accountability in delivering aid, especially against the backdrop of the quest to attain the Millennium Development Goals (MDGs).

Almost sixty years after the Universal Declaration of Human Rights was agreed, basic social and economic rights continue to be violated daily on a massive scale. The Millennium Development Goals correspond directly with the objectives of civil society organizations that have been active in social and economic justice advocacy work. Five years from the Millennium Declaration we are faced with the inevitable need to reassess the current levels of poverty, the instruments that are in place for tackling poverty and indeed the constraints that must be resolved. The fact that the MDGs represent an unprecedented commitment by all nations and institutions, including the IMF and the World Bank, to implement and realize the MDG goals and targets needs to continue to be emphasized at all stages. Part of the global ability to realize the MDGs is dependent on financing of such development.

The MDGs include a fifty percent reduction in poverty and hunger, universal primary education, reduction of child mortality by two-thirds, cutbacks in maternal mortality by three-quarters, promotion of gender equality, and reversal of the spread of HIV/AIDS, malaria and other diseases. A millennium summit of 189 world leaders in September 2000 pledged to meet all of these goals by 2015. A summit later this year will review progress towards the goals and set the development agenda for the next decade.

Of particular importance to this research report is Goal Eight outlining Northern governments' commitment to a global partnership for development - a late addition to the MDGs. Goal eight relates to issues of – debt cancellation, trade justice, equitable governance in global institutions, and political, social and economic rights for the poor – as an indispensable foundation for a politics that will enable sustained progress to end poverty in the South. It is an important goal for holding developed countries accountable in advancing the MDGs. This goal is particularly significant as it requires richer countries to reform their policies and actions to contribute to the fight against poverty. The lack of basic rights in poor countries stems from and reinforces highly unequal power, within and between countries, which marginalise poor people's needs and priorities.

## Context and background

The 1990s decade was characterized by a remarkable growth in interest in the promotion of what has become known as the "the human rights approach to development. The need to demonstrate that human rights are inherent in the human person and belong to men and women alike dominated the centre of the development discourse in the 1990s.

Subsequent global conferences on rights of children confirmed the trend and provided extra tools for human rights defenders who can put to good use the Convention on Elimination of All Forms of Discrimination Against Women (CEDAW) and the Convention on the Rights of the Child (CRC) that incorporate both economic, social and cultural rights as well as civil and political rights in each document. The rights in these documents are interconnected, indivisible and universal.

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<sup>2</sup> Kofi Annan (2000) addressing the United Nations General assembly on the Millennium Development Goals. United Nations, New York

In 1996, the UNDP argued that people who are poor should no longer be seen as passive beneficiaries of transfers of services and commodities, but rather be recognized as key actors of their own development. When the UN Secretary – General, Mr. Kofi Annan launched the UN Reform in June 1997 he explicitly stated that all major UN activities should be guided by human rights principles and geared towards "bringing the United Nations closer to the people".

Everyone, as a member of society, has the right to social security and is entitled to realization, through national effort and international co-operation and in accordance with the organization and resources of each State, of the economic, social and cultural rights indispensable for his dignity and the free development of his personality' UN Universal Declaration of Human Rights, 1948.<sup>1</sup> Civil rights groups in the 1960s have paid a lot attention to human rights globally. Watch dog groups such as Amnesty International, Human rights watch and Trans-Africa have not only reported on human rights abuse in authoritarian states but in democracies as well.

Increasingly, the international community is recognizing that people who die because they lack access to medicines, or clean water are suffering a rights violation as urgent as those dying through persecution, repression or war. From a human rights point of view people should be masters of their own destiny, able to make decisions and choices about development projects that affect their lives and community. They must not be seen as beneficiaries but claim-holders with the right to ask governments and donors to fulfill their obligations. Thus, the late Tanzania president Julius Nyerere got it right when he said, "people are not developed but they develop themselves."<sup>3</sup>

### **Defining Human Rights and the Human rights Based approach to Development**

The human rights approach (HRAP) is the latest of the approaches to development. It offers the opportunity to nudge those in power a little bit so as to allow for a positive dialogue rather than confrontation on human rights and can raise an awareness and knowledge of human rights among development partners.

