We are at a turning point for the MDGs

It's not too late to rescue the UN's Millenium Development Goals (MDGs) from failure, says Antonio Vigilante. But it will demand a major effort and the leadership of the EU for the ill-effects of the global econimic crisis to be reversed

At the UN's Millennium summit 10 years ago, 192 governments signed a compact to halve world poverty by 2015. The Millennium Development Goals (MDGs) also committed countries to reducing hunger, disease and exclusion and to providing universal education, health, drinking water and a healthy environment. This September, world leaders will review progress, and the overall prognosis is not good. The outlook for having world poverty by 2015 wasn't too bad until the global economic crisis hit. But since 2008, over 100m more people have been thrust into poverty, and the impact of the so-called "triple crisis" – the economic downturn, lingering effects of high food and energy prices, and climate change – is leading many experts to deduce that the MDGs will fail.

The MDGs are "do-able". There have been sizeable reductions in poverty since the MDGs were set in 2000. Many countries, including some of the poorest, have scored impressive successes

The UN's September meeting on the MDGs therefore risks degenerating into recriminations about why the goals are not being met, with "the South" blaming the U.S. and EU for failing to deliver a WTO trade round that helps developing countries and for cutting back access to funding and technologies, and with "the North" blaming bad governance and inadequate national policy commitments for disappointing progress on the MDGs.

But for all this, the MDGs are "do-able". There have been sizeable reductions in poverty since the MDGs were set in 2000. Many countries, including some of the poorest, have scored impressive successes; fewer children die in infancy, a greater percentage of boys and girls are enrolled in school than ever before and ten times the number of people living with HIV/AIDS have access to anti-retro-virals. The world is on track to meet the safe drinking water target.

Find related articles on www.europesworld.org

- *Global recovery means development policy must top the international agenda by Douglas Alexander*
- *Now Europe has a chance of global leadership on development policy by Simon Maxwell*
- *The recession's storm holds a silver lining for development policy by Jean-Michel Debrat and Simon Maxwell*
- *Why we need a radical re-think of official aid by Roger C. Riddell*

At the same time, in spite of China's extraordinary successes, the number of people living in extreme poverty increased between 1990 and 2005 by about 36m, and this before the impact of the triple crisis. Last year also saw a grim new record being set, when the number of hungry people passed the one billion mark. Redressing inequalities between men and women, reducing child and maternal mortality remain formidable challenges. The good news is that more and more countries now have a fairly good idea of what works and what are the highest return actions to be scaled-up, such as investing in women and girls' health and education, access to energy – 1.6bn people still live without electricity –, conditional cash transfers and micro-finance against poverty.

But the truth is that the question marks over the MDGs mean that the credibility of the international system is at stake, and that is exacerbated by the failure of last December's Copenhagen summit to deliver on a global climate change agreement. Developing countries have seen several years of MDGs' gains reversed because of the consequences of climate change together with the economic downturn and the increase and volatility of energy, food and commodity prices. The pledges made by the G8 rich countries at the Gleneagles Summit in 2005 to increase overseas development aid (ODA) is also far short of delivery, by at least $18bn per year, once the effects of a reduced GNI are taken into account, and so is the target of doubling ODA for Africa. According to the OECD, aid from its member countries was $119bn last year, representing 0,31% of combined gross national income. Aid from the 15 OECD members that are members of the EU fell slightly in 2009 compared to 2008, and represents 0.44% of their GNI. Sweden, Luxembourg, Denmark and the Netherlands have long exceeded the 0.7% of GNI level, and Ireland, Belgium, the UK and Finland are close to the average EU interim target for 2010 of 0.56%. But the performance of Germany, Austria, Portugal, Greece and Italy is severely disappointing, with the latter country, at 0.16%, being the least generous. Yet these ODA pledges of 0.7% of GNI were made 40 years ago, so it's not hard to understand developing countries' frustration at a time when global co-operation is so critical to tackling the mounting number of global challenges.

For Europe and the whole developed world, investing in future of poorer countries is a moral imperative. If the MDG aim of reducing child mortality by two-thirds were still to be on track, 2.5m children would have not died in 2008. So if we can change course over the coming five years, that could mean the difference between life and death for 12m more children.

The MDGs are going to cost more than before because of the global recession, but the amounts involved are just a fraction of the resources that were mobilised by the developed world for its domestic bail-outs. And ultimately the economical strengthening of developing countries will be fundamental to Europe's own long-term economic prosperity.

Europe therefore needs to arrive at September's MDG review with tangible policy offerings. Arguably, the meeting will offer an opportunity for the post-Lisbon EU to exert strong, co-ordinated and coherent leadership on the international stage. There are two main things that the EU can do. The first is to show the way by meeting existing European ODA commitments.

Despite the crisis, European countries must fulfill the aid commitments they took on and implement more stringent compliance mechanisms as well as a better co-ordination and division of labour among themselves so as to maximise the impact of development co-operation. They also need to promote special initiatives like empowering women; the MDGs cannot be achieved if 50% of the population is sidelined. Almost any investment made in women and girls has a strong multiplier effect.

Europe's aid donors should also identify opportunities for development and new jobs that can be created by shifting to greener economies, and by facilitating access to technology and know-how. Another big help would be interim arrangements for implementing the pledges the EU made at the Copenhagen summit, while making it very clear that climate change financing is additional to ODA.

Europe can also boost policy coherence for development. The EU has long recognised the need to improve the scrutiny of various policies that affect developing countries. Development aid can never hope to be enough if it is being counterbalanced by the negative effects of other EU policies.

The challenge is to keep up a genuine dialogue with developing countries on monitoring these effects, and in the near future there will be several opportunities to do so, not least on trade negotiations where the EU could help secure a deal on the Doha development round of trade liberalisations, and on the reform of the Common Agricultural Policy, whose export subsidies and trade distortions are so negative for many developing countries. Climate change and migration are other areas where the EU could do much to enhance its development policy coherence.

On many occasions, the European Union has taken the lead in trying to rid the world of extreme poverty. So failure to achieve the MDGs would cast a long shadow on Europe's Commitment to concerted action on global imbalances. The UN's September summit is set to be a turning point in the fight against poverty, hopefully in the right direction. □

Antonio Vigilante is the UN Director in Brussels.
Antonio.vigilante@undp.org