

GLOBAL POVERTY REDUCTION TO 2015 AND BEYOND:

WHAT HAS BEEN THE IMPACT OF THE MDGS AND WHAT ARE THE OPTIONS FOR A POST-2015 GLOBAL FRAMEWORK?

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ABSTRACT

The purpose of this paper is to assess the policy impact of the MDGs and to begin to ask questions about any post-2015 global framework. The paper asks a series of questions and in doing so reviews the impact of the MDGs on policy and outcomes. The paper argues that the MDGs have had substantial but uneven policy impacts and post-2015 a more explicit and shared ownership of both South and North in any new deal is essential as is attention to a changed world to that of the late 1990s. We outline three stylized options for a post-2015 framework to trigger further debate and propose a debate be led by a Global Commission.

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POLICY IMPLICATIONS

- f* Global policy makers need to be prepared to discuss what, if anything will replace the MDGs as this debate will evolve rapidly over the next 18 months;
- f* A new global ‘2015 Commission’ is proposed to facilitate a broader, inclusive global debate somewhat similar to the World Development Report 2000/1 process;
- f* Such a commission would need to be led by a figure with global and political credibility on poverty reduction such as Lula da Silva.

1. Introduction

Moss (2010) in Global Policy asked a question few will currently ask openly and yet many are discussing informally in policy circles globally. He asked what might replace the MDGs in 2015? The responses to this question are likely to evolve rapidly in the next 18 months, because there is relatively short time left in which any post-2015 framework would have to be agreed and established (see Box 1).

Box 1. What could be the post-MDG timetable?

Sept 2010	UNSG taskforce established – and global consultations
Spring 2012	Taskforce Report produced
Spring 2013	UNSG proposals
Sept 2013	UNGA decides – if so declaration
2014	Proposals for indicators for framework
Sept 2015	UNGA agrees new framework

Source: Manning (2009: 70-71).

To date, there has been concern in global policy circles that starting to discuss the post-2015 framework will divert attention (and possibly resources) away from the existing MDG framework. Achieving a new international consensus on a post-2015 framework is likely to be a lengthy process, particularly if there is to be a change in focus for the post-2015 framework. Making early progress, building alliances across the global community, and engaging in a fully consultative process where the voices of the poor are heard and their demands incorporated, will take time and significant investments of political capital. The debate is already happening behind the scenes in discussion papers and internal workshops in various donor agencies and elsewhere. This paper seeks to outline some of the key questions. We assess the policy impact of the MDGs and begin to ask questions about the nature of a post-MDG global framework. The paper argues that the MDGs have had substantial but uneven impacts across countries and post-2015 the ownership of both South and North in any new deal is essential. We propose three stylized options for a post-2015 framework to trigger further debate and propose the establishment of a new Global 2015 Commission to facilitate a truly global, participatory discussion drawing on the model of the 2000/1 World Development Report process and updated for global dialogue opportunities offered by new technologies.

2. Will discussions of a new MDG framework divert attention away from a focus on achieving the MDGs by 2015?

Many are understandably cautious of discussing the post-2015 issue publicly based on a sense that it might detract from MDG efforts to 2015. However, debates on the issue are emerging in, for example, academic writings (e.g. Fukuda-Parr, 2008; 2010; Hulme, 2007; 2010; Manning, 2009; 2010; and various authors in the edited volume of Sumner and Melamed, 2010), research hubs and reviews (e.g. the Sarkozy Commission, the OECD convened Measuring Progress Project, the Oxford Human Poverty Initiative, and the UNDP Human Development Report 1990-2010 review), in CSO global meetings (e.g. the global Call to Action on Poverty, Johannesburg February 2010), privately in donor

agencies in convened internal discussions (including UN agencies and bilateral donors), and in discussion papers floating around in a number of bilateral donors. Although there may be caution, there are good reasons why such post-2015 debates are useful and consistent with supporting poverty reduction efforts via the MDGs:

- f First, the core concerns of the MDGs - nutrition, health, and education - are likely to remain valid after 2015 in some way (though they may be conceptualised and measured differently).
- f Second, the MDGs gestated for ten years in UN Conferences, the OECD 1996 International Development Targets, and so on, and so with less than five years, there is considerable time pressure to set in place a global process of deliberation. The political momentum required to build international compacts such as the MDGs is enormous to the extent that the delivery of any post 2015 framework cannot be taken for granted.
- f Third, there is a vast amount of innovation in indicator research not only in global projects, but also in academic writing (much of it consistent with the existing MDGs – e.g. Vandemoortele and Delamonica, 2010).
- f Fourth, the economic crisis and its aftermath mark the end of a relatively benign period and present an opportunity to rethink progress, indicators and institutional arrangements as the Sarkozy Commission noted recently. Much has changed since the Millennium Declaration in 2000 – climate change is increasingly central to all policy efforts, and the forthcoming period is likely to be not only far less certain in terms of periodic/multiple-source crises and instability, but also fiscally and carbon-constrained.

3. What have been the strengths and weaknesses of the existing MDG framework, and what lessons can we learn to inform a post-2015 MDG framework?