The Human rights approach is people centered, recognizes the right of all people to be the primary architects of their own futures, and supports the full realization of human potential. Human rights approach emphasizes an intricate web of duties and obligations, and focus primarily on accountability and process. It calls for building local capacities to engage all relevant actors in inclusive, participatory processes through which the rights of all will be respected, protected and fulfilled. A human rights approach demand high quality process and believes that the process by which rights are realized is just as important as the outcome. Participation, local ownership, capacity development and sustainability are essential characteristics of a high quality process. It empowers people to claim and exercise their rights and fulfill their responsibilities.

I believe we can say the ultimate aim of development is the stage where all human rights are guaranteed and enjoyed by all. To achieve this, we must work together to find ways of implementing at all levels; human rights based approach to development-an approach based on the principles embodied in the various instruments on human rights. -Statement by Mary Robinson, High Commissioner for Human Rights

A human rights based approach calls for careful assessment of why rights are not being honored and consideration of how those responsible can be persuaded to take appropriate action. The Human Rights Based Approach is believed to have the following as part of its benefits to mankind:

- A common basis by which to hold leadership, their agents and the NGO community accountable.
- Improved and standardized methods of analysis that expose areas of greatest need.  
It is a process which increases the sustainability of efforts to reduce poverty through the meaningful participation of the stakeholders;
- It builds on and puts into effect a common and accepted development framework enshrined in international law, a common ground on which to hold governments and their agents accountable;
- It provides improved and standardized methods of analysis which expose patterns of discrimination and sets benchmarks for measuring more accurately the outcomes of development assistance and a process that increases sustainability through meaningful participation of the stakeholders.

Under human rights-based approach, benevolent and charitable actions, while good in themselves, are considered insufficient. It is based on the premise that there are shared interests between right holders and those working to help realize rights. The empowerment of rights holders is in itself an important result. A human rights based approach,

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<sup>3</sup> Nyerere J (1998) Good Governance for Africa, *Southern African Political and Economic Monthly*, April 1998

therefore, better guarantees the sustainability of development programmes. It should be enshrined in every national constitution that people have a say in development resources and have the right to monitor their use<sup>4</sup>.

Human rights based programming requires recognition of and working with claim holders and duty bearers at all levels of the society. It demands that capacity and capacity gaps of claim holders and duty bearers are identified, analyzed and developed as part of the programming process. As such, children are right holders; they have claims against those with obligations to ensure the fulfillment of those rights. Children whose rights remain unmet have claims against those with an obligation to act. Parents, communities, CSOs, governments, and others have resulting duties, though parents also may have unfulfilled rights. Poverty, vulnerability and exclusion are manifestations of lack of capacities within families, communities, government and others to fulfill children's rights. UNICEF's obligation is to strengthen through technical, material or financial assistance, the capacities of governments, CSOs, and communities to discharge their duties in relation to children.

A human rights approach necessitates a consistent and wide-reaching commitment to the realization of a just and equitable society, free from prejudice and discrimination of any kind. Linked to the Human Rights Based Approach is **Community Centered Capacity Development (CCCD)**. Community Centered Capacity Development is focused on empowerment of communities through increasing their capacity to analyze and act to solve their own problems. In CCCD it is a must that participation and self-expression in development programs and processes of all people especially the poor and marginalized such as women and children is promoted and achieved as goals and objectives in themselves.

CCCD enables communities to assess problems broadly, by strengthening, enhancing and nurturing a community's ability to take control of its own destiny, manage and direct its development through an interactive process of assessment, analysis and action. CCCD boasts the confidence of the community that they are masters of their own destiny, that they can identify and solve problems among themselves, without necessary waiting for external assistance. It enables communities to have their own plans, let others such as donors come as partners to compliment their efforts. With CCCD, communities work with their local authorities, co-managing and co-owning the development processes being able to express their views, make presentations and demand accountability of service providers in relation to these processes.

### **The link between MDGs and the Human Rights**

The UN Declaration on the Human Right to Development asserts that there is an inalienable right to development, as a human right; that the promotion of the realization of human rights is the end all and be all of development; and that participation is both an interdependent means and end of development. On the other hand, the MDGs provide a people-centered framework for achieving development targets.

<b>Human Rights are not as has sometimes been argued, a reward of development. Rather they are critical to achieving it"-Malcolm Brown, UNDP Administrator.</b>
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The MDGs provide a ready-made and widely supported framework of social development benchmarks that can be effectively used as an advocacy tool by civil society organizations to monitor and expand social development programmes globally, regionally and nationally.

