

Getting started in 2005: launching a decade of bold ambition

There is still enough time to meet the Millennium Development Goals—though barely. With a systematic approach and decade-long horizon, many countries now dismissed as too poor or too far off track could still achieve the Goals. The UN Millennium Project argues strongly for introducing a longer term horizon into international development policy, one that focuses on overcoming short-term constraints by scaling up approaches to meet basic needs. But the need for longer term horizons should not be confused with, or detract attention from, the need for urgent action. Without a bold breakthrough in the coming year, a large number of countries that could still achieve the Goals will be consigned to failure.

Major challenges of global policy cooperation need to be addressed in 2005. The Doha trade agenda needs a breakthrough for development. Immediate action is needed to start tackling long-term environmental challenges, such as climate change and fisheries depletion.

The world also needs to move urgently with specific actions of scale-up toward the Goals. Only by acting now can sufficient numbers of doctors or engineers be trained, service delivery capacity strengthened, and infrastructure improved to meet the Goals. To start the decade of bold ambition toward 2015, we recommend a series of worldwide initiatives to kickstart progress, translating the Goals quickly from ambition to action. For all of this, we recommend that they be led by the Secretary-General, with UN system contributions coordinated under the strengthened guidance of the UN Development Group.

Identify fast-track countries

Bold MDG-based investment programs cannot be scaled up in developing countries with extremely poor governance. But the international community

has recognized many low-income countries as having strong governance and the potential for much more ambitious investment programs. In 2005 we recommend that these well governed low-income countries be granted “fast-track MDG status” by the international community and receive the massive increase in development assistance needed for them to implement MDG-based poverty reduction strategies.

Several preexisting criteria could be used to help identify the fast-track countries (box 16.1). They include countries that have reached completion point under the HIPC Initiative, those that have qualified for support from the U.S. Millennium Challenge Corporation; those that have acceded to the African Peer Review Mechanism of the New Partnership for Africa’s Development; or those with favorable reviews through the World Bank–IMF Joint Staff Assessments of PRSPs. These or other performance-based criteria will yield at least a couple of dozen low-income countries that have reached governance standards sufficient for including them on a fast-track for scaling up MDG-based investments beginning in 2005.

It is with these MDG fast-track countries that the international community, particularly the donor countries, will face the clearest test of their commitment to achieving the Goals. If donors cannot provide the support that these countries require to achieve the Goals, the undertaking to achieve those Goals will be in peril. Moreover, the system for international development assistance needs to consolidate its incentives for countries with weaker governance levels, showing that good performance is indeed rewarded by financial support consistent with the Goals.

Prepare MDG-based poverty reduction strategies

In addition to supporting fast-track countries, we recommend that every interested developing country produce, before the end of 2005, an MDG needs assessment and an MDG-based poverty reduction strategy (chapter 4). We further recommend that the Secretary-General request each resident UN Country Team to assist in this process. Most often the outcome will be a revised version of an existing national strategy, including the Poverty Reduction Strategy Paper (PRSP), where appropriate. It should contain a strategy for enhanced investments at the village, town, and city levels, a financing scenario, and a governance strategy to ensure implementation of the program with minimized corruption, based on fundamental principles of human rights.

The host country should lead and own the effort to design the MDG strategy, drawing in civil society organizations; bilateral donors; the UN specialized agencies, programs, and funds; and the international financial institutions, including the IMF, the World Bank, and the appropriate regional development bank. The contributions of the UN specialized agencies, programs, and funds should be coordinated through the UN Country Team, and the UN Country

Box 16.1
Identifying
MDG fast-track
countries

The UN Millennium Project recommends that in 2005, the international community designate fast-track status to a significant number of low-income countries that are ready for scale-up. At least four criteria could be used to identify these countries, as listed in the table. One of the first international efforts to reward strong governance with increased foreign assistance was the Heavily Indebted Poor Countries (HIPC) Initiative to reduce debt burdens. As part of the HIPC process, country eligibility to receive debt relief hinges not only on having an extremely high debt burden but also on a positive joint evaluation by the World Bank and IMF of the country's governance quality and economic policies. Countries are granted debt relief when they reach their "completion point," and thus are "recognized by the international community for their satisfactory progress in implementing sound economic and structural policies."