A useful starting point for discussion of any post-2015 architecture is a stock take of the MDGs and their impacts. What actually are the MDGs and what are they for? The MDG ‘paradigm’ itself has been defined as ‘human development meets results-based management’ (Hulme, 2007: i) consisting of the quantitative targets of the MDGs but extended to the much broader Millennium Declaration (Maxwell, 2005).

The MDGs, of course, consist of a set of indicators - the quantitative (and non-quantified) targets - produced by the UN Secretary General in 2001 and updated in 2005 (by the ‘Inter-Agency and Expert Group on the MDG Indicators’), of 8 goals, 21 quantifiable targets (originally 18) and 60 indicators (originally 48). The indicators were developed from the Millennium Declaration (that all UN Member States agreed) consisting of six ‘fundamental values’ (some of which are only partially represented in the MDGs) of freedom, equality, solidarity, tolerance, and respect for nature and shared responsibility. However, as Manning (2010) notes, the MDGs are not formally endorsed by the UN membership, but described as ‘a useful guide’ (For a detailed history of the MDGs see Manning, 2009; annex 2; and Hulme, 2007).

The MDGs are undeniably a set of indicators to assess progress on poverty reduction. However, the MDGs are also a ‘package’ representing an ‘idea’ or ‘global norm’ on development and poverty reduction. Fukuda-Parr and Hulme (2009) discuss how the

‘poverty norm’ became a ‘new international norm’. They contend that the MDGs embody global poverty eradication as an ethical, moral imperative and an international norm emerged, ‘cascaded’ and became internalized in the global community. The purpose of the MDGs is then two-fold: as an idea or ‘global norm’ to mobilize ODA resources in particular (which the MDGs have been successful to some considerably extent – see below), and as an incentive structure – based on results-based management – to hold country governments and donors to account on delivery of poverty reduction against the MDG benchmarks (on which there are very divergent opinions as to if the MDGs have done this, especially at country-level – see below).

So, one might say that the MDG global framework or any future global development architecture that seeks to determine how development actors behave needs to be composed of: An idea - a definition of 'good' progress/development/change; An indicator set or means of assessment able to assess 'good' progress/change; and an institutional arrangement - the incentives shaping behaviour– i.e. results-based management or something different. The main critiques of the MDGs (see table 1) have been as an idea, the MDGs have a limited conceptual basis on defining development/progress/change (as reductionist or incomplete human development); as a set of indicators, the MDGs have numerous limitations on measuring development/progress/change and as an institutional/incentive/accountability structure, the impact of the MDGs at country level is uneven at best; and the MDGs have had potentially distorting impacts i.e. targeting of the near poor (easier to help and reach target) rather than the most poor.

Table 1. What are the strengths and weaknesses of the MDGs?

Strengths	Weaknesses
<ul style="list-style-type: none"> -As a ‘rallying call’ for actors; as a common/shared understanding of poverty reduction; -Targets and indicators to guide and motivate policy decisions, and – in principle – accountability; -Pressure for more data on poverty; 	<ul style="list-style-type: none"> -Defining human development outcomes rather than opportunities to achieve outcomes; -Limited unifying theory on the structural causes of poverty; weak on social justice – equity, rights, vulnerability and exclusion. -A (mis?) perception donor-led; and distorting impacts – transient vs. chronic poor.

Sources: Hulme (2009), Manning (2009) and Saith (2007).

The policy impact of the MDGs to date can be assessed in greater detail via five channels (see table 2): in terms of:

- adoption (in policy);
- adaptation (to locally defined goals, indicators and targets);
- allocation (of resources);
- aberrations (and unintended distortions);
- acceleration of MDG progress in actual poverty reduction outcomes.

Table 2. Evidence on MDG impacts

Channel of impact	Key findings
Adoption (in policy) in global policy discourse, and in PRSPs and donors statements	Global – high impact; PRSPs – medium impact; Donor statements – medium impact.
Adaptation (to locally defined goals, indicators and targets)	Good evidence of impact in some countries but mixed/unclear/needs more systematic research.
Allocation (of resources) towards social spending by donors and governments	High impact on ODA and sub-sector allocations to MDG related areas such as primary education and infectious diseases. Unclear impact on social spending by governments.
Aberrations (distortions and other forms that expected)	Unclear in general but evidence of poorest quintiles with considerably higher deprivations than average indicators and comparison of net primary and teacher ratios for example in sub-Saharan Africa suggests net primary enrolment may have improved at the expense of education quality.
Acceleration (of poverty reduction post-2002)	Globally - weak evidence of acceleration; Least development countries and SS Africa - acceleration stronger.

Sources: Fukuda-Parr (2010a; 2010b), UNDP (2010).

Recent analysis of the impact of the MDGs on the international poverty discourse found it to be 'strong, and significantly stronger than for previous attempts to use indicator sets to highlight issues' citing as evidence the MDG reports, high level events and G8 discussions (Manning, 2009: 25-26). Manning (p. 25-26) cites the following evidence:

The regular 'MDG Reports' issued by UN-DESA in association with the IMF, World Bank and OECD, the Global Monitoring Report of the IMF/World Bank, and the work of the UNDP (not least at country level)... High -level events, which draw on progress (or lack of it) towards the MDGs... The use of the MDGs in G8 Summit discourse, not least at the Gleneagles Summit in 2005... The use of MDG target data as central to agendas such as Education for All, promoting basic health or improving the coverage of water and sanitation... [and] the UN-led Africa MDG Steering Group.