The right to development suggests that donors have a human rights obligation to contribute to, and certainly not weaken, an equitable, non-discriminatory, system for International cooperation that progressively meets the claims of the world's citizens for human rights. It implies that donors should stop using financial resources as a strong incentive for the poorest countries to agree to their conditionalities and liberal policy prescriptions. The MDG framework highlights particularly the delivery of basic needs, particularly *primary* health care, and *primary* education.

When development is seen as a human right it obligates the authorities both national and international to fulfil their duties in delivering that right in a country. The adoption of appropriate policies follows from that obligation. Nationally, the government must do everything to fulfil the claims of a human right. If the rights to food, education and health are regarded as components of a human right to development, the state has to accept the primary responsibility of delivering the right either on its own or in collaboration with others. It has to adopt appropriate policies and provide for the required resources to facilitate such delivery, because meeting the obligation of human rights would have a primary claim on all the resources that it can command.

### **a. Aid and Human Rights**

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<sup>4</sup> Johnson. U. (2003) A human Rights Approach to Development Programming, UNICEF, Harare, Zimbabwe.

Much more aid is needed if poor countries are to realise the basic rights of their citizens. Yet aid volume increases will not be enough without major improvements in the quality of aid. At present, far too much aid is provided in ways which benefit countries at the expense of poor people. For aid to be fully effective, it can no longer be treated as a voluntary, charitable transfer from North to South. From a human Rights perspective there is need to talk about the poor as claim holders requiring the donors/creditors to honour their obligations. Aid must be part and parcel of a wider redistributive agenda designed to protect basic rights. For this to happen, poor people's voices, needs and priorities, must be put front and centre in the design of aid programmes.

Although the Monterrey Consensus established poverty reduction as the overriding objective of official aid, the reality is that other non-development objectives continue to drive many donors' aid allocations. One African sage noted. 'Aid has gone into Africa for many reasons only one of which is development.' Resultantly, independent policy-making and national economic management has considerably diminished and narrowed. There are so many ulterior motives that go with donor monies/ODA. In some cases, ODA continues to be given as long as it is good for donor agency/staff survival, livelihoods and careers. On the other hand, ODA increases the dependency syndrome for Africa making its governments less accountable to their own people and stretching themselves to please the donor. The borrower will always remain a servant of the lender.

In general it can be said, ODA has contributed to Africa's high levels of indebtedness. It has been well documented that for every US dollar from the donors about \$13 goes back to the North in form of debt service. When the Cold War ended, there was widespread optimism that aid would be de-politicized, and that poverty reduction placed at the fore of international development efforts. Yet since September 11<sup>th</sup> 2001, this optimism has been badly shaken as aid has increasingly been linked to the importance of countries in the 'war on terror'. In Africa, strategic considerations have seen aid increase in the horn of Africa - Djibouti, Eritrea, Ethiopia and Somalia - from just over \$1 billion in 2000 to \$2 billion in 2003.<sup>ii</sup>

G7 countries are amongst the worst performers when it comes to real aid. On average, G7 donors provided only 0.07% of their national income in 2003, or only one tenth of the UN target level.

Donors are not meeting real aid targets because they are not held accountable for the quality or quantity of their aid. Meanwhile, aid continues to come with inappropriate and undemocratic policy conditions attached, skewing recipient accountability towards donors and away from the poor.

- Rich countries must ensure that they provide sufficient resources, of the right quality, to ensure the protection of basic economic and social rights. They must also ensure that aid fosters, rather than undermines, downward accountability from governments to citizens
- National and international forums where donors and recipients can review progress on an equal footing, overseen by a UN Commissioner on Aid
- Poor quality aid from unaccountable donors is a blunt instrument in terms of its impact on poverty.
- Some donors are concerned that additional aid money cannot be well spent by poor countries with already over-stretched government capacity. Yet, poorly coordinated multiple planning, monitoring, reporting and auditing requirements from donors directly limit recipients' ability to absorb aid quickly and effectively

It is important in the fight against poverty from a human rights perspective for creditors to respect and use Debtor countries' leadership, institutions and systems in managing aid and where these are weak especially in fragile states, they should work with the Debtor governments to strengthen national systems and capacity to develop, implement and account for its policies and actions to its citizens, parliament and donors. Donors should desist from giving rewards/kick-backs to bureaucrats for this encourages corruption which is adverse to transparency and mutual accountability.

