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PARTNERSHIPS AND THE MILLENNIUM DEVELOPMENT GOALS

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CONTENTS:

1. The Millennium Declaration as a Global Compact	p. 3
2. Progress in Achieving the MDGs	p. 5
3. Governance, Partnerships, and the Millennium Development Goals.....	p. 8
4. Globalization and the Management of the MDGs	p. 11
5. Partnerships and the Management of Development Assistance	p. 14
6. Prospects and Possibilities	p. 19
• Capacity Development	
• Partnerships and Institution Building	
• Micro-credit and the Mobilization of Domestic Resources	
7. Concluding Remarks	p. 22

Partnerships and the Millennium Development Goals

1. The Millennium Declaration as a Global Compact

As frequently noted, General Assembly Resolution 55/2, which contains the Millennium Declaration (MD) and was adopted by 147 heads of State and 189 Member States, is by far the most significant partnership sought by the Organization over discrete, numerical, and time-bound development objectives¹. The Millennium Development Goals (MDGs) may be seen as a global compact or partnership, driven by shared values, goals, and responsibilities, as enshrined in the Charter of the UN and reaffirmed by the Millennium Declaration. Hence, the Millennium Declaration, no less than the original Charter of the UN, is primarily a value driven partnership. Its opening statement, under the heading Values and Principles, emphasizes this normative aspect:

*“We, heads of State and Government, have gathered at the United Nations Headquarters in New York from the 6 to 8 of September, 2000, at the dawn of a new millennium, to reaffirm our faith in the Organization and its Charter as indispensable foundations of a more peaceful, prosperous and just world”*²

This paper seeks to make clear that partnerships are required for the MDGs at both national and international levels. Furthermore, the concept of partnerships is closely interlinked to Governance, and the two may fruitfully be considered side by side³. A number of key questions will underscore the discussion:

- First, why are partnerships key to governance and how do partnerships differ at the national and international levels?
- Second, if partnerships are apparently so desirable for development objectives, what are the main constraints faced and how we can help to minimize or overcome them? And
- How does globalization affect governance, especially at the national level, and for securing international development partnerships? That is, how does globalization affect the management of the MDGs?

Sequentially, the issues raised are on the importance of Governance to MDGs, and indeed to all development efforts, and in turn the role of partnerships in the context of Governance. What may appear as initially casting our analytical net too wide is necessary for, as the Millennium Project, as well as Professor Jeffrey Sachs and his team, argue, to achieve the MDGs requires a commitment to good governance⁴. Thus, good governance with all its values and implications is not only an end in itself, but a means for scaling up investments, resource mobilization, and their efficient use. Furthermore, the mobilization and especially the effective use of resources is unlikely to be achieved unless the prime requirements for partnerships, including shared values and goals, participation, and an even playing field for partners are secured. Alongside asymmetrical power among unequal partners, the absence of accountability, transparency, and a long term vision have all played a role in the past to contain the impact of developmental partnerships.

A common thread runs through the Millennium Declaration, 2000 and subsequent summits and international conferences, such as Finance for Development in Monterrey, 2002 and Sustainable Development in Johannesburg, 2002. Good governance has two closely linked dimensions at the national and international levels. Although no explicit separation by components was made in the Millennium Development, its signatories committed themselves to “an open, equitable, rule based, predictable and non-discriminatory multilateral trading and financial system.” (Millennium Declaration, 2000, pg. 4) Furthermore, the signatories declared that “We will spare no effort to promote democracy and strengthen the rule of law, as well as respect for all internationally recognized human rights and fundamental freedoms, including the right to development.” (Millennium Declaration, 2000, pg. 6). Then, a series of resolutions are embodied in the Millennium Declaration which include: the Universal Declaration of Human Rights; civil, political, economic, and cultural rights; gender equality; genuine participation by citizens; and freedom for the media and access to information. Hence, the Declaration contains both global as well as national responsibilities. At the national and international levels, this compact was subsequently reaffirmed and strengthened at Monterrey 2002 and Johannesburg 2002, where governance and commitments at the international level, including resource mobilization, trade and debt cancellation, were buttressed by governance requirements at the national level, including democracy, human rights, the rule of law, accountability, inclusiveness and transparency. At both national and international levels, there is a strong element of voluntarism and enlightened self interest of the partners. The difference is that at the national level, it is often possible to have a binding legal framework in support of or enshrining a partnership, which may be absent or resisted at the international level.

Partnerships are key to a number of elements traditionally associated with governance. For example, scarcity of resources for development has meant that national governments have increasingly sought partnerships with civil society through both profit and non-profit organizations to mobilize additional resources or to provide services⁵. Partnerships for service delivery again involve NGOs or the private sector in areas where traditionally the State held a monopoly. This is the more conventional form of partnership and the one encouraged during periods of market-led reforms. An emerging form of partnership is one that actively involves civil society organizations in development objectives, such as poverty reduction, directly affecting their members or the wider community. In this light, partnership may be seen as an end in itself, for it encourages participation and inclusiveness which are thought mandatory for poverty reduction strategies. For example, Poverty Reduction Strategies Papers (PRSPs) invariably require that they come under the scrutiny of civil society before being approved by government and its international partners, namely the Bretton Woods institutions.

The avowed benefits that flow from developmental partnerships, especially at the sub-national or decentralized level, include greater transparency, reduction of transaction costs, and enhanced accountability. Once civil society is capacitated, it is easier to engage government in a dialogue of what needs to be provided, the mode of service provision, and who pays for it. Similarly, transaction costs for services are reduced, once the

benefits of greater accountability and transparency are reaped with a containment of malfeasance and corruption. Local providers of services are more attuned to local requirements, more accessible to the public, and find it easier to spot areas of cost reduction. However, as the UN Committee of Experts on Public Administration has pointed out, a lack of suitable negotiating skills and inadequate market conditions have rendered some of these partnerships less productive and therefore less conducive to development⁶. In this, weak accountability and transparency, as well as asymmetrical power of the partners, may lead to short term opportunistic partnerships of dubious value to the community at large. Thus, partnerships need not always qualify as a positive influence, although they provide useful adjuncts to development in principle. To foster an enabling environment, good partnerships must be based on principles that are value-driven, inclusive, transparent, and accountable. Then, the building of capacities of civil society and government for entering such partnerships, without the risk of failure, becomes an easier proposition. Hence, civil society empowerment requires more than involvement and inclusion in dialogues with major development partners, because it implies skills and negotiating power that civil society may not possess.

The following section two presents a synoptic view of the progress in achieving the MDGs and examines where the main concerns lie. Since progress in Sub-Saharan Africa constitutes a primary challenge for MDGs, the section focuses on efforts and challenges within this region, rather than assuming a more global focus. Section three provides a more extensive and empirical discussion of the relationship between governance and partnerships, examining the resurgence of interest by the international community.

Section four looks specifically at the impact of globalization on governance, while section five discusses the scale and management of official development assistance. Section six analyzes three areas where further progress is both desirable and possible in support of the MDGs, namely capacity building, institution building and partnerships, and micro-finance. The final section offers concluding remarks, both in terms of issues discussed and additional considerations that merit further analysis.

2. Progress in Achieving the MDGs

Recently, the Millennium Project presented the results of the most exhaustive review on MDGs performance.⁷ As expected, the overall progress to-date is mixed with significant shortfalls in achievements by region, with added skewness by country and region. Even without the definitive picture presented by the Millennium Project, sufficient evidence was in hand to demonstrate unsatisfactory performance, with large parts of the globe, namely Sub-Saharan Africa, lagging behind⁸. However, as the Millennium Project Report stressed, Sub-Saharan Africa is the epicenter of the crisis, with continuing food insecurity, a rise of extreme poverty, stunning high child and maternal mortality, large numbers of people in slums, and a widespread shortfall for most of the MDGs⁹. It may be recalled that the Millennium Declaration of 2000 did exhibit prescience in calling for the special needs of Africa to be met within a context of consolidating democratic principles, preventing conflict, and securing the MDGs¹⁰. The Millennium Project Report of 2005 supports this by providing additional evidence and recommendations on how both national governments and the international community may assist. Given the

centrality of Sub-Saharan Africa in the MDGs challenge, it may be worth looking at the evidence a little closer. To do this, one must place the Sub-Saharan Africa MDGs' record in a context of globalization and recent political changes.