Impacts at country level - in PRSPs, donor policy docs, and adaptation and acceleration of poverty reduction - are more mixed. In terms of impacts on PRSPs and donor statements, Fukuda-Parr (2010, p. 29) notes:

All but four of the 22 PRSPs reviewed emphatically state commitment to the MDGs as a principle... ... and almost every one of the key MDG priority areas was included as a priority. However, of the eight goals, 34 targets and 60 indicators, some were emphasized more than others. Some were included as a pillar or a core objective of the PRSP, implementation plans clearly developed, and benchmarks for monitoring progress defined. Others were merely mentioned as an important objective without indication of how they would be implemented.

... As with the PRSPs, aid policy statements of major bilateral donors align with the MDG priorities only partially and in varying ways... While multidimensional poverty – including income poverty, education and health - is the stated central

policy objective of almost all the bilateral aid programs, some objectives such as maternal mortality and child survival receive surprisingly limited emphasis.

Table 3. Top 10 most commonly selected MDG priorities in 22 PRSPs and 20 donor programmes

MDG priority	Action plan outlined	Pillar or core objective	Targets defined
Most included among PRSP priorities			
Primary schooling – MDG 2	21	20	21
Health (general) – MDG4-6	20	19	20
Income poverty – MDG 1	18	15	21
Governance (rule of law, corruption)	18	11	3
Water & sanitation – MDG 7	18	6	21
Gender equality (general) – MDG 3	16	4	8
HIV/AIDS and other diseases – MDG 6	15	7	17
Employment (general) – MDG 1	14	9	7
Hunger – MDG 1	14	2	1
Social integration and vulnerable groups- MDG 6	13	6	0
Most included among donor priorities			
	Core priority	Important but not core priority	
Environment – general	19	0	
Human rights	17	0	
Education – general	15	0	
Governance	15	1	
Peace and Security	15	4	
Health – general	14	0	
Democracy	14	0	
Income poverty	13	1	
HIV/AIDS and global diseases	12	1	
Water and sanitation	10	1	

Source: Fukuda-Parr (2010, p. 31).

It has been suggested that the MDG framework has weaknesses in terms of institutions. It has not held governments and donors to account; it has encouraged vertical funds at the expense of national approaches; and it has failed to get buy-in from developing countries that see it as a developed country agenda. However, there is good evidence of local adaptation in that locally defined MDGs 9s (additional local MDGS) have been added in a number of countries - Afghanistan, Albania, Azerbaijan, Benin, Bhutan, Cambodia, Cook Islands, Kenya, Kosovo, Mongolia and Vietnam. Furthermore, a recent UNDP/Columbia University study of 30 countries revealed that 25 had adapted the MDG goals or indicators (see example in Africa table 4). This is an area where evidence is thin though and further research is a priority.

Table 4. MDG national ownership in selected sub-Saharan African countries

	Adaption of goals or targets	Adaption of indicators	National processes of localisation
Botswana	Y		Country's Vision 2016 and National Development Plan for 2009-2016 matches the MDGs.
Ethiopia		Y	National development plan, PASDEP (2005-2010) prioritises MDG achievements.
Ghana	Y	Y	The GPRS II (2006-09) explicitly focuses on the MDGs, which also have been given a separate section in the annual budget statement; civil society prepared MDG shadow report.
Malawi		Y	The Malawi Growth and Development Strategy (2006-2011) is a MDG-focused national plan; civil society is active in producing shadow MDG reports led by the Council of NGOs in Malawi.
Mozambique			MDGs incorporated into the second PARPA (national poverty reduction strategy).
Senegal	Y	Y	The President established a Special Presidential Adviser on the MDGs and appointed a national steering committee to coordinate the national response for MDG achievement.
Sierra Leone	Y		The 2nd Growth and Poverty Reduction Strategy (GPRS) focuses explicitly on the MDGs, with the Office of the President leading its implementation and oversight.
Tanzania	Y	Y	MDGs mainstreamed into Development Vision 2025 and medium term plan MKUKUTA, and for Zanzibar.
Togo		Y	Adopted a National Development Strategy based on the MDGs (2007).

Source: Extracted from UNDP (2010) based on National MDG Reports.