Aid should be untied, especially food aid and technical assistance, to allow local capacity to develop. Untying Aid increases aid effectiveness by reducing transaction costs for Debtor countries and improves country ownership and participation. National governments become more accountable and transparent to their own people than to donors.

## **b. Debt and human Rights**

From a human rights perspective Africa's debt needs to be cancelled if the MDGs are to be attained by 2015.

For the majority of developing countries that are classified as Heavily Indebted Poor Countries, a lasting solution to their external debt problems depends on progress of the HIPC II. Many development agencies and skeptics have expressed widespread doubts regarding the Heavily Indebted Poor Countries Initiative (HIPC) launched in 1996 and its successor

the Enhanced Heavily Indebted Poor Countries Initiative (EHIPC)'s ability to achieve the promised objective of a "robust exit from the burden of unsustainable debts" for developing countries.

The HIPC process has been much slower than expected and the initiative is believed to be suffering from problems of under funding, excessive conditionality, and restrictions over eligibility, inadequate debt relief and cumbersome procedures. Experience from "successful" reform countries such as Ghana and Uganda show that their foreign debt has ballooned rapidly as the IFIs financed their reforms with new loans. For most HIPCs especially those in Africa, the size of the debt is found to be very large and growing at a time when net debt flows are negative for the continent. The high variability of African countries' export earnings limits their capacity to service large amounts of debt, which may explain their frequent instances of rescheduling.

Sustainable debt financing on the part of the developing countries is an important element for mobilizing resources for public and private investment. Exclusion of domestic debt and contingent liabilities in the debt sustainability analysis is a concern of the HIPCs, because of its implications for fiscal resources available for financing poverty reduction.

A Fair and Transparent Arbitration (FTA) mechanism to resolve the debt crisis will be key in the attainment of the MDGs. The mechanism will also address global power imbalances between the South and North, the poor and rich countries. The proposal for a Fair and Transparent Arbitration

Mechanism will enshrine the principle that basic human rights take precedence over creditor rights; ascertain the legitimacy of creditor claims, identifying those which may be odious and give the affected people a right to be heard. Under such a framework the level of debt which a country can repay would be linked to human development indices/human rights rather than arbitrary debt service/export ratios. The adoption of a FTA would also help make lending more responsible, as lenders would have to take responsibility for irresponsible or illegitimate lending, reduce the moral hazard and make debt reduction available to countries that need it rather than restricting it to arbitrary lists<sup>5</sup>.

The calls for cancellation of unpayable multilateral debt and for the establishment of a fair and transparent procedure to deal with debt mutually reinforce each other. Cancellation of unpayable

multilateral debt can be seen as a step towards the establishment of a FTA as the need for further debt cancellation for the poorest countries has already been clearly established based on the recognition that the poorest countries would not otherwise be able to meet Millennium Development Goals.

### **Trade and Human Rights**

The unfair global trading system, global economic injustice and the lack of diversity in economic production and the heavy dependence on agriculture for most African countries makes them vulnerable to climatic changes, notably floods and droughts, with some regions being particularly drought prone. The market access opportunities for LDCs can only be effective if LDCs are assisted to build their capacities to produce tradable goods of higher value and acceptable quality at competitive cost. MDGs will be difficult to attain for debt-sustaining countries surviving on exports of raw cashew nuts, coffee, tea, cotton, while importing everything else in the form of industrial goods from abroad, using the foreign exchange earned from primary exports.

Subsidies for agricultural products in developed countries pose an impossible challenge to most developing countries' efforts to export farm produce to European markets. And, yet it is in this area where they have comparative advantage that would enable them to attain MDGs if given an opportunity for fair competition. Consequently, although most African HIPC graduating countries are benefiting from debt relief under HIPC, they are accumulating debt at a faster rate than it is being forgiven, which is creating fresh problems of debt sustainability. Uganda and Mozambique are cases in point. Africa's recovery is fragile and is underpinned by an over-reliance on primary commodities over whose prices the country has little control. Earnings from mining could fall sharply if the price of gold collapses, as it has done in the past. Already the prices of agricultural exports have fallen, in particular cashew nuts and coffee.

A scenario which developing countries are required to open up their markets without meaningful access opportunities into the markets of developed countries, inevitably leads to de-industrialization in developing countries. This has debilitating consequences in terms of growth, employment and the whole fight against poverty to attain the MDGs. As long as developing countries do not have a say in the pricing of primary commodities, they will not be able to determine how much they can get from their exports but will remain at the mercy of international global markets.