Despite notable setbacks, progress from one-party rule to multi-party democracy has been made throughout Sub-Saharan Africa. In the 1990s alone, two thirds of the countries in the region have organized multiparty and competitive elections. Contrary to eye-catching headlines, current evidence points out that there are now fewer wars and fatalities in Africa as a result of armed conflict¹¹. Military dictatorships or overt and covert military influences still exist, but are maintained with more difficulty, as opposition becomes more vocal. Countries that have embraced and managed global change, such as Mauritius and more recently Uganda, have seen tremendous progress either in income levels, in the case of Mauritius, or in the reduction of HIV/AIDS and poverty in Uganda¹². The African economies are far more open than at any other time in the past, as measured by the shares of exports and imports in their national income or by their reduction of tariffs and subsidies. Indeed, for cash crops and other agricultural products, the competitiveness of developing countries is not in question, but rather the willingness of developed countries, such as the European Union and the USA, to abandon their own restrictive trade and tariff policies. As K.Y. Amoako, the Executive Secretary of the UN Economic Commission for Africa, has pointed out, international trade has more than tripled in the era of globalization¹³. Yet Africa's share of global exports has declined from nearly five percent in 1980 to under two percent currently. Competitiveness, including comparative advantage, is a perennial factor given to account for export performance, but market access in the case of Sub-Saharan Africa is a more compelling reason for current difficulties.

The openness of an economy does not amount to its global integration, but it does imply that the continent has adhered to the requirements of donors and IFIs regarding trade. For Sub-Saharan Africa, balance of payments deficits have been reduced, inflation rates are rarely at the two digit level, and government fiscal deficits, including those of state owned enterprises, have been contained. Over the long term and since independence, social indicators have also shown encouraging if not universal improvement, including literacy rates, school enrollment, and life expectancy - if one abstracts from those countries with heavy incidence of HIV/AIDS. Thus, many developing countries that depend on official development assistance (ODA) have experienced a supposed policy change that has allowed donors to feel that engagement is possible, as certain indicators have shown commendable progress either for particular countries or entire regions.¹⁴

The cessation of conflict across borders and more frequently within countries and the resumption of democratic processes are preconditions for good governance, which in turn is a necessary platform to the enabling environment for the MDGs. For example, it is not accidental that the countries experiencing some of the worst political turmoil and civil strife during the 1990s were also the ones that registered some of the worst economic performance¹⁵. Both during and after the conference on Financing for Development in Monterrey 2002, the donor community indicated sensitivity to these developments and its willingness to reward countries that abandon conflict and resume their quest for better

governance. The interpretation of what constitutes good governance may vary, as some donors may favor the inclusion of social and environmental responsibility among more traditional attributes, such as accountability, contested elections, independent judiciary, elimination of corruption, a free press, and the rule of law, but these are matters of emphasis rather than of basic differences.

In all, progress can be seen if MDGs are more generously interpreted to incorporate aspects of favorable change in the policy regimes, improved political governance, and social indicators on a longer time span than those required by the Millennium Targets¹⁶. But here is the catch: if one adheres strictly to the MDGs' quantitative targets, overall performance is not as sanguine and, in the case of Sub-Saharan Africa, progress is poor. To this end, the most recent Report of the Secretary-General on the Implementation of the MDGs, 2004 makes sober reading. In the Statistical Annex of the Report, Sub-Saharan Africa comes out comparatively worse than other regions for all MDGs¹⁷. For core MDGs including Goal One on eradication of poverty, performance is poor on both a relative and absolute level. Indicators under Target One, on halving the proportion of people whose income is less than one dollar a day, demonstrate that in percentage terms there has been stagnation and in absolute terms, retrogression. That is, the percentage of population living below the US\$ 1 dollar minimum has hardly moved since 1990, remaining at around 46 percent of the total, while the poverty gap ratio has actually increased to over 20 percent. The same applies for Target Two, to halve the proportion of people who suffer from hunger; the most recent estimates indicate that about one in three Sub-Saharan Africans subsist below the minimum level requirement of dietary energy consumption. This proportion has remained constant over the last decade, which indicates no progress at a relatively high level of malnutrition. Other indicators, such as underweight children lead to the same conclusion – widespread and undiminished malnutrition.

Regarding Goal Two in the period 1998/99 to 2001/02, the percentage of students that enrolled in the final grade of primary schools has shown a minor increase, from 49.4% to 52.9%. Hence, almost half of all children, in Sub-Saharan Africa, do not complete primary school – a proportion far higher than in any other region and twice as many as in North Africa. Similarly slow or inadequate progress is recorded with the rest of the MDGs, including child mortality (Goal Four), improvements to maternal health (Goal Six), and combating HIV/AIDS and malaria (Goal Six). Sub-Saharan Africa has almost twice the rate of under-five mortality, at 174 deaths per 1000 live births, than Southern Asia, the next worse off region, and four times as many as Northern Africa, the best performing region in reducing child mortality¹⁸. Rates for maternal death (Goal Five) and HIV/AIDS (Goal Six) are again far higher in Sub-Saharan Africa than in other developing regions, although a few countries such as Uganda have shown impressive progress in reducing the HIV/AIDS epidemic. To make the analysis even starker, it may be recalled that Sub-Saharan Africa already suffers from the highest incidence in these clusters for most of the indicators dealing with poverty, HIV/AIDS, child and mother mortality rates. Hence, we are not only failing to observe good progress, but also the relative proportions affected by poverty, hunger, HIV/AIDS, malaria, mother and child mortality are higher in this region than elsewhere.

On present count, what is most disturbing is the significant gap between progress and MDGs requirements in Africa. Furthermore, this gap increases when contrasted to progress in other regions. Chen and Ravallion, 2004 of the World Bank have pointed out that at the US\$ one dollar poverty line, the depth of poverty in Africa is 20 percent (poverty gap index) as compared to six percent for the developing world as a whole, and further that the mean income of the poor in Africa has been falling¹⁹. In short, not only more poor, but a deeper kind of poverty is enveloping Sub-Saharan Africa. Twenty three out of 45 Sub-Saharan countries are failing in half or more of the MDG goals. Twelve do not have adequate data to be assessed, but some cases, such as Liberia and Somalia, have clearly experienced tremendous turmoil, dislocation, and decline. Only ten Africa countries are on track to meeting at least half of the MDGs. Thus, the outlook for meeting the MDGs by 2015, though possible, is not an overly optimistic one, when the predicament of Sub-Saharan Africa is taken into account.

3. Governance, Partnerships and the Millennium Development Goals

In a seminal paper by the World Bank in 2002, then chief economist Professor Nicholas Stern and others underlined that the right economic policies alone do not suffice for development²⁰. Governance, in particular the interface of State with civil society and the full integration of the latter to the task, is key to fostering growth, and specifically securing the Millennium Development Goals. Although Professor Stern and his colleagues were specifically addressing the role of development assistance for MDGs and the argument was canvassed in relation to the macroeconomic reforms of the 1980s, their conclusion was significant. As Professor Stern, et al, noted :

“In many countries, donors underestimated the importance of governance and institutional reforms and social investments as a complement to macroeconomic and trade reforms. As a result, weak governance and institutions reduced the amount of productivity growth and poverty reduction that could result from macroeconomic reforms.”

(The Role and Effectiveness of Development Assistance-Lessons for the World Bank Experience, The World Bank 2002).

Even in the lost decade of development of the 1980s, practitioners managing development assistance, and those who were prepared to listen to the voice of civil society and the governed, received sufficient signals that it was not enough to simply focus on implementing “good policies” that were said to have been effective elsewhere. This begs the question of whether one can separate the appropriateness or goodness of policies, from the way in which they are developed, how these are arrived at, or partnered for implementation. Here, such a contention is found hollow. However, it is progress to recognize the importance of institutions when contrasted with the earlier stance of searching for the “right” economic policies, independent from issues of governance and institutions, as a key to the development strategy.

It may be recalled that under the earlier and more stringent regime of market driven development, the emphasis was on getting the macro targets right, which meant shrinking the external and internal imbalances and freeing the exchange and monetary policies, thereby containing inflation, eliminating parallel markets, and reducing the size of the public sector. Parallel to this, there was to be an encouragement of the private sector, a reduction of agricultural subsidies, an increase of privatization, an extensive introduction of user fees, and an attempt to redefine the role of the state as that of providing an enabling environment. The definition and scope of the enabling environment was again narrowly interpreted to favor market objectives, management practices, and corporate criteria of performance.