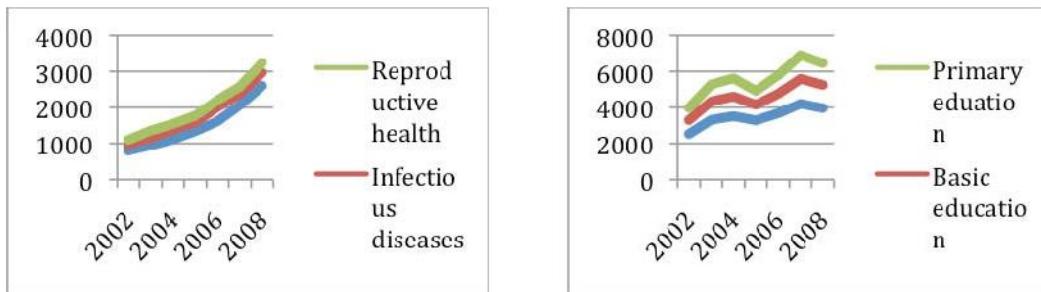
One benefactor from the MDGs, as Moss (2010) notes has been ODA mobilisation and ODA mobilisation to MDG areas of health and education in particular. At a global level, bilateral ODA has gone up in absolute terms since 2000 from \$46bn to \$74bn and from 0.14% of donors GNI to 0.20 but actually fallen slightly as a percentage of recipients' GNI (see table 5). There has been a structural shift towards social allocations and away from economic and productive sectors. In absolute terms, social sector, bilateral ODA spending has doubled 2000-2008 from about US\$20bn/year to over US\$40bn/year. In contrast production-sector ODA has stagnated. If we consider sub-Saharan Africa further, budget allocations of aid to both health and education-related MDG areas have increased in the MDG era (see figure 1 and 2).

Table 5. ODA Disbursements to developing countries, 2000 vs 2008.

	2000	2008
Net ODA from DAC countries, excl. debt relief (constant 2007 US\$m)		
Bilateral	46,454	74,120
Multilateral	25,429	33,190
Net bilateral ODA (% of OECD-DAC donors' GNI)		
Bilateral	0.14	0.20
Multilateral	0.07	0.09
ODA from OECD-DAC donors to developing countries (% Recipients' GNI)	0.7	0.6
Sectoral Allocation of Bilateral ODA to from OECD-DAC donors to developing countries (by sector, % total)		
Social Infrastructure and Services	50.2	57.9
of which: Basic social services	15.8	14.2
Economic Infrastructure and Services	26.0	24.1
Production Sectors	11.0	9.6
Multisector/Cross-Cutting	12.8	8.4

Source: McKinley (2010) calculated from IDS-DAC online.

Figure 1 and 2. ODA (all donors) to Africa, 2002-2008 (disbursements, constant 2008, US\$)



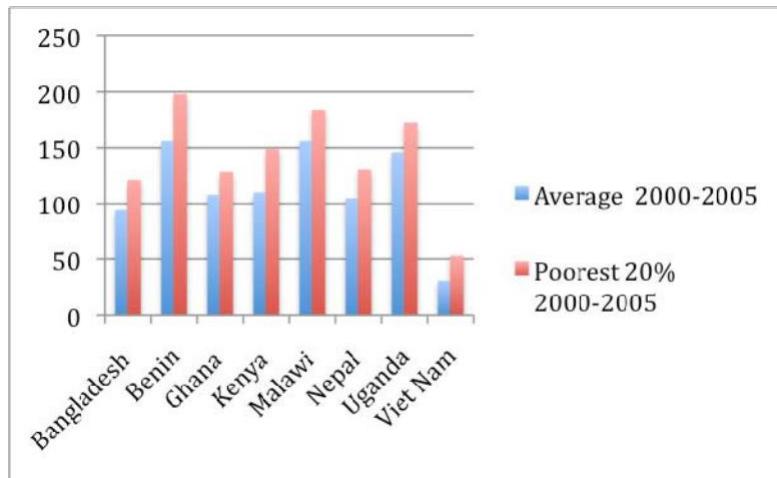
Source: OECD CRS database

The move from productive sectors to social sectors, which one can partly attribute to the MDGs, can be seen as a good thing (focus on achieving health and education goals which are important); but it can also be seen as a distortion as it gives the (at least partly) erroneous impression that one can have long -term sustainable progress in education and health without a well-functioning growing and strong economy (See discussion in Bourguignon et al., 2008).

The MDGs have also been criticized for other distortions. For example, the MDG have given rise to vertical programming and central-planning type costing strategies (including, for example, the Millennium Commission) which has given the impression that reaching the MDGs is about totting up unit costs, and delivering money. Further, the MDGs have arguably neglecting the very poorest by focusing on percentages and non-universal cover for the most part and towards achieving quantified targets at the expense of quality (Saith, 2007). Assessing these issues systematically is difficult. It is true that few of the MDGs are universal and many are proportional reduction targets and even if MDG 1 is met there will be 0.9bn people under \$1.25/day. It is though not difficult to find MDG indicators much weaker amongst the poorest (for example U5M data in DHS surveys – see figure 4) and a comparison of sub-Saharan African improvements in net

primary enrolment may have been at the expense of education quality using proxies such as teacher-student ratios (see table 6).

Figure 4. MDG 4/5 - Under 5 Mortality Rates: Average versus poorest



Source: Vandemoortele and Delamonica (2010) based on World Bank DHS.

Table 6. Net primary enrolment and pupil-teacher ratios, 2004-8

Net enrolment rate. Primary. Total	2004	2008	% Var.
East Asia and the Pacific	94.0
Latin America and the Caribbean	95.1	95.0	-0.2%
South and West Asia	90.6	90.6	0.0%
Sub-Saharan Africa	69.1	76.5	10.7%
Pupil-teacher ratio. Primary	2004	2008	% Var.
East Asia and the Pacific	21.2	19.1	-9.8%
Latin America and the Caribbean	23.7	23.9	0.5%
South and West Asia	38.6
Sub-Saharan Africa	43.5	45.9	5.6%

Source: UNESCO database at: <http://stats.uis.unesco.org>

A key question is whether poverty reduction is faster or slower in the MDG period. Overall across all developing countries evidence of acceleration of poverty reduction is very limited. Only income poverty reduction and water access were accelerated in more than half of all countries. However, acceleration in the least developed countries and SSA Africa was better with a half or more countries accelerating on 4 or 5 of 7 key MDGs.