### **Key issues emerging**

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<sup>5</sup> See 'The Unbreakable Link' - Romilly Greenhill Jubilee Research and 'Resource Rich BWIs, 100% Debt cancellation and the MDGs' -Sony Kapoor Jubilee Research

- The rights-based approach is a framework that poses the greatest challenge to the predominant neo-liberal paradigm by bringing back the purpose of development to the human person and entrenching human dignity as pivotal in the development equation.
- In order to realize the attainment of MDGs poor people should have a say in the decisions that affect their lives and become aware of their entitlements so as to claim them.
- For development aid to function efficiently and transparently high quality of information sharing, timely disclosures and efficient access to such information is vital. Stakeholders in the national development discourse must be fully informed about aid and development issues that affect their lives and communities and their views solicited in an open system. In the same line of thought it is important for donors to ensure that Aid flows are predictable and timely.
- The use the language of human rights will help in attaining the MDGs. The human rights approach is against the welfare model to development and is in favour of the entitlements approach. It is difficult to envisage good partnership between developing countries and developed countries if the language of "donor and recipient"; "Creditor and Debtor "are still in use. Replacement of such words with partners gives a better spirit and relationship.
- The humans rights approach is against creditor nations notion of using donor aid to further their own commercial and trade interest at the expensive of equitable development and empowerment of the weak debtor nations

### **Implications for the Politics of MDGs**

An implication of a rights-based approach to the MDGs especially poverty reduction is the requirement for a redefinition of the conventional definition of poverty as insufficient income relative to what is needed to meet basic human needs. The concept of "human poverty", goes beyond income poverty, and relates the condition of being poor to a host of deprivations, besides income. Both the ability to achieve a decent standard of living and actual achievement of overcoming deprivation are important in a rights-based perspective.

A rights-based approach to poverty eradication also means that the relationship of obligation entailed by the right not to be in poverty extends beyond the state, and encompasses civil society, corporations, the international community, and other states. A broader view of poverty includes concerns for inclusion and participation; these are not simply rights-based values. Human rights were more comprehensive than the MDGs. Unlike rights in legal discourse; in development discourse corresponding obligations cannot be restricted to specific entities. At an international level, in an increasingly globalized world, this means no country is insulated from the cumulative impact of the actions of a host of actors - other states, private corporations, and the international community.

The immediate implications of viewing MDGs through a rights-based lens would be:

- To see poverty, not only as a process of improving people's incomes through economic growth, but as a process of expanding the fundamental choices and freedoms of people.
- To de-link poverty from standard definitions such as lack of income or lack of food, and to understand it as 'human poverty' which implies a host of deprivations that go beyond income poverty, including access, representation, participation and discrimination
- To understand that from a rights perspective, substantive freedoms -- both "freedoms from" and "freedoms to" - - are constituent components of development, not contingent, or incidental aspects. That the promotion of these freedoms, in turn, can serve the instrumental purpose of expanding people's choices, by enhancing their capabilities, on the one hand, and expanding opportunities in society for creative and fulfilling deployment of those enhanced capabilities, on the other hand.
- To realize that both "personal rights" (by virtue of which the individual can determine the way society behaves) and "solidarity rights" (whose realization requires collective action on the part of society) should be conjoined, and not separated in poverty eradication policies and actions.
- The primary responsibility for the eradication of poverty rests with national governments. Without their initiative and firm commitment to such rights based programming, the right to live free of poverty will remain a promise yet unfulfilled. This implies that a pre-condition for a rights-based approach to the elimination of poverty, would be a form of governance that is transparent, accountable to people, knowledgeable, and engaged with human rights.

- While economic growth remains a pre-requisite for development, we must ensure that such growth is as much as possible, equitable, sustainable, and promotes rather than violates human rights. This requires strong governance institutions bolstered by the rule of law that encourages access, and non-discriminatory and equity based growth.
- The formulation a rights based poverty programme would not only question 'what rights', (for example, the right to food), but whose rights as well (for example, the right to are all families living under the poverty line in a specified community, ensured the same access to food subsidies, to arable land, to micro credit for food production etc.).
- In order to effectively mainstream rights into poverty programmes, UN agencies such as the UNDP need to develop methodologies and indicators to frame a rights based approach to poverty eradication, including monitoring and evaluation instruments to measure progress towards such goals. National Human Development Reports are considered good instruments to test, localize and propagate such measures and indicators and provide a human rights based analysis of prevailing poverty situations.