Three factors were routinely overlooked in the economic reforms and development strategies of the 1980s and 1990s:

First, the distributional costs of these policies were unevenly distributed in terms of retrenched workers, elimination of subsidies for agriculture, and reduction of public services. The poor and the general public that paid for health and education services, or the small farmers that saw their energy and fertilizer bills escalating were not the direct stakeholders of the policies²¹. Moreover, although cash crops were encouraged, internationally determined commodities prices fell throughout the 1980s and most of the 1990s²². Adding to the social cost, the small and medium enterprises (SME) retrenched for interest rates instead of expanding, and monetary policies were unduly restrictive. There has been no perceptible economic diversification or growth of the SME in Sub-Saharan Africa that could be credited to the structural adjustment policies of the previous two decades. Thus, even though policy makers were able to reduce inflation, fiscal imbalances, and the parallel market, the dose of the medicine was too strong to enable many small enterprises or farmers to survive or prosper. Moreover, given the demographics of developing countries and the bulging of new entrants to the labor force, job creation was totally inadequate to absorb the new job seekers let alone redeploy the retrenched employees from the public sector. During the period of successive doses of structural adjustment, there was little effort to engage civil society in the prevailing pro-market reforms and social services reduction. The kind of partnerships sought in the sale and operation of public enterprises by the private sector were rather opportunistic and one sided. Neither the consumer nor civil society played a large role in the decisions taken, although the process was undertaken in their name and outcome primarily addressed to them.

Second, it is true that many developing countries were able to reach the appropriate macro economic targets, which often meant a reduction of fiscal and current account deficits, a market determined borrowing and lending rates, and containment of subsidies and the public sector wage bill. Yet, the ensuing growth rates were hardly sufficient to provide sustainable growth in the standard of living, let alone make an impact on poverty. For example, standards of living for most Africans did not increase during the 1980s. When upturn in economic growth was noted, as in the 1990s, this was not sufficient to reduce poverty, in either relative or absolute terms. By comparison, overall growth rates traditionally registered by Sub-Saharan Africa, of the order of two to three percent, are

insufficient for MDGs purposes²³. The UN Millennium Development Project and the New Partnership for Africa's Development (NEPAD) suggest much higher rates of around seven percent annually; sustained growth requirements for poverty reduction. Each year that this target is not met, the requirements are notched up further in terms of growth of output and ODA. Hence, the increased appreciation that governance matters – including institutions, civil society participation, and capacity development – is not primarily due to intellectual enlightenment, but rather borne out of the recognition that previous policies did not yield the desired results. The rationale for focusing on Sub-Saharan Africa ought to be clear to anyone that has had to deal with MDG performance of the different regions – as this is the continent where slippage is most observed and the major challenge lies²⁴.

Third, a central omission in earlier development strategies and policies focusing on poverty was the role of governance, in particular the narrow definition or inadequate emphasis on partnerships, as Nicholas Stern et al realized. The role of governance is no longer a bone of contention, since its importance is appreciated by different schools of thought, irrespective how close these are to the ethos and principles of the United Nations and the Millennium Declaration. Rather, where discussion and controversy lie is how to make the precepts of good governance operational and where to fix the boundaries of the process. For example, is good governance simply adherence to the rule of law, an enabling environment that guarantees property rights, multiparty elections, and free media or should it be extended further down to incorporate economic and social rights and a value system of inclusion and participation by the abjectly poor? Moreover, where do decentralization and civic society values fit for societies that are primarily rural, poor, and with historical antecedents not long out of colonialism, with a neglect of the periphery? Equally, should partnerships be seen primarily in the traditional light of public to private sector collaboration, with privatization and other forms of pro-market coalitions as prime examples? A comprehensive interpretation of partnerships seeks a more active role for civil society in interfacing with government over shared objectives, such as the MDGs. In this wider and more contemporary interpretation of partnerships the Committee of Experts on Public Administration (CEPA) of the United Nations is much more demanding and expansive in its treatment of the subject²⁵. Here, a whole new approach of engaged governance is introduced, where the concept of partnership deals with MDG objectives and a way of conducting government that presupposes major departure from traditional practices²⁶.

These three areas, namely concerns on economic growth, equity considerations, and governance, are not only of relevance to the understanding of progress to-date, but of fundamental importance to the future of MDGs. The same considerations take on a special significance in the case of Sub-Saharan Africa where inimical growth rates, emerging inequalities and governance deficits are major MDG concerns. Added to these, the impact of globalization and the management of development assistance, examined in the following two sections, are crucial factors meriting attention from an MDGs perspective.

BOX – GOVERNANCE AND PARTNERSHIPS: MISSING LINKS

In recent years, UNDESA has organized a series of workshops with its national partners that have dealt with decentralization and poverty reduction. These are core concerns for many developing countries where poverty is primarily a rural phenomenon, while decentralized government and civil society institutions are weak. Two of these workshops were organized in Senegal, with the participation of ten countries, and Sri Lanka, with the participation of eight countries. Although each of the participating countries has its own specificities and history of decentralized governance, the overall findings were clearly challenging, especially for Sub-Saharan Africa:

- First, civil society's participation in decentralized processes was inadequate if not poor. Furthermore, there was a difference between legislation on the statute book regarding decentralization and its actual practice and implementation;
- Second, there were important capacity deficits both in institutional structures and in the personnel chosen to serve away from the capital;
- Third, all aspects of decentralization, including administrative, fiscal and political were in need of attention, but political as well as fiscal were the least prone to progress;
- Fourth, national civil society organizations were the weakest in Sub-Saharan Africa with little development focus in those countries affected by strife or civil wars; and
- Finally, participants were keenly interested in ideas and institutional innovations that encouraged a deepening of democratic processes, at the sub-national level, with greater scope for participation and inclusion by civil society. The prime examples for these were drawn from Asia and Latin America, with only an exceptional case reported from Sub-Saharan Africa.

Source: Decentralization and Poverty Reduction : Africa and Asia Experience, Senegal, 2003, Workshop on Engaged Governance, Sri Lanka, 2003; UNDESA, online www.unpan.org.

4. Globalization and the Management of the MDGs

In this part of the paper, the question posited is “what is new about globalization and how are these elements relevant to the MDGs?” The concept of globalization is itself contentious, despite the wealth of material on the subject. At the most general level, it may be viewed as the increasing interconnection and interdependence among nations. This conceptualization may not be new, but the process has accelerated. Some scholars, including Antony Giddens, view globalization as a complex set of processes including political, cultural, and technological aspects as well as economic²⁷. Others, such as

Gerald Helleiner, provide a closer interpretation of the concept, in terms of two phenomena²⁸. The first relates to the technological revolution of transport, communications, and information processing – which impact on space and time for producing goods and services. The second is an aspect of human choice and specifically involves the management of economic and political affairs. In this respect, globalization has less to do with the physical and trade aspects, and more to do with the environment within which policy management is formulated and exercised.

That there is no acceptable and incontestable definition of globalization is well known. But that globalization is not purely about openness in the static sense, such as proportion of exports and imports to national income, is increasingly accepted as the more promising interpretation²⁹. Globalization as it relates to trade flows is restrictive, for one has to appreciate that the value in goods and services that enters the current account has to be complemented by flows of direct investment to give a clearer picture of the links of an economy to the rest of the world. In the case of Sub-Saharan Africa, for example, trade flows in relation to national income are very high, in some cases over 60 percent, but that does not mean that Sub-Saharan countries are globalized or well integrated into the global economy. By comparison, Africa's share of world exports is small, about two percent and has been declining, to enable it to have the negotiating power of the major players. Many developing countries have a higher ratio of trade to GDP than OECD countries, but this does not mean that they are more globalized than developed economies. First, foreign direct investment is small, especially if investment in oil and mineral exploration is discounted, and there is little export diversification – which consists primarily of cash crops, petroleum and minerals. Second and more to the point, globalization, exclusively in terms of trade, information, communication and transport, leaves out of the equation the ability of well integrated countries to negotiate effectively and to affect.