Table 7. Percentage of countries by type showing improved rate of poverty reduction in MDG Period (mid point 2000-2003 to most recent data)

Indicator	All developing countries	Least Developed Countries	Sub-Saharan Africa
Population Below \$1 per day, (PPP), Percentage	64 %	67%	80%
Total Net Enrollment Ratio in Primary Education, Both Sexes	35%	45%	52%
Gender Parity Index in Primary Level Enrollment	46%	57%	56%
Children under 5 mortality rate per 1000 live births	32%	50%	63%
Proportion of the population using improved drinking water sources, total	76%	48%	39%
Proportion of the population using improved sanitation facilities, total	46%	58%	52%

Fukuda-Parr and Greenstein (2010).

4. What new issues that will have an impact on reducing poverty need to be taken into account in the design of a new framework?

MDG lessons aside, are at a number of difficult issues for any new framework will have to grapple with. These include the post-crisis context and fiscal squeeze; Climate change and adaptation; demography and urbanization to name but a few very large issues. These will make the run up to 2015 different from that of the run up to 2000.

An important difference is that the MDGs emerged in a relatively benign/stable/fiscally buoyant period, and that any post-2015 might need to fit to the post-crisis context of periodic/multiple- source crises/instability, and a fiscally and carbon-constrained world. Development has changed significantly since the Millennium Declaration was signed in 2000 and the MDGs do not take account of: changes in the global balance of power and international relations; new financing instruments (including climate financing, innovative taxes, and private sector flows); and natural resource conflicts.

There is a sense that the economic crisis marked an end to a benign era of relative stability, strong economic growth and fairly buoyant aid budgets and the beginning of a different world or ‘new normal’ in the post-crisis context which may be one of multiple, inter-linked crises. Suffice to note at the outset, the conclusion of the US National Intelligence Council Report (2008: xii), based on a widespread and large academic consultation, is sobering: “trends suggest major discontinuities, shocks and surprises”.

There is already emerging evidence that the economic crisis itself is leading to significant changes in the context for development more broadly. For example:

- f Global governance: The G8 to G20 shift means more representation and power for large developing nations, but changes in the IMF and World Bank will be crucial for wider changes in governance;
- f New economic and social policies: There is likely to be a greater tendency for developing countries to explore new development models; approaches from China, the ‘Beijing Consensus’ are more likely to be taken up than Western prescriptions; the scale of food and financial crises has made a powerful case for better social protection systems, but building ownership in governments and civil

societies remains a challenge in securing long-term budget allocations.

The rise of the G20 and its institutionalisation at the G20 Pittsburgh summit as the global body for economic coordination, marks a fundamental shift from the era in which the MDGs were agreed – where the OECD countries were the primary drivers and decision makers in global economic affairs. The shift from the G8 to the G20 is certainly a positive one in terms of representation of developing countries, but it's less clear that the impact will be. While the G8 has in recent years had Africa and the MDGs as a permanent item on its agenda, it has been harder to get issues relevant to the poorest countries, such as the MDGs, into the G20 discussions. Further, many issues appear to be narrowing to a G2 consisting of the US and China.

The economic context has also been shaken by the crisis – both because of the uncertainties created by the unexpected shocks to finance and trade, and their knock-on effects on millions of lives, but also the shaking of confidence in what were previously thought to be the certainties of economic theory and practice. The Washington consensus has been declared dead (yet again) but the nature of the shift to a 'Beijing Consensus' or model (meaning a greater role for state-led or state managed global integration) and policy experimentation is, as yet, unclear. The IMF (2010a; 2010b; 2010c) most recently has questioned inflation targeting and capital controls and raised the prospects of new financial and bank taxes. Further, the discussion of 'global economic imbalances' at the G20, and the resulting agreement that governments have a role in directing markets in order to avoid 'imbalances' would have been an unthinkable break with the orthodoxy just a few years ago. But it is far from certain what the change in language in G20 declarations will have any long-term impact on policy.

Economic uncertainty in donor countries is also leading to declining public support for aid budgets. This is an immediate concern for policy makers over the next few years, and will be critical in determining the economic and social policy environment. Looking further ahead there are some major 'game changers' beyond the recent economic crisis and food/fuel crisis most notably climate change and demographic change/urbanization to name just two (see tables 8 and 9 and 10) that will impact on the MDGs to 2015 and beyond including the addition of an extra 760 million people over the next ten years on the medium variant trend and Fankhauser and Schmidt-Traub (2010) estimate the cost of 'climate resilient' MDGs to be about a third higher than the conventional cost of meeting the MDGs – around US\$100 billion a year for the next decade, compared with US\$72 billion a year for the MDGs alone. Extra costs arise from having to provide more development support (for example, extra bed nets against malaria), the same support at a higher cost (for example, more expensive infrastructure) as well as new measures altogether (for example, adaptive capacity building). In one of the better-known estimates of adaptation costs (UNDP, 2007), about half of the costs arise from social protection programmes that mitigate the adverse social impacts of climate shocks. One might also note the changing nature of aid itself in the rise of 'new' donors in the BRIC/BASICs and wider a field; debates on climate finance which may dwarf 'traditional aid' flows; innovative financing which is already changing the nature and structure of aid. All of this speaks to a political and economic environment of increasing uncertainty over the next decade or more constituting perhaps a 'long crisis' (Evan et al., 2010) or even what the UK's Chief Scientist, Professor John Beddington, (2009) refers to as a 'perfect storm'.

