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**ACCELERATING PROGRESS TOWARDS THE ACHIEVEMENT OF THE MDGs**

**PREPARING FOR THE 2010 MDG SUMMIT: A DISCUSSION PAPER**

**DAC Meeting, 16 March 2010**

*This document is submitted for DISCUSSION under Item 7 of the Draft Annotated Agenda of the 910th DAC meeting [DCD/DAC(2010)3].*

*FOR FIRST REACTIONS: this paper is being tabled at this point to get reactions from delegates - it takes the form of a draft discussion note for the SLM rather than the first draft of a possible OECD submission to the UN MDG Summit.*

*This paper presents a series of discussion points around which members can exchange views as they prepare for the MDG forward-looking review process now launched in the UN, leading to the MDG Summit next September. The Secretariat will summarise the SLM discussion in a short note. An OECD Secretariat paper will be prepared by mid-year as an input into the Summit, drawing on this discussion and on material from other OECD policy communities, including material submitted to the MCM on development and related issues. A number of member countries have been formulating ideas for the MDG Summit which they may wish to bring into the discussion. The process of preparing the UN Summit has been launched, with the issuance of the UN Secretary-General's report "Keeping the Promise: A forward-looking review to promote an agreed action agenda to achieve the MDGs by 2015". Work on an outcome document, which has yet to start, will be facilitated by the Danish and Senegalese Ambassadors to the UN.*

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## ACCELERATING PROGRESS TOWARDS THE ACHIEVEMENT OF THE MDGS

### PREPARING FOR THE 2010 MDG SUMMIT: A DISCUSSION PAPER

#### **Discussion Point 1: How do Members perceive the ongoing political and policy relevance of the MDGs?**

1. The idea of a compact set of interrelated development targets as a political rallying point for development cooperation came from the DAC in 1996 and then became, via the Millennium Declaration of 2000, the MDGs, a broadly-owned outcome-based set of concrete development objectives which could be measured, tracked and be the basis for mutual accountability.

2. The MDGs have exerted a powerful impact on public discussion and international cooperation, providing:

- a common reference point for development dialogue and co-operation across the whole international system, including Heads of State and international organisations, and at national and sub national levels.
- a beacon for mobilising public interest and participation in development efforts, helping to motivate established and new Foundations, NGOs, the private sector, and prominent individuals who have become champions of development.
- a political foundation for decisions to embark on major development finance initiatives, including large –scale debt relief, ambitious aid targets and new global funds.
- a basis for strengthened efforts to develop national statistical systems as a foundation for evidence-based policy-making in developing countries.

3. The impact of the MDGs on development progress is less clear. It is widely believed that while the targets may be met globally because of the outstanding performance of a widening range of emerging economic powers, China and India in particular, many countries will not meet the targets, especially countries in Africa. At the same time,

- some recent studies are providing evidence that progress may be faster than previously estimated, with the trajectories of economic and social progress in low income countries having clearly turned upwards since the mid-1990s, though with great variations in the impact on poverty reduction, and with large numbers of very poor people still in the middle-income countries.
- countries experiencing war or ongoing political fragility have suffered setbacks and the most serious underperformance against the targets is to be found in these countries. But there is evidence that the establishment of stability does provide a basis for rapid catch-up.

4. There has been extensive debate on whether the MDGs have accentuated the shift of aid to social and ecological services and away from productive sectors. But a number of points should be made in this regard,

- the social goals in the MDGs stimulate essential high return investments in human capital (including gender equality as a major accelerator of economic and social transformation), and hence in the possibility of accelerated development;
- the Aid for Trade agenda, under the Global Development Partnership goal, has helped to bring additional aid to productive sectors.
- there is now renewed attention to food security and agriculture and to infrastructure development.
- emerging donors are heavily focussed on productive sectors and infrastructure.