A more inclusive definition of globalization must take into account ability to use policy instruments, and to affect change, and not be on the receiving end of whatever international processes pass by. An important implication is that countries have to prepare themselves not only within the traditional parameters of political diplomacy, but for economic diplomacy, as well³⁰. Here, country size, resource endowments, and even location play a partial role, but do not explain why landlocked Uganda can do better than some of its coastal neighbors or why Mauritius, a dot in the Ocean and traditionally written off as having a dismal or Malthusian future, has been outperforming the rest of Africa for decades³¹. Thus, the newness of the present phase of globalization lies in two directions with elements that impact on MDG strategies: First, the accelerated interdependence among nations in terms of communications, transport and information coupled with higher volumes in trade, financial flows, and intermediation, including the trading of currencies. This affects resource mobilization and the state of the external account that may place short term fiscal and monetary constraints in the management of the MDGs. Second, interdependence in policy strategies and especially in macro economic policies, where regional groups and the International Financial Institutions (IFIs) have considerable power vis a vis individual countries. At this level, power for negotiation and partnership is asymmetrical with developing countries having to follow

and adapt, rather than to partner or lead. In the daily affairs of a developing country, balance of payments disequilibria, currency volatility, and interest rates crises usually take priority over the pursuit of longer term objectives such as the MDGs. This is the case, despite the fact that both donor and recipient have solemnly agreed that poverty reduction should guide and inform all their actions. Change and uncertainty are hallmarks or byproducts of the process described above, which is the acceleration of interdependence especially in the policy field at the global level. Thus, in terms of cause and effect, the causation runs from policy entanglement and economic goods and services interdependence to change and uncertainty rather than the other way around. As the Millennium Declaration of 2000 appreciates, globalization may be a liberating force and one that creates opportunities; its benefits, however, are not fairly shared nor is its impact on policy management always predictable or benign. Indeed, its policy entanglement, at the global level, is the one that provides a major source of uncertainty and may violate principles of sovereignty and policy management at the national level.

BOX – MAURITIUS: GLOBALIZATION AND PARTNERSHIPS

A small island developing state (SIDS) of just over a million people, Mauritius has demonstrated within the span of a generation what can be achieved in the area of external liberalization, with the active participation of all relevant social partners. Since Independence in 1968, it has moved from a primary mono-crop economy, with unsustainable population growth, large labour surplus, and low income into a diversified economy with a steady rise in living standards. Income per capita has increased five times since 1975, life expectancy at birth is about 72 years, the literacy rate is 86 percent, and over 90 percent of the population, the vast majority, has access to health, sanitation, and potable water. Among the major factors that account for this enviable performance are the right mix of state and private sector intervention, with a strong commitment to political pluralism and to social partnership, universal access to education and health, and a judicious management of the economy. The openness of the economy was a well thought-out strategy within the framework for development and not a substitute for it. High investment and savings ratios, universal access to health and education, and a strong compact with the social partners preceded external liberalization and continued after that. Competitiveness has been nurtured by a series of measures, acceptable to the social partners, and reinforced recently by setting up a National Productivity and Competitiveness Council. Mauritius, despite its size and modest resources, is an active partner of regional bodies such as the Southern Africa Development Council (SADC) and is connected with regional economies, including those of the Indian Ocean Rim. It has actively sought to serve as a bridge between Asia and Africa and to facilitate trade, investment and services in both directions. Hence, its public policy is not purely reactive to change but outwardly focused, seeking partnerships and proactive. This element of policy will and developing capacities to manage changes such as globalization is by far the most telling aspect of the country's demonstrable success.

Source: Human Development Reports, UNDP, the UN Country Cooperation Framework, 2001-2003, and UNDESA

The critical point about globalization is that it does not affect all countries in the same way, nor can developing countries respond with the same decisiveness as developed economies. For example, developed countries can accumulate debts or run fiscal and current account deficits for a long period without precipitating a crisis, because their diversified economies are more resilient to the international fluctuations of commodity prices. On the policy front, the consensus is that considerable reforms, both fiscal and monetary, have been implemented in Sub-Saharan countries, with evidently positive results in terms of reduction in inflation and the restoration of macro economic balances. In addition, interest rates are mostly positive, the banking sector has been strengthened and for a few nations, currency has shown measurable appreciation vis-à-vis the US Dollar (case in point: South Africa). However, in the aggregate, these results, which have been commended by the IFIs, have not been translated into perceptible higher growth of savings and investment, exports, or in the growth of output and employment. More tellingly, Sub-Saharan countries exercise only limited sovereignty with respect to social and economic policies, and are more the passive recipients of the effects of globalization than the rulers of it. One may argue that Sub-Saharan Africa runs the risk of further marginalization rather than being an active player in global economic processes. The ability to manage the processes of globalization, including sovereignty over policy controls, is an aspect of a successful integration in the world economy that developing countries, and especially Sub-Saharan Africa, are mostly lacking. Hence, the importance accorded by the Millennium Project Report Investing in Development, 2005 to raising the capacities of national governments in managing the MDGs in an era where the policies may be global but their management is still local. In this, developing countries, especially in Sub-Saharan Africa, are in a bind. Their engagement with the IFIs and other international partners are said to be asymmetrical in power or as unequal partners. Yet, to be marginalized totally by globalization and keep out of the global trends of trade and policy is neither prudent nor desirable. To paraphrase Joan Robinson, sometimes it seems better to be exploited a little, than not be exploited at all. In this case, however, to be “exploited a little” may still be too much, when compared to the challenge of the MDGs and the development task ahead.

5. Partnerships and the Management of Development Assistance

It has been said that MDGs are nationally owned but government led – ownership belongs to the entire country, but political vision and commitment are required by government to make them a reality. Before dealing with development assistance and MDGs, at the national level, it may be worthwhile to summarize the state of play of international financing for MDGs and the management of development assistance. Current annual Official Development Assistance (ODA) is estimated at US\$ 68.5 billion. This figure is higher than the estimated US\$ 52 billion of a few years back, but not significantly higher in terms of the proportion, at 0.25 of a percentage point, of the Gross National Product, GNP, of developed economies (OECD/DAC group). The additional ODA required for MDGs is currently thought to be a minimum of US\$ 50 billion, annually, bringing the share to GNI to about 0.5 of a percentage point³². It may be recalled that the World Community committed itself to about 0.7 percent of GNP – which currently only a small group of Scandinavian countries have managed to attain

consistently. There has been progress in commitments since the Monterrey Conference of 2002, but clearly not sufficient to make a serious dent in the gap of resource requirements. The USA and the European Union have committed themselves to significant increases in assistance for MDG purposes. The emphasis, or quid pro quo, may differ on what the donors wish to see in exchange, but the commitment to higher ODA is unmistakable. Indeed, a clutch of countries including Belgium, France, Ireland, Spain and the UK, all promised to reach near the 0.7 percent GNP target within the next decade. Another positive change is the renewed interest and collective support in improving coordination of ODA at the country level. Contrariwise, some countries have been increasingly channeling their ODA in a bilateral fashion which may be more difficult to harmonize with international community objectives. The Rome Declaration of 2003 and other OECD/DAC initiatives, are means to improve ODA effectiveness and a reflection of a better understanding among development partners. In particular, the Rome Declaration sets out the following objectives:³³

- Ensure that development assistance (DA) harmonization efforts are adapted to the country context, and that donor assistance is aligned with development priorities of the recipient;
- Expand country-led efforts to streamline donor procedures and practices;
- Review and identify ways to adapt institutions' and countries' policies; procedures, and practices to facilitate harmonization; and
- Implement the good practices, principles and standards formulated by the development community as the foundation of harmonization.

Having enunciated these objectives and activities, the Declaration calls upon partner countries to design country-based action plans for harmonization, agreed with donor community that will set out clear and monitorable proposals to harmonize DA. The Rome Declaration does not explicitly request that countries harmonize their DA with reference to the MDGs. However, since all countries who submit to the Rome Declaration are also signatories to the Millennium Declaration, then implicitly the MDGs are the guideposts to their joint endeavors. The partnerships requested by the Rome Declaration and the MDGs need not dilute national sovereignty or any particular focus within the framework of good governance. In 2002 for example, the US government announced the Millennium Challenge Account as a new foreign aid programme to assist countries that are relatively well governed³⁴. Governance is measured primarily by three broad categories – ruling justly, investing in people, and encouraging economic freedoms. Each one of these in turn is measured by a number of indicators that the donor nation finds in accord with its values and principles. Hence, while an overall framework for encouraging MDGs is maintained, the weights given to the various elements that make up good governance reflect donor preference.

At the national level, the requirements for enhanced harmonization of ODA may unwittingly imply more tasks for an already overstretched and under resourced public sector inundated by demands from donors regarding the monitoring, reporting, and processing of development projects³⁵. Thus, in reality, during the transition from the

traditional way of managing DA to the proposed new one, there will be even more pressure on developing countries in terms of public resources allocated for the task for harmonizing DA, and on the redesign of audit and monitoring systems to undertake this change. The payoff expected is more medium and long term, but both national governments and the international partners seem prepared to accommodate this for the sake of greater harmonization of ODA.