Table 8. MDGs 1-7 and climate change relevant poverty impacts

Millennium Development Goals	Climate change relevant poverty impacts
Goal 1: Eradicate extreme poverty and hunger	Climate change is likely to impact on poor people's livelihoods and food security by: Reducing poor people's livelihood assets Altering path and rate of economic growth Undermining food security
Goal 2: Achieve universal primary education	Destruction of schools/other assets by extreme events Loss of livelihoods – reduced school attendance Disaster-related migration of families
Goal 3: Promote gender equality and empower women	Reduced agricultural productivity/disasters can: Burden women's health; Limit women's time to participate in decision-making/income generation activities; Reduce livelihood assets for women
Goal 4: Reduce child mortality Goal 5: Improve maternal health Goal 6: Combat HIV/AIDS, malaria and other diseases	Climate change-induced extreme weather events are likely to result in higher prevalence of vector- and water-borne diseases, declining food security and decreased availability of potable water
Goal 7: Ensure environmental sustainability	Climate change will directly impact on natural resources, ecosystems and the earth's natural cycles. This is predicted to reduce the quality and quantity of natural resources and ecosystems.

Source: Urban and Sumner (2009).

Table 9. MDG Resource estimates and climate-proofing costs

MDG costs by sector (\$bn p.a. for 2010-20)	ODA needs for MDGs	
	Cost 2010-20	of which ODA
Agriculture & nutrition	11.4	8.0
Nutrition & school feeding	5.7	4.0
Education	11.9	8.3
Health	40.0	28.0
Infrastructure	43.3	23.7
Statistics	0.4	0.3
SUB-TOTAL: MDG COST	112.7	72.3
Additional 'climate-proofing'		
Coastal protection	0.8	0.8
Disaster response	12.0	12.0
Ecosystem management	not assessed	
SUB-TOTAL: additional cost	12.8	12.8
GRAND TOTAL	125.5	85.1

Source: Fankhauser and Schmidt-Traub (2009).

Population indicators 2005-2020 (billions)

	2005	2010	2015	2020	New population 2010-2015	New population 2010-2020
Population (billions), medium variant						
World	6.51	6.91	7.30	7.67	0.39	0.76

Less developed	5.30	5.67	6.05	6.41	0.38	0.74
Least developed	0.76	0.85	0.95	1.06	0.14	0.21
Africa	0.92	1.03	1.15	1.28	0.12	0.25
Asia	3.94	4.17	4.39	4.60	0.22	0.43
Latin America and the Caribbean	0.56	0.59	0.62	0.65	0.03	0.06
Urban population (billion)						
World	3.16	3.49	3.84	4.21	0.35	0.72
Less developed	2.26	2.57	2.90	3.24	0.33	0.67
Least developed	0.21	0.25	0.31	0.38	0.06	0.13
Africa	0.35	0.41	0.48	0.57	0.07	0.16
Asia	1.57	1.77	1.99	2.21	0.22	0.44
Latin America and the Caribbean	0.43	0.47	0.51	0.54	0.04	0.07

Source: World Population Prospects, 2008 revision at <http://esa.un.org/unpp/>

Finally, what about the nature of global poverty? Even if the MDG one is met there will still be 0.9bn poor people in 2015 and latest World Bank (2010:115) estimates are that if recovery from the economic recession is rapid there will be an estimated 918m poor people in 2015. However, if recovery is weak there will be 1.132 billion poor people in 2015. In either case around 40% of the world's poor will live in sub-Saharan African.

However, underlying these estimates is potentially a larger 'game changer' about the shifting global distribution of poverty which is estimated in depth in Sumner (2010). Here we summarise briefly: In 1990 most of the world's poor people (93%) lived in poor countries - meaning low-income countries (LICs). Two decades on, the world's poor - 72% or almost one billion poor people - now live in middle-income countries (MIC) and 61% of the world's poor live in stable, MICs. LICs account for just 28% of the world's poor and fragile LICs account for just 12%. This is a startling change over two decades. Contrary to earlier estimates that a third of the poor live in fragile and conflict-affected states our estimate is about 23 -26% if one takes the broadest definition. The picture is fairly similar taking education, nutrition, and the new UNDP multi-dimensional poverty index.

Is this just a China and India story? Yes and no. Over the last twenty years the proportion of the world's poor accounted for by China and India has fallen from two-third to a half. The percentage of global poverty in the MICs (minus China and India) has risen from 7 to 22%. The percentage of global poverty in the LICs (minus China and India) has fallen from 31% to 28%.

