Millennium Development Goals at Midpoint: Where do we stand and where do we need to go?[1]

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Introduction

The Millennium Development Goals (MDGs) express the commitment of the International Community to universal development and poverty eradication, captured in the UN Millennium Declaration in September 2000. Their wide coverage includes halving world poverty and hunger by 2015, as well as reaching universal primary education, reducing under-five mortality by two-thirds and maternal mortality by three-quarters, and halving the number of people without access to safe drinking water (Box 1). The Declaration also called for a new partnership between developed and developing countries. Developed countries were to ease market access, reduce the debt burden, and channel development assistance to the developing world, which would, in turn, improve its governance and its development policies.

In 2002, the International Conference on 'Financing for Development', in Monterrey, Mexico, established a compact between developed and developing countries: the former would increase the quantity and quality of aid; the latter would use aid more effectively and would take full ownership of their own development strategies. These commitments have been restated many times since 2002, but progress has been slow.

While the MDGs have been criticised (an issue addressed in a companion report to this paper), they have mobilised support for development assistance and are backed by many development actors. As the global economy slows, their mobilising power is even more important. Midway between the launch of the MDGs and the agreed deadline, it is time to take stock of MDG achievements to date, and propose new directions, if necessary. This paper addresses some basic questions:

- How much has been achieved?
- What worked, what did not, and why?
- What should be done to accelerate progress?
- What could Europe do to contribute to the acceleration of the agenda?

The paper reviews progress towards the MDGs, the international and domestic policy environment, financing for the MDGs, and the road ahead, before setting out concrete recommendations.

Box 1: The Millennium Development Goals[3]

Goal 1:	Eradicate extreme poverty and hunger
Goal 2:	Achieve universal primary education
Goal 3:	Promote gender equality and empower women
Goal 4:	Reduce child mortality
Goal 5:	Improve maternal health
Goal 6:	Combat HIV/AIDS malaria and other diseases
Goal 7:	Ensure environmental sustainability
Goal 8:	Develop a global partnership for development

[3] The Millennium Development Goals and targets come from the Millennium Declaration, signed by 189 countries in September 2000 (http://www.un.org/millennium/declaration/ares552e.htm) and from further agreement by member states at the 2005 World Summit (Resolution adopted by the General Assembly - A/RES/60/1, http://www.un.org/Docs/journal/asp/ws.asp?m=A/RES/60/1).

Strategies to accelerate MDG progress require an understanding of recent history, and why particular countries do better or worse. We use a 'tripod' framework, looking at three dimensions: the global economic context in which developing countries operate; the aid they receive; and their own domestic policies.

The global economic context matters, as it has changed dramatically since 2000 and is now in a down-turn. Trade policies continue to penalise many developing countries with export prices that are too low or import prices that are too high. Meanwhile, the aid policies of developed countries remain crucial for the delivery of MDG progress, but suggest that whatever is given with one hand, through increased aid, may be taken back with the other through, for example, trade.

Finally, there can be little MDG progress without the right domestic policies. However, it would be wrong to assume that only MDG-focused policies matter, or that growth, policy commitment and sufficient aid will deliver the MDGs. The effective pursuit of the MDGs requires a broader, *policy coherent* framework.

Where do we stand on the MDGs?

Getting a clear picture on MDG progress is difficult. Most developing countries do not produce reliable figures on, for example, life expectancy, child mortality, water access or poverty, and some report no MDG-related data. Available data may present comparability problems, and MDG indicators often come with considerable time lags. The distribution of progress within the population is seldom emphasized.[4] Such data issues must be addressed as a priority.

Overall MDG progress

According to the 2008 Global Monitoring Report (World Bank, 2008) and the Millennium Development Goals Report 2008 (United Nations, 2008):

- Global progress is good on poverty and gender parity; less so on child and maternal mortality.
- There are clear regional patterns. Asian countries have driven progress on poverty, but have underachieved on health and, in South Asia, on education and gender equity. Latin America and the Middle East have underachieved on poverty reduction, but overachieved on health, education and gender equity. Sub-Saharan Africa lags behind on all MDGs.
- Most countries are off-track on most MDGs, even those that have seen the greatest growth.
- The MDG achievement gap is largest in 'fragile' states.
- In most regions, progress on childhood undernutrition is extremely slow.
- Progress has been good on gender equity in enrolments in all regions except Sub-Saharan Africa and in fragile states.

While the global income poverty target should be reached, the only other MDG that may be on track is gender parity in education. The world is off-track on every other MDG, and the gaps are largest in the poorest regions – South Asia and Sub-Saharan Africa.

National MDG progress

[4] See Klasen (2008b) for a suggestion on monitoring the distribution of progress of non-income MDGs.