The management of development assistance is part of the wider concern for good governance, deepening democratic processes and capacity development. Indeed, good governance, in all its forms, including pluralistic elections, independent judiciary, the rule of law, free press, transparency, accountability and inclusion, are increasingly seen as core criteria, both by bilateral and multi-lateral institutions, in the allocation of development assistance³⁶. Hence, the reform and revitalization of public administration is essential for managing development assistance, and equally important in securing it. Attracting development assistance is in some respects as competitive as encouraging foreign direct investment (FDI) by developing countries. Similarly, some of the preconditions – such as elimination of malfeasance and corruption, reduction of bureaucratic regulations, openness of the economy and an effective State – apply equally to the encouragement of DA and of FDI. In other respects, DA is required precisely in those areas of public goods, such as education, health and infrastructure, that the private sector and FDI, is unlikely to finance alone, and look to the State for their provision. Even where the private sector indicates interest in partnering the public sector in the provisions of services, for such services to be provided efficiently, while taking into account social objectives, it presupposes a strong and transparent regulatory framework that only competent States can provide³⁷.

BOX – DEVELOPMENTAL PARTNERSHIPS: REACHING OUT

Sooner or later development assistance is judged, no less, by the way it is organized, and run, as by its impact on reducing poverty. In terms of organization it must, among other, have credibility that it is partnering with those that it aims to help, and that it is transparent and accountable – including being subjected to an independent monitoring and audit. In terms of its MDG objectives, it must demonstrate that it does not only work with the poor, but that it will perceptibly improve their lives within shared objectives, agreed time frame, and resources it commands. An initiative that is attracting attention both by the way it was conceived, by facilitating inter-divisional cooperation within UNDESA, and executed, with strong support to civil society and to development partners at the national level, is given below.

The project Managing Water and Energy Services for Poverty Reduction in Rural Gambia, 2003-2005 is being executed by UNDESA with funding from the UN Trust Fund For Human Security. The project focuses on five villages with a population ranging between 1,000 to 5,000 inhabitants. Its main objectives are to expand existing water and energy supplies for households; to achieve a planned surplus after meeting basic

demand; support income generating activities to complement household demand for domestic drinking water; and encourage micro-finance for viable economic activities through a credit revolving fund. Produced energy is from solar, a renewable resource, and surplus energy is available once the need for water provision is satisfied. The project works closely with Government, civil society organizations, including the Village Development Committees, and the communities of the selected villages. Within DESA, it draws immediate support from two Divisions, that of Sustainable Development and Public Administration, but its reach within the UN system is wider and dictated by project needs. Most of the professional and other staff engaged by the project are Gambians and activities are driven by community level considerations. Baseline surveys organized by national firms have been carried out with the participation of the communities, and reviewed by the UN professional staff. These surveys will be used both as inputs for decision-making by the communities, for example in identifying new income generating activities and benchmarking and monitoring of progress. In implementing the project sufficient attention is paid to localizing services, including maintenance and repairing of the equipment, and to building the capacities of Community Based Organizations.

Source: UNDESA (Divisions for Sustainable Development and for Public Administration and Development Management)

At the international level, there have been two promising trends that have maintained the pressure for a better harmonization of development assistance. First, the wide acceptance by donors and recipients alike that the MDGs provide a bridge for common endeavor. Second, the increasing realization that guiding principles for development assistance should encourage a country-based approach that underpins country ownership, and government leadership. Indeed, the Rome Declaration on Harmonization in 2003 that the OECD countries shared with developing nations emphasizes these core elements while stressing the importance of capacity building and engagement of civil society. This country by country harmonization would enable donors and recipients to pull in the same direction, reduce duplication and transaction costs, and eventually lower the pressure on skilled professionals in recipient countries. But for developing countries, there is both an element of self-interest and a quid pro quo in all this. Namely, if individual countries and governments are now vested with ownership and leadership for DA, then accountability, transparency, and responsibility for its effectiveness is also primarily vested with the national authorities.

Major country-based initiatives for DA management include the Poverty Reduction Strategy Papers (PRSPs) and the United Nations Development Assistance Framework (UNDAF). In particular, these two initiatives are increasingly working within the parameters set by the MDGs, even though they have a different time horizon, typically three years. The PRSPs were originally introduced by the Bretton Woods institutions in 1999, and by end of 2003 some 35 low income countries were partnered. Their main focus was to underpin the Highly Indebted Poor Countries Initiative (HIPIC), which was intended to ensure that resources released by debt relief were applied to poverty reduction. PRSPs are intended as nationally owned and government driven. Yet, as the

Operations Evaluation Department of the World Bank acknowledged, there is an inherent tension in a Bank/IMF-driven initiative involving conditionality that is also meant to foster a country-driven process³⁸. In particular, the Bank's management process for presenting a PRSP to the Board undermines the sense of ownership. The other concern about ownership relates to the level and quality of participation by civil society and the role and follow-through of consultation³⁹. Civil society organizations have been critical of the inadequate level of consultations and involvement in the process, and have often felt that the follow-up to their discussions tends to be poor. Countries that had already a strong poverty reduction programme, such as Tanzania, were able to better cope in fitting the requirements of the PRSP into their national policies.

One of the issues here is the strong link of pro-poor policies and programmes to governance. In those few countries in Sub-Saharan Africa where decentralized structures and strong civil society exist, the cases of Ethiopia and Ghana are usually given as examples, it is easier to provide a robust and critical platform for the introduction and monitoring of the PRSPs. In addition, although until recently the focus has been on strengthening capacities for PRSP design and implementation, the concern expressed on inadequate capacities of civil society and their institutions in engaging government and the international community in discussion over their own future was overlooked. It is not very realistic to expect that the rural population, with the known constraints of accessibility and literacy, participates fully in the discussion on the PRSPs or is able to judge the ramifications of policy changes at the centre, say in terms of exchange or interest rates, on its own well being. Thus, reliance perforce is placed on more traditional institutions, including traditional levels of authority, and on NGOs to inform and articulate a response. Therefore, capacity development must go beyond its primary attention on public personnel and institutions to reach civil society and specifically the requirements of the rural and informal sectors.

The UNDAF process was part of the reforms ushered by the UN Secretary-General in 1997 to strengthen coherence and coordination of the UN system at the country level. A recent evaluation of the operational activities of the UN system found that UNDAF, alongside other diagnostic and programmatic tools such as the Common Country Assessment (CCA), were measurably useful in integrating the various UN programmes at country level and aligning development cooperation closer to the MDGs⁴⁰. There are two common features to the PRSPs and UNDAFs. Both have to deal with the implementation and progress of MDGs, particularly poverty reduction, within the national context. Further, both start with the objective of country owned and led, while their influence extends beyond the core sponsoring institutions. However, as the UN Secretary-General's Report, 2004 recognized, despite progress, the system is still at the beginning of a long march towards the "unity of purpose and action" that the Member States seek from it. It also notes that the lack of real incentives and institutional reward systems to encourage the various entities to make their knowledge and expertise available to the resident coordinator system are a constraint. Further, those efforts to improve internal coherence, simplification and efficiency within the United Nations will not succeed without Member States reforming their funding practices to limit fragmentation, inconsistencies, and unnecessary competition for scarce resources. Coupled with these problems, there is the

ever perennial constraint, faced by both PRSPs and MDGs, that the current mismatch between funding levels and mechanisms, the sustained efforts required in supporting countries to implement these major initiatives must be addressed. Here, once again one reaches the inescapable conclusion of the modesty of the current efforts in the context of the requirements, resource and otherwise, for achieving the MDGs in Sub-Saharan Africa.

In summary, we have found three potential areas for partnerships and connectivity in facilitating MDGs at the country level: Adherence to the precepts of the Financing for Development, Monterrey, 2002; encouragement of strong links among PRSPs, MDGs, and UNDAF; and the introduction of harmonized systems for development assistance, including those contained in the Rome Declaration, 2003. Equally well, we have discussed two of the unknowns, namely the effective integration of the developing countries in the global economy, a core aspect of globalization, and the gap between MDG needs and MDG commitments. These required commitments at the international level are said to be measurable and are estimated at a minimum of US\$ 50 billion annually. At country level the MDG needs vary, and an exercise is under way to estimate the level and direction of the additional resources required⁴¹. The third requirement includes capacity development of the public sector and the mobilization of national resources – themes already touched upon that will be revisited in the next section.