A second mechanism that evaluates and validates strong governance as a precondition to aid disbursement is the U.S. Millennium Challenge Corporation (MCC). The MCC disburses funds only to countries surpassing thresholds for various indicators measuring governance, investment effort in health and education, and economic policies. Seventeen countries have already been deemed eligible for ambitious investment programs. Another 13 "threshold" countries have been assessed as committed to undertaking the reforms necessary to improve policy performance and eventually qualify for MCC assistance.

A third example is the African Peer Review Mechanism (APRM) of the New Partnership for Africa's Development (NEPAD). African Union member states join the APRM to foster the adoption of policies, standards, and practices that lead to political stability, high economic growth, sustainable development, and accelerated subregional and continental economic integration through sharing experiences and reinforcing successful practices, including identifying deficiencies and assessing the needs for capacity building. A key criterion for acceding to the APRM is submitting to periodic peer reviews and facilitating such reviews to ensure that the policies and practices of participating states conform to the agreed political, economic, and corporate values, codes, and standards. As of mid-2004, 23 African countries have signed a Memorandum of Understanding as the first step to accession and submitting their policies and institutions to regular peer review.

The PRSP process offers a fourth mechanism for identifying countries to include on an MDG fast-track. The World Bank and IMF conduct Joint Staff Assessments of the PRSPs, and have given high praise to several low-income countries. For example, "[Mali's] PRSP represents a credible policy framework to reduce poverty, integrating for the first time the country's various poverty-focused programs within the context of a sound macroeconomic framework." Other countries recently praised for having strong PRSPs include Burkina Faso, Ethiopia, Ghana, Mauritania, and Yemen. In addition, the World Bank recently published a paper arguing that developing countries are ready to absorb at least an additional \$30 billion in foreign assistance (World Bank 2003c). The study selected a sample of 18 countries that have recently "improved their policies significantly...used aid productively...and continue to have substantial unmet development needs." The paper concludes that a significant increment of aid could be used effectively in all 18 countries.

(continued on next page)

Box 16.1**Identifying
MDG fast-track
countries***(continued)*

* Low-income country.

a. Countries are from www.nepad.org, retrieved on December 20, 2004.

b. Countries are from www.worldbank.org, retrieved on December 20, 2004.

c. Countries are from www.mca.org, retrieved on December 20, 2004.

d. World Bank 2003c.

Source: See notes a–d.

Potential candidates for MDG fast-tracking

Country	Governance qualification					
	African Peer Review Mechanism ^a	HIPC completion point ^b	Millennium Challenge Corporation Qualifier ^c	Millennium Challenge Corporation Threshold ^c	Poverty Reduction Strategy Paper ^b	World Bank Absorptive Capacity Study ^d
Albania				x	x	x
Algeria	x					
Angola*	x					
Armenia			x		x	
Azerbaijan					x	
Bangladesh*						x
Benin*	x	x	x		x	x
Bhutan*					x	
Bolivia		x	x		x	x
Bosnia and Herzegovina					x	
Burkina Faso*	x	x		x	x	x
Cambodia*					x	
Cameroon*	x				x	
Cape Verde			x			
Chad*					x	
Congo, Rep.*	x					
Djibouti					x	
Egypt	x					
Ethiopia*	x	x			x	x
Gabon	x					
Gambia*					x	
Georgia			x		x	
Ghana*	x	x	x		x	
Guinea*					x	
Guyana		x		x	x	
Honduras			x		x	x
India*						x
Indonesia						x
Kenya*	x			x		
Kyrgyzstan*					x	x
Lao PDR*					x	
Lesotho*	x		x			
Madagascar*		x	x		x	x
Malawi*	x			x	x	
Mali*	x	x	x		x	x
Mauritania *		x			x	x
Mauritius	x					
Moldova*					x	
Mongolia*			x		x	
Morocco			x			
Mozambique*	x	x	x		x	x
Nepal*					x	
Nicaragua *		x	x		x	
Niger*		x			x	
Nigeria*	x					
Pakistan*					x	x
Paraguay				x		
Philippines				x		
Rwanda*	x				x	
São Tomé and Príncipe*				x		
Senegal*	x	x	x		x	
Serbia and Montenegro					x	
Sierra Leone*	x					
Sri Lanka			x		x	
South Africa	x					
Tajikistan*					x	
Tanzania*	x	x		x	x	x
Timor-Leste*				x		
Uganda*	x	x		x	x	x
Vanuatu			x			
Viet Nam*					x	x
Yemen*				x	x	
Zambia*				x	x	