## Hurdles and Challenges

Five years into the MDG programme, most developing countries especially in Africa have made little progress in meeting the goals, particularly in poverty reduction. What is particularly worrying is that even in the long term, there is little evidence that any positive changes will be made. From a human rights perspective, MDGs have had a limited impact in generating meaningful discussions and participation, outside the narrow official circles.

Taking Tanzania as an example, apart from education where tremendous strides have been made in recent years, progress on the rest of the goals has fallen behind or stagnated. Little headway has been made in poverty reduction; agricultural productivity is declining and the proportion of people under threat from hunger is on the rise. The nutritional status of children, especially those under-fives, is precarious while chronic malnutrition remains a widespread problem with 44 percent of children moderately to severely stunted, suggesting problems in the general health status of children. Survival indicators of poverty are not encouraging. For instance, no substantial progress has been made in the reduction of infant and under-five mortality and maternal mortality. There are even indications of slight increases in recent years. The proportion of births that were attended by trained personnel and those that took place in health facilities have both declined and urban-rural disparities in service provision has increased in the past three years<sup>6</sup>.

Developing countries will not be able to mobilize enough resources to attain the MDGs by 2015 unless there are radical changes in terms of aid administration, international trade and the resolution of the burgeoning debt crisis. One big problem is the conditionality aspects imbedded in the country's Poverty Reduction Strategy Paper (PRSP), the centre and key to the much needed development aid. Measures such as trade liberalization, privatization and fiscal austerity, undertaken as a condition of aid, continue to fail the promised benefits for poor people. The PRSP itself is not an adequate funding criteria; neither is it an important tool in MDG attainment<sup>iii</sup>; it is dependent on a country having a PRGF programme and meeting all the conditions and benchmarks in the PRGF which are not contained in the PRSP but are hiding in the Letter of Intent between the government and the IMF. Thus the content of the Letter of Intent is also crucial to attainment of the MDGs. Unless the MDG targets are also included in the IMF and World Bank instruments, the attainment of MDGs will remain a dream.

Donor-imposed "Washington Consensus" policies remain at the heart of Poverty Reduction Strategy Papers (PRSPs). The poorest countries are required to prepare PRSPs, under the guidance of the World Bank and the IMF, in order to qualify for loans or debt relief. PRSPs are increasingly used by donors as a guide to achieving the MDGs, under the largely rhetorical claim by donors that these strategies are "owned" by developing countries. In Tanzania, the MDGs focus on income and human poverty. This includes addressing constraints in the broader sectors of the economy to bring about poverty reducing growth. But the primary focus of the PRSP – the main implementing instrument - is on the composition of public expenditures, especially social sector spending. It lays less emphasis on broader strategies that would encourage poverty-reducing growth, such as land reforms. Even in the area of public expenditure, the operational value of the PRSP is limited because of the nature of costing and prioritization that is defined by the cash budget framework which only reflects the adjusted cost to meet the budget ceiling rather than the actual cost. The HIPC program and PRSPs are riddled with conditions such as privatization, indiscriminate trade liberalization, opening up markets, fiscal and monetary targets. These conditions are contrary to the human rights approach and can not help the global village attain the MDGs by 2015.

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<sup>6</sup> Tanzania PRSII 2004

Aid tying also has a track record of distorting the content of development programmes, for example by encouraging donors to make large capital expenditures ignore the recurrent cost implications for the recipient country.<sup>iv</sup> Tying can also slow aid down, at enormous cost to recipients. It is unfortunate and economically unjust that donors continue to use unfair, undemocratic and inappropriate policy conditionality, in a way that skews recipient accountability away from the citizens of poor countries. Meanwhile, neither governments nor poor people in recipient countries are able to hold donors properly to account for the quality or quantity of aid they provided. For most aid receiving countries, Aid is highly unpredictable, with much of it arriving late or not at all, and is far less reliable than government revenues.<sup>v</sup> For Africa, actual disbursements of programme aid fall short of projections by 14%, and by 26% for project aid.<sup>vi</sup> The lack of predictable aid is exacerbated by donors' failure to make indicative commitments more than one year in advance.