6. Prospects and Possibilities

It may be worthwhile to focus on some of the linkages that offer practical implications for the management of the MDGs and that arise out of the previous sections. In this manner, three selective areas where further progress is possible and should be encouraged are:

Capacity Development

As Shabbir Cheema, 2003 argues convincingly, capacity building needs rethinking. Traditionally, the concept was narrowly interpreted to exclude the enabling environment and strategic considerations and focused primarily on the individual and functional tasks⁴². There is no reason to suppose that the nuts and bolts of traditional capacity building, such as training of individuals, has much altered. For example, there is little evidence that the training of statisticians, enumerators, economists, and computer programmers in previous decades is inferior to the one provided at present. There is even less evidence that what is required is purely the augmentation of numbers in these professions as a means to fill the gaps in capacity development. A further example is that the system of junior economist, economist, senior economist, principal and chief economist is still in place in many of the Sub-Saharan countries. What then separates the needs of capacity development at present from the previous decades? Neither numbers alone nor ‘more of the same’ are palpable solutions. The short answer must lie in current challenges provided by globalization, particularly how to master policy choice and strategy at the national level, coupled with the demands brought about by the requirements of the MDGs. In addition, team-building, partnerships, and the environment within capacity building is designed and operates merit particular attention. Team building, in particular, is a way to circumvent the traditional divide in public

bureaucracies where scarce skills, and capacities, were locked in ministries, departments, or divisions, with little networking or joint action to meet a specific challenge. This would overcome specific skill shortages and bring together the required group of professionals for the task irrespective of their original department or place in the bureaucracy. One may wish to extend this as team building that is not limited to the human resources of the public sector by nurturing teams that encompass both public sector and civil society - as in the case of the MDGs. However, even for those Sub-Saharan countries, Mauritius, Uganda and Tanzania that have been able to build teams across ministerial and departmental lines the results have been very encouraging.

Partnerships and Institution Building

The concern about partnerships and institution building has been of increasing focus to the provision of technical cooperation activities by the international community, and of the United Nations systems in particular. Here, we return, once again, to an initiative supported by UNDESA where government institutions and civil society were brought together to discuss the interplay of governance, at the decentralized level, and poverty reduction. In 2003, UNDESA together with the Government of Senegal organized a workshop on the theme of poverty reduction through decentralization for ten West African countries⁴³. The findings were illuminating for they brought to the fore the importance of partnerships and institution building as a means to strengthen decentralization initiatives for the purpose of poverty reduction. Though no one disputed the case made for decentralization, its avowed benefits were not reaped, or were attenuated, because:

- Civil society and its representative institutions were weak. For certain countries, including Liberia, Sierra Leone, and Ivory Coast, territorial fragmentation and frequent civil strife weaken governance and the role of civil society. Where NGOs were active, their activities focused primarily on dealing with immediate humanitarian disasters rather than with developmental concerns, including the MDGs;
- Even where decentralization was initiated, the centre still did not relinquish power and local institutions were dominated by elites or groups not responsive to the rural poor. The process for participation does not inevitably lead to empowerment, and to be consulted does not mean that one's voice had weight in decision making;
- Together with a weak institutional base, at the local level, resource transfer has been poor, where on average less than ten percent of the public revenue is raised or controlled at the sub-national level.

In contrast to the above, a number of case studies, and innovations, from Asia pointed out that unless effective or empowering democracy takes roots, increases in GDP alone will not have a commensurate impact on poverty reduction⁴⁴. The Committee of Experts on Public Administration, CEPAC, 2003, has noted that partnerships with civil society and citizens' groups are crucial for local level realization of the MDGs as well as implementation of other dominant poverty reduction strategies, including the PRSPs⁴⁵.

But such partnerships, were on occasion opportunistic or a matter of convenience. Governments in Sub-Saharan Africa often objected, to what they considered as unequal or dubious accords with IFIs in search of validating donor conditionalities. At the domestic level similar concerns are also expressed but with the proverbial boot on the other foot! Namely, that it is civil society and NGOs that often express doubt about the transparency of the intentions of Government when seeking partners for mutual objectives –such as the MDGs. Institutional initiatives alone, such as decentralization, however desirable on an apriori basis, are unlikely to go far if the overall context of governance is not improved and the environment for capacity development remains feeble. Resource transfers are important, whether ODA internationally or from the center to sub-national levels, but these alone will not suffice. They must go in tandem with the deepening of partnerships, for development objectives, and the sense of shared commitments.

Micro-credit and the Mobilization of Domestic Resources

The year 2005 has been declared the “International Year of Microcredit”⁴⁶. This is especially significant for Sub-Saharan Africa where the rural poor, over 70 percent of the total population, have very limited access to credit and where household savings are among the lowest in the world⁴⁷. By comparison household savings in Asia, and especially in the countries where MDGs are on track, are high and micro credit is well developed. Despite the limited capacities of civil society, and the lack of financial institutions in rural Sub-Saharan Africa, the UN experience with micro-credit has been positive⁴⁸. Indeed, micro-credit projects have typically targeted very poor, and often single head, households which have little collateral or other assets recognized by financial institutions. Despite the targeting of the very poor or those without bank collateral, the pay back ratio, by borrowers, and the survival of the small enterprises supported through micro-credits have been high. Both capacity development and the encouragement of partnerships, including for profit and non-profit partners, are crucial to scale up the hitherto modest micro-credit activities to a level that will have a significant impact on development and MDGs in particular. As with the previous two thematic opportunities the issue is not one of absolutes, nor that one party, say the national entities, is asked to do more than the international partners. It is rather that in the case of resource mobilization, international commitments must be partnered by domestic responsibilities and initiatives if the MDGs will have a fair chance of overcoming present constraints. It is abundantly clear, however, that international resource mobilization for MDGs, needs innovative measures, and instruments, at the national level to augment domestic savings and investment.

The desirability of partnering with civil society for economic growth, that is as a means of poverty reduction, and empowerment of the poor are embedded principles of micro-finance. These initiatives augment savings and investment by the poor, generate income and have a positive impact on education and health. Since micro-finance initiatives often target women, who are the heads of very poor households, they contribute to several of the MDG objectives besides poverty reduction. The following quotation demonstrates that the IFIs are fully cognizant of the relationship between augmenting investment and empowering the poor in the fight against poverty:

“Experience and analysis show that countries reduce poverty fastest when they put in place two pillars for development.

- *Create a good investment climate;*
- *Empower and invest in poor people by giving them access to health, education, infrastructure, financial services, social protection, and mechanisms for participation and decision.”⁴⁹*

Although modest in scale, micro-finance is one innovation where mobilization of resources by the poorer members of society also provides an opportunity for their active involvement in development. If this, “The International Year of Microcredit”, serves to profile the potential of the initiative for MDG purposes, it would contribute to an enhancement of opportunities for the poor that otherwise would be missed.

7. Concluding Remarks

The relatively recent emergence and consideration of good governance, partnerships, and institutions with development strategies has been underscored. To this end, both the UN Millennium Declaration and this Global Forum, now in its sixth year, which boldly canvass the significance of good governance and partnerships to shared international goals is refreshingly unabashed. However, this paper provides a variation and focus on this theme by showing how both governance and partnerships have a dual dimension. At the international level, the MDGs are predicated on sustainable partnerships among the international partners, where the compact, although voluntary, has taken measurable steps. Financing for Development in 2002 and the World Summit for Sustainable Development of 2002 have reaffirmed and consolidated the progress marked by the Millennium Declaration. At the national level, strong initiatives place good governance as both an end and a means for MDGs, buttressed by harmonization of the ODA and support by the UN system⁵⁰. The kind of partnerships thought indispensable for MDGs are, on one hand, between the prevailing poverty reduction strategies and the MDG country agenda, and on the other, between government and civil society. Furthermore, although no one disputes the importance of globalization as a major force that impacts governance at the national and international levels, the concept itself is amenable to controversy and further refinement. This paper has stressed the aspect of globalization that affects the integration of developing countries in the global economy and their ability to negotiate and affect change. This falls within the realm of policy choice and asymmetrical power relations and complements the conventional interpretation of acceleration in the volume of trade, capital flows, and the avowed shrinkage of space and time in communications, transport, and information.

Two indisputable trends are currently affecting the MDGs. First, their performance to-date is uneven, with Sub-Saharan Africa by far the most significant region lagging behind. Increasingly, the international community will not be satisfied even if MDG performance is good on average, due to progress in China and elsewhere in Asia, while the present unevenness by region continues. Second, despite the increase of ODA from the low point reached at the beginning of the Millennium to a current US\$ 68.5 billion annually, the mobilization of international resources is still inadequate. However, notable

progress has been achieved in individual country commitments to MDGs, for example during and subsequent to the Financing for Development Summit in Monterrey, 2002. In addition, there has been perceptible effort in improving the management of ODA, adhering to the principles of country owned and government led, the OECD/DAC initiative, under the Rome Declaration of 2003 and in the most recent reforms of the United Nations, namely the introduction of UNDAF in 1997. At the country level, MDGs potentially have a partner in the PRSPs, which have a different time horizon, but also provide analytical and programmatic resources for the fight against poverty, a key concern of the MDGs⁵¹.