Team should work closely with the international financial institutions. At the headquarters level, the UN Development Group should coordinate the activities among all UN agencies, programs, and funds—with the UNDP Administrator continuing to play a special coordination role.

Launch a global human resource training effort for the Millennium Development Goals

With the design of national strategies, a major worldwide effort in preservice skill training should be launched simultaneously in 2005 to overcome the immediate scale-up constraints in human resources. International agencies and bilateral donors should work with low-income countries to prepare serious strategies and training materials for use at the village and city level. Global champions are needed for this initiative to set targets and confirm financial commitments to train, as first priorities:

- Village specialists in health, soil nutrients, irrigation, land reclamation, drinking water, sanitation, electricity, vehicle repair, road maintenance, and forest management.
- Managers in investment planning, budgeting, computer-based information systems, poverty mapping, and sector needs assessments.
- Teachers, doctors, and other skilled professionals to provide services in education and health.
- Professionals for urban planning and urban infrastructure and services (such as electricity, transport, water, waste management, and industrial zoning) and community development agents to promote local participation, gender equality, and minority rights.

A sharp focus on the short-term training of women and young workers, where appropriate, will provide the added benefits of bringing them into the formal labor market. It will also help them develop a skill base that will contribute to longer term development processes.

Launch the Quick Wins initiatives

We have noted the chance for early breakthroughs in many areas: school attendance, malaria control, school meals, soil nutrients, to name just a few. Each should be championed, and explicit and bold targets should be set on a three-year horizon. For example, it would certainly be possible to make a free antimalaria bed-net available to every African child in an endemic malaria region by the end of 2007. It would also be possible to have every subsistence farmer given the chance to replenish soil nutrients using fertilizers or agroforestry or related techniques by the end of 2007. We have identified a large number of additional Quick Wins (see box 5.1). The relevant UN agencies, together with bilateral agencies and the Bretton Woods institutions, should grasp the opportunity to launch these initiatives in 2005.

Engage the middle-income countries in the challenge of meeting the Goals

Middle-income countries are challenged to complete the process of eradicating extreme poverty within their own countries and to join the ranks of donor countries at the same time. Most large middle-income countries suffer from pockets of poverty that must be targeted for elimination. Grants in support of high debt burdens for heavily indebted middle-income countries can support that process.

But leading middle-income countries—such as Brazil, China, Malaysia, Mexico, and South Africa—also have expertise of direct benefit to the poorer countries. For example, China should help to ensure a steady flow of artemisinin-based antimalaria medicines for Africa in the coming years. It can also assist countries in expanding transport or other infrastructure. Brazil can contribute to development in Lusophone Africa, including the training of Portuguese-speaking professionals. Malaysia can help promote increased competitiveness in labor-intensive manufacturing exports and strengthen science advice mechanisms. South Africa has recently gained unique experience in the rapid scaling-up of infrastructure services for water and electricity in rural areas. It could assist countries in the rest of Africa in designing ambitious investment plans. Many other examples of the tremendous potential for developing country cooperation abound—and should be seized in 2005.