Counting debt relief as ODA creates a public perception that more money is being spent on development than is actually the case. In the UK, for example, debt cancellation has been presented as additional to aid spending. This is double counting. If debt relief is taken out of the UK's ODA calculations, then the ODA/GNI ratio fell between 2000/01 and 2002/03, although it rose again in 2003/04.<sup>vii</sup>

### **Prospects and opportunities**

Cancellation of multilateral debt should be given top priority for poor countries to be able to attain the MDGs by 2015. Thus the cancellation of multilateral debt would actually release additional resources rather than resulting in just a decrease in arrears as has happened under the HIPC process thus far. It is critical to ensure that these additional resources are then not diverted into starting to service debt in arrears but that they are used for development expenditure.

Both British Treasurer Gordon Brown, and the US Treasury Secretary John Snow, made public statements about the need for 100% debt cancellation of multilateral debt of the poorest countries before the IMF and World Bank AGMs last September. Since then Gordon Brown has produced a draft proposal and is seeking support from other rich countries. The US has not published a written proposal to date.

Multilateral debt cancellation is an effective contribution to development financing. Unlike aid flows - a third of which are in the form of 'tied aid' or 'technical assistance' - all resources

allocated to multilateral debt cancellation end up in the budget of the recipient country and hence can be used for development purposes.

- In poor countries such as Malawi aid has been associated with strong resource mobilization and reduced domestic borrowing, and has also closely tracked fluctuating public spending, thereby reducing some of the effects of volatile domestic financing.
- Donor aid can help meet the resource gap, provide capacity and build effective systems, that can support civil society in holding governments to account.
- Donors can help to put pressure on recipient governments to reduce corruption and to ensure that aid is spent on its intended beneficiaries. More importantly, local people are also starting to hold their governments to account, for example through budget tracking initiatives.<sup>viii</sup>

**The events of 2005 bring some light of hope to the developing world if these events turnout to be based on a human rights approach to development in the world's desire to attain the Millennium Development Goals by 2015.**

**UN Reform agenda:** There is need to support calls for the reform of the United Nations. The democratization of the UN restores people's confidence in that institution as the people's institution. A human rights based approach to development and democracy can be restored.

**Debt Cancellation Proposals:** Various proposals for multilateral debt cancellation have now been put on the table by G7 countries - the UK and US. Whilst this is very encouraging, in some ways these proposals are an extension of the discredited HIPC initiative and suffer from some of the same limitations such as limited country lists and the lack of a fair and transparent procedure to deal with all unpayable debt. From a human rights perspective and in the spirit and letter of attaining the MDGs cancellation of unpayable debts is urgently needed alongside more and better aid in order to reach the MDGs, and help address the negative net resource flows.

However, it is surprising to note that recent announcements by the G7/8 have decided to cancel the debt of 18 HIPC countries 14 of which are in Africa, with a possibility of adding 9 more that reach the HIPC completion point. This is just a drop in the ocean and a half-baked solution to an issue that requires a complete overhaul without strings attached. The



proposal fails to address the global power imbalances between creditor and debtor nations. The creditor nations and their institutions continue to monopolize the decision making process and this will mean they will continue to be eluded by alternatives to the Debt crises. A multi-stake holder consultation under the UN auspices on the way forward would help resolve the matter.

AFRODAD and other progressive NGOs have been calling for a Fair and Transparent Arbitration Process to address the human rights questions of the Debt question and even the global power structure. The arbitration process will help give legitimacy to all claims by either creditors or debtors.

**MDGs September 2005 Review:** Five years after the Millennium Declaration, one hopes that a realistic and genuine review of progress by the UN General assembly will result in a turn around strategy in the way development issues are approached. It is hoped that following the Paris Declaration in March 2005, most donors will commit themselves to time bound targets and indicators to attain the much awaited 0.7% of their Gross National Income to ODA.

## Recommendations

For the MDGs using a human rights criterion to screen all project proposals would be challenging but a good exercise that will help raise awareness and capacities and to define the challenges and the framework of mainstreaming the strategy.