Although the involvement of civil society is paramount, its on-the-ground participation in Sub-Saharan Africa and capacity to engage and negotiate with national government and international partners leaves room for considerable improvement. The paper discussed practical aspects for strengthening the enabling environment for the MDGs in terms of new directions for capacity building, the role of micro-finance in resource mobilization and empowerment, and ways to overcome some of the constraints strewed in the development path of civil society. It is increasingly accepted that the MDG pillars require good governance and a stronger partnership between the public sector and civil society – including deepening democratization and an effective and impartial bureaucracy that prevents corruption and cronyism⁵². The international community has come a long way in reaffirming or drawing out the implications of these requirements. More so, when one appreciates that governance, institutions, and malfeasance did not enter the IFIs agenda on development until the 1990s⁵³. Prospects for Sub-Saharan Africa and for the MDGs, will increase perceptibly if these basic principles, borne more out of trial and tribulation than intellectual prowess, enter the mainstream of policy making and development assistance.

End Notes

- ¹ See, Strengthening public administration of the Millennium Development Goals: a partnership-building approach, page 3, Committee of Expert on Public Administration, Economic and Social Council, United Nations, E/C.16/2004/5, 2004.
- ² United Nations Millennium Declaration, Resolution Adopted by the General Assembly, A/RES/55/2, United Nations, 2000.
- ³ One should not be too pedantic on the definition or interpretation of either term, that is governance and partnerships. In short hand, if governance is about power, or its literary translation from the Greek to have control over, to rule or to steer, then partnerships are about the norms, risks and rewards in the sharing of power. Whatever definition one may choose, and there can be more than one, it is the attributes, values and qualities that go to characterize governance and partnerships that matter rather than the definition itself.
- ⁴ See, Investing in Development : A Practical Plan to Achieve the Millennium Development Goals, especially Chapters 7, on Governance to achieve the MDGs, and Chapter 8, Civil Society's contribution to the MDGs, prepared by the Millennium Project, UN, 2005 – www.unmillenniumproject.org.
- ⁵ For the various forms and examples of public to private sector partnerships see Dennis A. Rondinelly, Partnering for Development: Government-Private Sector Cooperation in Service Provision, in Reinventing Government for the Twenty-First Century, edited by Dennis A. Rondinelly and G. Shabbir Cheema, 2003.
- ⁶ See, Strengthening public administration for the Millennium Development Goals: a partnership-building approach, Committee of Experts on Public Administration, E/C.16/2004/5, The United Nations, 2004.
- ⁷ Investing in Development: A Practical Plan to Achieve the Millennium Development Goals, UN Millennium Project, January 2005.
- ⁸ The annual reviews of MDG performance is contained in the UN Secretary-General's Report on Implementation of the United Nations Millennium Declaration including A/59/282, 2004. The online documentation of the reviews can be found under <http://documentsun.org>.
- ⁹ Investing in Development: A Practical Plan to Achieve the Millennium Development Goals, Overview, page 9, United Nations, 2005.
- ¹⁰ The United Nations Millennium Declaration, A/RES/55/2, section VII, pages 7 and 8, 2000.
- ¹¹ See articles by Jean-Marie Guehenno, UN Under-Secretary General for Peacekeeping, "Giving Peace a chance", and "The good news in Africa", Robert Guest, Africa Editor, The World in 2005, Annual Publication by the Economist magazine.
- ¹² This author was privileged to have seen first hand how Mauritius embraced change both domestically, though innovative industrial and financial changes, and at the regional level by providing a bridge between Asia and Africa. Some of the insights gained are given in "Capacity-Building for an Outwardly Oriented Agency", Olympios Katsiaouni, Kieran A. Kennedy, and Hongsen Zhou, 1995, prepared on behalf of the Ministry of Economic Planning and Development, Government of Mauritius, UNDP and UN-DDSMS.
- ¹³ See, K.Y. Amoako, "World liberalization still excludes Africa", the Financial Times, 23rd November, 2004.
- ¹⁴ To this end, the Millennium Project's Report, Investing in Development, 2005, makes a useful distinction two broad sources of inadequate governance – bad volition and lack of capacity. Inadequate governance is not purely the result of "corrupt" governments where political power is held by larcenous leaders. At the other end of the scale it is possible for countries to have weak governance because the state lacks the resources and capacity to manage an efficient public administration. Here the limiting factor is not lack of volition but lack of capacity or resources. See especially chapter 7, on Governance to Achieve the MDGs, in Investing in Development, United Nations, 2005.
- ¹⁵ As a group these countries included Angola, Burundi, Central African Republic, the Democratic Republic of Congo, Liberia, Rwanda and Sierra Leone. For all these countries economic growth in the 1990s was negative. Yet, the sad irony is that some of these countries were rich in resource endowments, and geographically well placed that could have exploited their comparative advantage.
- ¹⁶ Individual country progress with respect to MDGs is found in the country reports organized and led by national governments and reported to the UN Development Group, online www.undg.org. For the more

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- generic progress see, especially, Overview in Investing in Development, The Millennium Project, 2005, on line www.unmillenniumproject.org.
- ¹⁷ It may be recalled that six of the eight MDGs are purely socioeconomic in nature. These are : Goal 1, on Eradication of extreme poverty; Goal 2, Universal primary education; Goal 3, Gender equality and empowerment of women; Goal 4, Reduction of child mortality; Goal 5, Improvement of maternal health; and Goal 6, Combat HIV/AIDS, malaria and other diseases. Goal 7 is to Ensure environmental sustainability; and the last Goal 8, on Developing a global partnership for development.
- ¹⁸ For Goal 3, promoting gender equality progress was patchy, rather than consistent. For example, the ratio of girls to boys' education, at primary level, has improved from 0.83 in 1990/19991, to 0.86 in 2001/2002. While a small decline in this ratio was observed at the secondary level, from 0.81 to 0.79, over the same period. The clearest indication of progress under Goal 3, however, was for indicator twelve, proportion of seats held by women in national parliaments. For Sub-Saharan Africa this percentage increased from 7.2 percent in 1990 to 13.4 percent in 2004, which in itself was one of the relatively highest increases of all regions.
- ¹⁹ Shaohua Chen and Martin Ravallion, How the world's poorest fared since the 1980s?, World Bank Policy Research Paper, June 2004, - online <http://econ.worldbank.org>.
- ²⁰ Ian Goldin, Halsey Rogers and Nicholas Stern "The Role and Effectiveness of Development Assistance – Lessons from World Bank Experience", The World Bank, 2002.
- ²¹ It may be noted here that three quarters of the 1.3 billion poor, that is those subsisting on less than US \$ 1 dollar a day, live in rural areas. The hidden social costs of the traditional macro economic policies of adjustment, including elimination of agricultural subsidies, user fees, and accessing credit, affected in the main the rural and informal sectors.
- ²² What may be argued more precisely is that there is a secular fall in the industrial commodity index that has its origins in the middle of the 19th Century. On this see the article and accompanied charts in the Economist magazine, "A raw deal for commodities", April 15th, 1999. However, despite this secular fall there are cyclical movements which for short periods of time individual commodities prices, e.g. for coal, copper and gold, can increase appreciably – a case in point, the recent increase in commodity prices associated with Asian demand.
- ²³ While economic performance improved in Sub-Saharan Africa during the 1990s, average annual growth for the entire decade was about 2.1 percent. Indeed, if population growth is taken into account, per capita income decreased during that decade by an annual -0.6 percent – see, The Millennium Development Goals in Africa, UNDP/UNICEF, 2002. The recent, 2003/2004, economic growth in Africa, to about 4 percent annually, though welcome is still too narrowly based and below MDG requirements.
- ²⁴ It is interesting that the drafters of the Millennium Declaration, 2000, were aware of the specific challenge posed by Sub-Saharan Africa, which was reflected in that document, and subsequently the region has attracted most consistent attention in the review of the MDGs.
- ²⁵ There are several recent reports of CEPA of relevance here, including : The role of public administration in the implementation of the United Nations Millennium Declaration, A/58/152, 2003; Developing institutions of governance and public administration in Africa, E/C.16/2004/6, 2004; and Strengthening public administration for the Millennium Development Goals: a partnership-building approach, EC/16/2004/5, 2004. While official publications of the UN are on line under <http://documentsun.org>, many other publications relating to the work of the Division for Public Administration and Development Management, UNDESA, and its partners can be found under www.unpan.org.
- ²⁶ Papers for an Interregional Workshop on Engaged Governance, organized by the Division for Public Administration and Development Management, UNDESA, in Sri Lanka, in December 2003, can be found online under www.unpan.org. Further, there will be an International Conference on Engaging Communities, Brisbane, Australia, August, 2005, to be organized jointly by UNDESA and the State Government of Queensland, Australia. Two relevant online electronic sites for this event are www.engagingcommunities2005.org and www.unpan.org.
- ²⁷ Antony Giddens, The Reith Lectures, 1999, and Runaway World, Routledge, New York, 2000.
- ²⁸ Gerald Helleiner, "Can the Global Economy be Civilised"? 10th Raul Prebisch Lecture, 2000.
- ²⁹ Even authors generally supportive of globalization, view it as more than the mere acceleration in the flow of trade. To this end, see J. Micklethwait and A. Wood, "A Future Perfect", 2000, a celebratory and pro-market tale of the process.