*Is it agreed that the MDGs continue to be a valid and indispensable basis for international dialogue and co-operation on development, and that an extensive debate on alternative frameworks would take scarce political energy that should be devoted to identifying ways to accelerate progress and incorporating new issues?*

**Discussion Point 2: What are the opportunities/challenges opened up by the shifting global economic patterns, emergence of new actors and new/reformed global economic governance arrangements in crisis context?**

5. The emergence of new economic powers over the last two decades has changed the shape and the dynamics of the world economy. Furthermore the financial crisis of 2008-2009 has revealed financial fragility in a number of developed countries which will take some time to repair, with both private and public debt levels and financial regulation now key agenda items for many OECD countries. The strategy for treating these issues extends beyond the financial and macro-economic agenda to social and structural policy issues, including employment and social protection as well as innovation systems.

6. Developing countries meanwhile have largely coped better with the crisis than expected and growth is resuming more quickly than in developed countries. The emerging economies with their expanding wealthy and middle classes, are providing a source of strong demand for commodities and food from developing countries and are also supplying investment, technology and a range of development finance, both public and private, from banking flows, to export credits to aid. The BRICs as well as a number of other emerging economies all have both public sector and private sector corporations with the capacities and interest in investing in developing countries.

7. The success of the emerging economies is creating new interest in their varied and heterodox development paths, with more attention now being paid to the evidence that governments can play a strategic role in promoting development by identifying key orientations and incentives, and investing in the institutions and public goods essential for igniting and sustaining high levels of economic growth, based on an enterprise economy with fast learning processes. And new information technologies are changing the development possibilities in developing countries. Broad-band internet is now extending its global reach and will in the coming few years be widely accessible on hand held devices in developing countries. Climate change adaptation imperatives and mitigation opportunities will also be key new factors. Fertility rates are falling fast in many developing countries (though not so fast in the poorest), meaning that

women's education and economic roles has major potential as an accelerator of economic growth and social progress. For all these reasons, development paths will not be the same as in previous decades.

8. As witness to the profundity of these new trends and patterns in the global economy, new global economic arrangements have emerged, in the form of the G20, which draws on intellectual and policy support from the major international institutions, including the OECD. And adjustments to the voice of developing countries in the Bretton Woods institutions are imminent. At the same time, consensus building and collective action across a range of areas is becoming more complex, as the experience with the Doha Development Round of trade negotiations and the Copenhagen Accord bear witness. Meanwhile the G8 is moving to establish more systematic tracking and accountability for undertakings announced in recent years, particularly in the development field.

9. In the OECD itself, the policy of enlargement and enhanced engagement is moving forward, bringing a qualitative change to the scope and nature of policy analysis and discussions. An increasing range of emerging countries is involved in country and regional studies across a wide spectrum of subjects, many of which involve peer processes and are published. The Development Centre now has nearly 40 members and the DAC hosts/supports two major global partnerships: on aid effectiveness and on conflict and fragility. And with the agreement to create a set of OECD-wide development goals, the OECD Council is moving towards a more whole of OECD and whole of government approaches to development, including with a new flagship publication – following up the 2008 OECD Declaration on Policy Coherence for Development and very much in line with the DAC Reflection Group report emphasis on the importance of global public goods and policy coherence.

***How do SLM participants see the new patterns and dynamics in the global economy and economic governance arrangements impacting on development prospects and on the opportunities for new broadly-based partnerships for development. What role might the MDG Summit play in this context?***

10. Discussion Point 3: What are the key substantive challenges, responses and opportunities that should be the focus of this MDG Review?

11. The development agenda associated with the MDGs has continued to deepen and broaden since the Millennium Summit. Areas of emphasis in the international development agenda include:

- Climate change and development strategies - global and local
- Conflict and fragility – investing in peacebuilding and statebuilding
- Economic Growth, Innovation and Social Protection – building broad partnerships for pro-poor growth
- Food security – raising agricultural productivity, developing markets and institutions, nutrition
- Regional and global enterprise economies – markets, investment and infrastructure
- Health systems and maternal and child health
- Aid and Aid Effectiveness – reinforcing ownership and accountability and people-centred development
- Development Finance - Tax and Development, Financial Systems

12. Such topics could be incorporated into updated or expanded elements of MDG 8. A number of recent and current initiatives can be drawn upon and the OECD/DAC has work on most of these items which could be drawn upon.

***How might issues such as the above be worked into or associated with expanded/updated MDGs, including MDG 8? What might be the priorities? Where could a submission from the OECD Secretar-General best make a contribution?***