This all raises a lot of questions for any post-MDG framework: If the poor live in stable MICs, do those countries need aid flows or are domestic resources available? Whose 'responsibility' are the poor in MICs – donors or governments or both? If most stable MICs don't need aid - judging by their aid dependency ratios - should aid flows be redirected to LICs, fragile and conflict affected states and/or to global public goods? What should be the donor-recipient partnership/strategy and aid instruments for MICs? Do we need new/different aid objectives and new/different aid instruments? How have countries achieved MIC status with high levels of absolute poverty? These questions will

all need discussing in the run up to any new global agreement.

5. What innovations in indicators and institutional arrangements have been made that need to be factored into new framework?

There is a wide range of initiatives that are seeking to revisit/rethink poverty and development indicators. Evidence of this is most visible in the recent Sarkozy Commission, chaired by Amartya Sen, Joseph Stiglitz and Jean- Paul Fitoussi, which has provided one of the most recent and strongest signposts of all with its conclusion that there is a need ‘to shift emphasis from measuring economic production to measuring people’s wellbeing’ (2009: 10). There is also:

- f Broader/updated human development - the major review of 20 years of the Human Development Report and assessment of the Human Development Indices by the UNDP Human Development Report Office and the new Multi-dimensional Poverty Index developed by the Oxford Poverty and Human Development Initiative (OPHI) as well as work on the ‘missing dimensions of human development’ – dimensions important to poor people but with little or no data – focusing on decent employment, agency and empowerment, physical safety, the ability to go about without shame, and psychological and subjective wellbeing (see for discussion, Alkire and Santos, 2010).
- f ‘Human Wellbeing’ and poor people’s own indicators - the Economic and Social Council-funded Wellbeing in Developing Countries (WeD) network has developed a ‘human wellbeing’ approach builds on human development and seeks to link together material, relational and subjective wellbeing and their interaction (see for discussion, McGregor and Sumner, 2010).
- f ‘One-world indicators - the OECD convened Measuring the Progress of Societies Project, amongst others’, has discussed broader definitions of progress such as sustainable wellbeing and intra-generational issues (poverty, inequality, etc.) and inter-generational issues (sustainability, vulnerability, etc.). This would build on MDG 8 and perhaps have climate adaptation as a focal point and building resilience at various levels.

There is also a range of initiatives that are seeking to revisit/rethink institutional arrangements beyond crude results based management. For example,

- f Output-based aid approaches (aka ‘cash-on-delivery) – somewhat similar to results-based management but different where financing depends on delivery of key outputs such as teachers trained or reduction in poverty indicators rather than input-based indicators such as ODA spend (see for discussion, Birdsall and Savedoff, 2010).
- f Post-bureaucratic approaches (aka ‘choice architecture’) – Developed by behavioural economists researching decision making (eg. Thaler and Sunstein, 2008), this approach is based on the idea that human beings are very much influenced by their context (e.g. ‘default choices’) and respond to that context or their ‘choice architecture’.

f One-world or mutual solidarity triggers – i.e. crisis-like trigger mechanisms – certain levels of deprivation or need trigger co-ordinated international and/or national response (with parallels to humanitarian approaches such as famine or natural disasters)?

Indeed, aid more broadly and ‘aid effectiveness’ in particular are going through a major rethink (see detailed discussion in Evans, 2010). There is the transparency and accountability revolution (see Barder, 2010), and there are much broader and deeper changes afoot. There is further a questioning of if aid effectiveness debates have missed the point by focusing on quantity or quality of aid (Fischer, 2009) and even suggestions traditional ODA is dead (Severino and Ray, 2009; 2010). Severino and Ray’s (2009) discuss a ‘triple revolution’ in ODA in terms of goals, players and instruments (all mushrooming) leading to questions of the validity of the current definition of ODA as loans and grants from governments. Key drivers of the rethink have been the changing landscape and nature of aid - notably the new non-DAC donors (account for 15% of global ODA) and other actors such as the Foundations, the new modalities - innovative finance mechanisms - and the likely dwarfing of traditional ODA by climate financing - and new institutions such as cash -on-delivery and output-based aid noted above. In short, the very definition of what aid is and what it hopes to achieve are on the table for discussion. Add to the mix some pressing timelines such as the deadline for the Paris Declaration in December 2010 and even well before 2015 some big global debates are likely to emerge.

6. What might a new global framework look like?

In short, any post-MDG framework would need to pay greater attention to the emerging ‘difficult’ issues noted above such as climate and demography/urbanisation, update thinking on better indicators and institutions and have better Southern ownership which would hopefully lead to systematic integrated into national development strategies (and donor country plans).

Three stylized option for post -2015 could be outlined and assessed (see table 11 and 12). First, a 'MDGs 2020/2025' - take the same goals, more-or-less, with a new deadline. Second, a MDG-Plus – take a small set of 3 -4 'core' universal goals such as child education, health and nutrition plus a small set of 3-4 new locally-defined goals and/or going beyond a human development focus (one narrative is that a focus on short-run poverty reduction has detracted from long run transformation of societies and emancipation from aid). Third a 'Millennium World' or 'One World' - an approach, building on MDG 8, around addressing global issues with perhaps a focus on resilience and addressing climate change and other global challenges.