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- ³⁰ It is still very rare for developing countries, especially in Sub-Saharan Africa, to elevate the importance of economic diplomacy, and capacity building, to match that of political diplomacy.
- ³¹ The Nobel Laureate James Meade prepared a report, for an Economic Commission, on Mauritius in 1960, dealing very pessimistically with both the population and growth prospects of the island. Despite the dismal predictions of the report, Mauritius has not only been outperforming the rest of Sub-Saharan Africa in economic growth, but it is also very good example of a multiethnic democracy. For example, Mauritius GDP has grown by about 6 percent annually between 1970 and 2000 while Sub-Saharan Africa managed, on average, 2.5 per cent annually.
- ³² The estimates regarding MDG funding requirements vary through time as they depend in the intervening progress in mobilizing funds. For every year that there is a shortfall in the required funds, the unfunded residual is carried over into future years. The US \$ 50 billion, per annum, of additional resources that originally was thought adequate, currently appears more on the low side because of shortfalls in Official Development Assistance in relation to MDG requirements. The UN Millennium Project, at www.unmillenniumproject.org carries out periodic reviews and assessments of these requirements.
- ³³ The Rome Declaration on Aid Harmonization, and associated documentation, may be found online under www.AidHarmonization.org.
- ³⁴ A description of the work of the Millennium Challenge Account is found online under <http://www.mca.gov>. For a summary of its provisions in the context of Governance, see chapter 7, Governance to Achieve the MDGs, of the Millennium Project report, Investing in Development, www.unmillenniumproject.org.
- ³⁵ According to the web site, www.Aidharmonization.org, of the Rome Declaration on Aid Harmonization there are more than 60,000 aid projects in the world and some developing countries receive as many as 800 new projects a year and more than 1000 monitoring missions. The coordination and management of these projects, even for the bigger developing countries, while adhering to the reporting, monitoring and audit requirements of particular donors is daunting.
- ³⁶ It is interesting how economic gurus that thought market processes, irrespective of an effective regulatory framework, such as the rule of law, are sufficient for development changed their minds. Milton Friedman's advice to countries exiting from communism apparently was "privatize, privatize, privatize". Now he admits that "I was wrong. It turns out that the rule of law is probably more basic than privatization". Quoted by Martin Wolf in, "Why a President's Greatest Challenge is State Building?" Financial Times, November 3, 2004.
- ³⁷ On these and related issues see Dennis A. Rondinelli and G. Shabbir Cheema, editors, Reinventing Government for the Twenty First Century, Kumarian Press, 2003.
- ³⁸ The Poverty Reduction Strategy Initiative, World Bank, Operations Evaluation Department, page viii, 2004.
- ³⁹ The UN Committee of Experts on Public Administration, CEPA, in a series of reports noted the importance of support to civil society, and its representative institutions, if these entities are to participate effectively in the discussion and negotiations with government and donors over matters, such as poverty reduction, affecting their members. See, in particular, Mainstreaming Poverty Reduction Strategies within the Millennium Development Goals: The Role of Public Administration, UN, E/c.16/2003/5, and Strengthening public administration for the Millennium Development Goals : a partnership-building approach, UN. E/c.16/2004/5.
- ⁴⁰ See the Report of the Secretary-General, Triennial comprehensive policy review of operational activities for development of the United Nations system, A/59/85, May 2004. The timeliness of this report is difficult to overstate given that it is the first triennial review since the Millennium Declaration, and a year in advance of its review by the General Assembly in 2005.
- ⁴¹ See for example, Millennium Development Goals Needs Assessments, The Millennium Project, 2004. This report, co-authored by Jeffrey Sachs et al, the Millennium Project Director, presents case studies for five countries; Bangladesh, Cambodia, Ghana, Tanzania and Uganda. Estimates for the costing of the MDGs is found in a number of MDG Reports, prepared at country level, but without sharing a common methodology.
- ⁴² See, G. Shabbir Cheema, "Capacity Development at the Country Level, A Ten-Point Agenda for Action", paper delivered to a workshop on "Capacity Building : Lessons and Future Directions", Bellagio Study and Conference Centre, Italy, December, 2003.

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- ⁴³ See, “Decentralization and Poverty Reduction : African and Asian Experience”, Workshop Proceedings, Dakar, Senegal, DESA, 2003.
- ⁴⁴ The paper by Devyani Mani on “Human Security and Decentralized Planning: The Experience of Asia”, and the presentation by M. Adil Khan on Engaged Governance, to the workshop on “Decentralization and Poverty Reduction: Africa and Asian Experience”, Workshop Proceedings, Dakar, Senegal, DESA, 2003, provided ample examples from Asia that contrast sharply to the African experience – see website www.unpan.org.
- ⁴⁵ See, “Strengthening public administration for the Millennium Development Goals: a partnership-building approach”, Committee of Experts on Public Administration, Third Session, E/c.16/2004/5, United Nations, 2003.
- ⁴⁶ For further details on the International Year of Microcredit, 2005, and on the activities and various key partners, including DESA, see the online information at web site www.yearofmicrocredit.org.
- ⁴⁷ Household savings ratios in Sub-Saharan Africa are typically between 5 to 10 percent of household income – far lower than that of most developing countries, including China, India and Vietnam, in Asia.
- ⁴⁸ Though most success stories on micro credit usually come from Asia, Sub-Saharan Africa is not bereft of examples. UNDESA together with UNDP implemented a micro-finance project in Liberia, LIR/95/004, in the second half of the 1990s at a time of severe security concerns and civil strife. The project targeted very poor single headed households, where 60 of the beneficiaries were illiterate (or with few years of primary education) and as many never accessed credit before. Despite these handicaps and prevailing civil war and the impact of the project on the participating communities was significant. This information is contained in the Annual Project Report for 1998, Project LIR/95/004, Reintegration Programme Management and Poverty Alleviation Project, UNDP, 1998.
- ⁴⁹ See, “The Role and Effectiveness of Development Assistance – Lessons from World Bank Experience” Ian Goldin, Halsey Rogers, and Nicholas Stern, the World Bank, page vi, 2002.
- ⁵⁰ In an article in the Financial Times, An accountable approach to aid, January 24, 2005, Professor Jeffrey Sachs makes the case that for MDGs , foreign aid assistance calls for a results-based management approach, with strong inputs of measurable benchmarks and compliance guidelines that would include spot audits, and the evaluation and publication of results. This would enhance both accountability and transparency, attributes that sustainable partnerships warrant.
- ⁵¹ A recent project, partnering UNDP and DESA with Sub-Saharan countries, that aims at building more effective linkages between MDGs and PRSPs is “Economic Policies in Support of MDGs for Poverty Reduction”, RAF/04/007, 2004. Information on the project may be obtained from Mr. Lamin Manneh, lamin.manneh@undp.org, RBA/UNDP, or from Messrs Jean Le Nay and Olympios Katsiaouni, UNDESA, at nay@un.org, and katsiaouni@un.org.
- ⁵² By civil society here we include both the for-profit entities, that is the private sector, and for the not-for-profit organizations, such as the NGOs.
- ⁵³ This was related by Dr. Daniel Kaufmann, Director of Global Governance, World Bank, in his presentation on “Myths and Realities on Governance and Anti-Corruption, Worldwide”, at United States Mission to the United Nations, October 29, 2004.