

Moving Forward with the MDG-based Poverty Reduction Strategies

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The MDGs are long-term objectives that need to be embodied in the strategic priorities for national development. The alignment of the country's strategic plan with the MDG agenda involves four practical steps; only one relates to MDG costing and foreign aid.

Step 1: Tailoring the global targets to make them context-sensitive

This step is essential for a strong sense of national ownership of the MDGs. Global targets are meant to encourage all countries to strive for accelerated progress but, ultimately, their applicability can only be tested and judged against what is realistically achievable under country-specific circumstances. Setting meaningful targets requires adaptation, not mindless adoption of global targets.

Tailoring the global targets to national priorities and local realities is crucial for striking a judicious balance between ambition and realism. Donorship may put pressure to lower ambition; only genuine ownership will strike the right balance. The inclusion of multiple stakeholders will counteract the risk that tailoring becomes an euphemism for reneging on the political commitment to tackle human poverty in earnest.

By and large, the global targets were set on the premise that global progress observed over the past 25 years would continue for the next 25 years. This explains why the global targets are not uniform – hunger is to be halved while child mortality is to be reduced by two-thirds.

The question whether we are on-track to meeting the MDGs by 2015 is valid only at the global level. It cannot be asked for any specific region or particular country because the quantitative targets were set in line with global trends, not for any particular regional or specific country.

The fear that country-specific targets will undermine the global targets is unfounded. Global targets will not be watered down when some countries set national targets that are less ambitious than the global ones because other countries will set targets that are more ambitious – the so-called 'MDG-plus' countries. In the aggregate, global targets can still be met because global progress is a weighed average of country-specific performances.

More than half of the 100+ countries that have reported so far on progress towards the MDGs have adapted the targets and indicators to some degree or another.

Step 2: Setting intermediate targets for political accountability

The MDG agenda must be linked to the political agenda of today's government. Targets for 2015 are unlikely to register with the current political leaders because the deadline will not occur on their watch. Intermediate targets are needed to generate and sustain momentum at the country level.

Step 3: Translating the targets into specific programmes and policies for the next 2-3 years

Actionable propositions and specific reforms over the next 2-3 years must be defined to realise the intermediate targets. They range from immunising children to iodising salt, training teachers and building schools, drilling boreholes and planting trees, treating HIV/Aids patients and distributing bed nets, enforcing laws against gender discrimination and child labour, abolishing user fees for basic social services, enlarging tax revenue in an equitable way, restructuring budgetary spending in favour of the poor, and sequencing homegrown economic, financial and trade policies.

Step 4: Costing these programmes and policies to inform the annual budget and aid negotiations

The price tag of the MDGs will critically depend on strategic choices about pro-poor policies and the delivery of basic social services. Generic drugs, for instance, are less expensive than brand-name medicines; day schools are less costly than boarding schools; community-driven initiatives are less pricey than institutional approaches. Some interventions combine low cost with high impact, such as hand washing. Interventions in one area will have positive externalities in others, thereby reducing overall costs. Each strategic choice has a different unit cost and a different cost function – rendering the price tag of the MDGs dependent on a wide range of options.

Selecting the appropriate options will typically reduce the cost of the MDG agenda. But only the national stakeholders can do so within the national context. Thus, the price tag can only be ascertained meaningfully within the country's own development strategy and its macroeconomic and sectoral policy frameworks. There cannot be a one-size-fits-all costing exercise, for there are no technical fixes that apply across all nations. Each and every country must fashion the costing approach to its unique context – by learning from existing methods as well as by doing.

It would also be ill advised to estimate the MDG costs over an extended period of time. Given the methodological and data weaknesses, cost estimates for the next 2-3 years will be infinitely more reliable than those for the next 5 years and beyond. The longer the time horizon the less reliable they become, with each additional year lessening their accuracy.

The role of the UNCT will vary in time and in space but two aspects will be essential: (i) create the political space among national stakeholders for setting tailored and intermediate MDG targets; and (ii) provide technical inputs for planning, budgeting, pro-poor policies and programmes to build stronger institutions and capacities.