Table 11. Options for the Post-2015 Global Frameworks

	MDGs 2020/2025	MDG-PLUS	MILLENNIUM WORLD/ONE WORLD
Idea	Same MDGs, possibly with a few changes to indicators and a new deadline of 2020 or 2025.	Incremental/expansion of MDG approach or 'MDG plus' to expand to local ownership with nationally-set goals – which could be beyond a purely human development focus.	A framework to address global issues notably climate change with global public goods and goals for climate adaptation and finance and poverty/social insurance/security.
Indicators	Existing MDGs with minimal - if any – changes or supplemented or substituted with amended or new indicators	Small set of 3-4 'inner core' universal goals from existing MDGs - child education, health and nutrition plus a small set of 'outer-core' 3-4 new and locally-defined goals	Some resonance with MDG8 indicators; indicators of resilience and vulnerability, global public goods, climate adaptation, etc.
Institutions and Incentives	Results based management. Existing donor and recipient government relationships?	Post-bureaucratic approaches – i.e. choice architecture? New donor/recipient government and poor people relationship?	Certain levels of deprivation trigger co-ordinated international and/or national response (some parallels to humanitarian approaches such as famine)? Global governance and relationships.

The minimum option is really MDG+ because MDGs 2020/2025 would be politically difficult (not to meet the MDGs and then to extend the deadline). However, the 'maximum' would be arguably better – One World – building as it does on MDG8 on the global partnership.

Table 12. Comparison of post-2015 options

	MDGs 2020/2025	MDG-PLUS	MILLENNIUM WORLD/ONE WORLD
Better Southern ownership	No	Some	Yes
Addresses difficult questions such as climate, etc.	No	No	Yes
Probability of global agreement	Easier	Medium	Hard
Strengths	Keeps the current consensus and momentum, focuses on rich countries honouring	Fills gaps in the MDGs.	Forward looking; addresses wider and intergenerational causes of poverty and vulnerability;

	commitments and standing by their pledges; and may be easier to agree than other options. It means political and technical energy can be focused on implementation rather than discussions about a new framework.		incentivises behaviour change through mutual self-interest and solidarity.
Weaknesses	Misses the opportunity to improve the targets and indicators to better capture the outcomes that matter most for poor people, and to develop a framework with stronger southern buy-in.	Complicates the simplicity of the MDG framework. New targets may be hard to negotiate, especially if politically awkward, as there will be many concerns and criticisms. May still be regarded as donor-led and reductionist. Locally selected targets might hinder cross-national comparisons.	Harder to reach agreement?

One could imagine a combination of options as possibly most attractive. One should retain a core set of MDGs (basically income poverty/hunger, education, mortality, maybe water access) and set new realistic global goals with regional sub-goals (that can then be translated into national goals). In addition, one should have some key 'one-world' indicators, largely on global public goods such as: eradication/vaccination/treatment of serious global diseases, mitigation of carbon emissions and adaptation to climate change, and maybe some global compact on results-based aid deliveries.

7. Conclusions and who needs to do what next?

The MDGs took ten years - a decade of momentum - and a small group of 'insiders' backed by powerful actors to get off the ground. The context has now changed – there are more middle-income countries and much greater range of donors (emerging economies such as China and private philanthropic foundations such as Gates) and opportunities to raise funds (through alternative/innovative financing mechanisms), and a rise in the importance of the G20; a difficult context post-crisis for aid/public expenditures; risks of climate change to sustaining the progress achieved in the MDGs; and demographic change. In terms of the post-2015 framework, the key question is not what but *how* to decide – what process for global discussions? If there is to be a framework for after 2015 that is based on a global discussion, its development needs to start soon. Arguably, there is scope for an independent global commission to bring this together (taking as precedence the Brundtland or Brandt Commissions, or the Commission on Human Security or the Commission on the Legal Empowerment of the Poor) led by someone like Lula da Silva who has global credibility on poverty reduction. A truly global participatory process that might have several strands. The Lula Global Commission on

Poverty and Development in a Changing World would:

- f Co-ordinate a genuinely global process of roundtables, voices of the poor, blogging, and multimedia communications of critical issues - think of Ravi Kanbur's World Development Report 2000/1 consultations/pre-process + Voices of the Poor + Web 2.0 and perhaps encompassing the new Hewlett Thinktank Initiative of 60 Southern research institutes.
- f Convene a high level meeting on a 'new development consensus' that would become an evidence-base for what works and how to proceed with global poverty reduction in a changing climate in a much more integrated way.
- f Conduct a Stern-review on the economics or cost of global poverty – with the 'it's cheaper to address the causes of poverty now than the cost of the consequences later'.

Other important avenues will be the recently announced UN Secretary-General's High-level Panel on [Global Sustainability](#), which will inevitably cover some MDG/post-MDG discussions as it develops its 'new development paradigm' and already in the MDG 2010 summit negotiations there has been a call for a 2013 high -level review meeting and another in 2015 to focus on the development agenda beyond 2015 (either of which may play a role similar to the 1995 Copenhagen Social Summit).

In sum, there is relatively little time but plenty of opportunities to start a discussion and such debate is needed sooner rather than later if a global agreement is even a possibility.

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