- MDGs should be explicitly situated within a framework of existing human rights treaties and state obligations, among others the International Covenant on Economic, Social and Cultural Rights, the Convention on the Elimination of all forms of Discrimination against Women, and the Right to Development. This focus on rights stresses the obligations of all states, including Northern governments, to give priority to their responsibility to make specific efforts to make progress on social and economic rights for all.
- The implementation of MDGs will require substantial, new and additional resources from both domestic and external sources. Strong commitments are required from governments to increase domestic resource mobilization, uphold the principle of rule of law and good governance, intensify the fight against corruption and put in place conducive environment to improve effectiveness of aid and attract investments.
- Given the urgency and the need for immediate action, the G7/8 leaders need to reach agreement on 100 percent multilateral debt relief at their June meeting. Attempts to determine a "sustainable" level of debt for impoverished nations desperately trying to address the crises of HIV/AIDS and economic injustice should be rejected. For impoverished nations struggling to meet the human needs of their peoples, full 100% multilateral debt cancellation is the only option.
- While debt cancellation is a highly effective form of transfer of resources to indebted countries for poverty reduction, and should therefore be a priority for financing to help those countries meet their Millennium Development Goals, it should not be financed at

the expense of either existing aid commitments or instead of grants that will also be necessary if the MDGs are to be met. Debt cancellation should therefore generate additional funds for poverty reduction: for example, it should be matched by refunding of the African Development Bank and Fund.

- Both additional debt cancellation and higher grant (aid) flows are needed by the HIPC countries such as Tanzania in order to meet the MDGs.
- The current HIPC Initiative should be urgently and radically reformed so that debt cancellation for all heavily indebted African countries can proceed rapidly under a fair and transparent process that reinforces the positive and active involvement of African national parliaments, other democratic institutions and processes, particularly in Africa.
- Bringing International Monetary Fund (IMF), World Bank (WB) and the World Trade Organization (WTO) increasingly under more democratic control ensures a human rights based approach to development. These institutions are better tamed under the auspices and control of the United Nations. This should stop the bad governance practices in these organizations especially in (WTO) where powerful governments arm-twist poorer nations.
- Capacity building of key partners on the human rights approach to development and further skill development among UNICEF staff is important. Sensitization and training of CSOs, International Financial Institutions staff and government bureaucrats at central government level that deal with MDGs and other

development work funding or administration of funds should be considered preconditions for human rights mainstreaming.

- A new aid architecture based on mutual accountability between donors and recipients.

Increased aid goes hand-in-hand with fundamental reform of the aid regime in Tanzania; one without the other will not be effective in reducing poverty. More aid may not in fact be better aid. This research report argues that the call for “more and better aid” for the MDGs must be a call for donors to live up to their human rights obligations to maximize resources and make poverty reduction a priority. Future aid flows should be skewed in the favour of grants over concessional loans.

- It is important to note that the global structures that maintain poverty and marginalize the rights of the poorest clearly need reform, but there is little attention to these major framework issues in Northern governments' approaches to the MDGs. The UN should play a strong role in regular monitoring of the Donor countries' progress on Goal 8 and the framework for their reporting on MDG 8 should be revised to include indicators on global governance and participation.
- Apart from measures to increase export volumes therefore, there is need for action to reduce trade imbalances at the global level to make them more favourable to developing countries primary producers
- The role of Foreign Direct Investment as an important instrument for implementing the MDGs cannot be over emphasized. Low levels of flows of FDIs to the developing countries are not justifiable and if left to continue the poverty situation in our countries will not change.
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## **Conclusion**

More global reforms conforming to the human rights needs are urgently needed to reach the international development goals. But equally urgent, Creditor nations should live up to their aid pledges, respect local government systems and treat recipient countries' not as beggars but partners in development. While a more equitable trade system is vital, donor official development assistance (ODA), along with substantial debt cancellation, provides the essential additional financing capacities, particularly for the poorest countries' progress in reducing and eliminating poverty. This call is part of exercising democracy and democracy is an ideal that we should all aim to live for and if necessary die for.

Now is the time for the North to honour mutual commitments and obligations in a spirit of genuine solidarity. Such commitments are encapsulated in the Millennium Development Goals - in particular Goal 8.

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<sup>i</sup> UN Universal Declaration of Human Rights, 1948, Article 22

<sup>ii</sup> USAID Greenbook <http://gesdb.cdie.org/gbk/index.html>

<sup>iv</sup> Source: Reality of Aid 2002

<sup>v</sup> Bulir, A and Hamann, J, 2005 'Volatility of Development aid: From the Frying Pan into the Fire?'

<sup>vi</sup> Development Finance International. 2004. 'The Effectiveness of Aid to Africa Since the HIPC Initiative: Issues, Evidence and Possible Areas for Action'. Report for the Commission for Africa

<sup>vii</sup> Note: 2000/01 ODA figures including debt relief refer to 2000 statistics, 2001/02 to 2001 and so on.