Mixed progress within regions demonstrates that MDG progress is country specific. Sub-Saharan Africa, for example, has seen volatile fluctuations in poverty: falling in Ghana between 1999 and 2006, but increasing in Uganda between 2000 and 2003, despite comparable GDP growth. Performance varies even among fragile states: poverty has fallen in Ethiopia and Cambodia, but risen in Niger, Nigeria and Zimbabwe. The mixed performance on MDGs reflects a complex combination of specific country contexts.

Correlation between MDGs

Not only are there variations in progress on specific MDGs, there is little correlation between them. There is little correlation, for example, between poverty reduction and changes in under-five mortality, and none at all between non-income MDGs, such as primary education and under-five mortality. Surprisingly, there is a strong correlation between poverty reduction and changes in underweight,[5] but virtually none between poverty reduction and undernourishment.

Could the MDGs be correlated with general economic indicators? Poverty reduction should, for example, be correlated with economic growth,[6] with a 1% growth in mean income generating, on average, a 1% drop in the poverty headcount. However, this has not happened in China, Honduras, Ghana, Uganda and Cambodia – a reflection of rising income inequality in developing countries since the early 1990s. Finally, there is no correlation between growth and non-income MDGs, suggesting that economic growth alone is not enough to achieve the MDGs.

MDGs and the global economy

The global economy can support MDG achievement of MDGs by facilitating economic growth in particular countries, but the extent to which this reduces poverty depends on context.

Growth in developing countries

From 2000 to 2007, developing countries benefited from a buoyant world economy (Figure 1). Annual growth rates were up to five times higher in emerging/developing economies than in developed economies, and almost all developing countries experienced positive growth. The most dramatic changes were in Sub-Saharan Africa, which experienced GDP per capita growth for seven years – higher than in advanced economies.

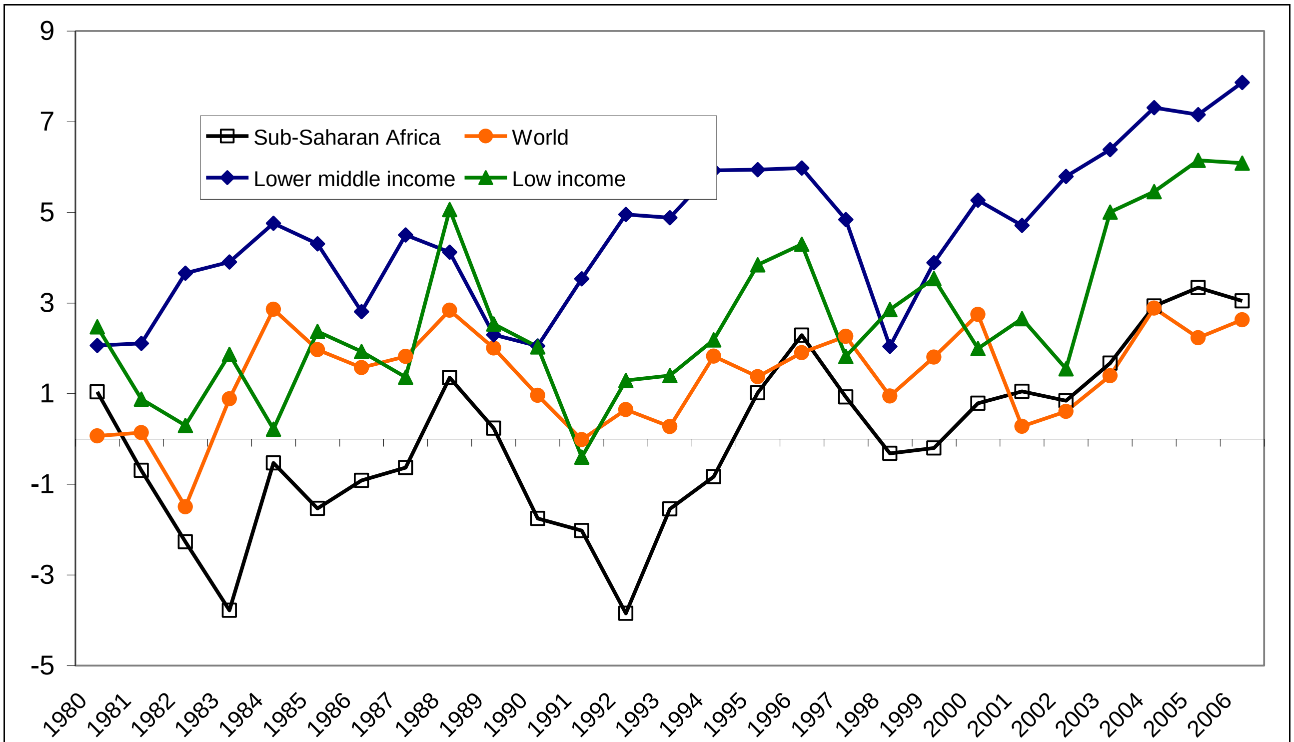
One side effect was a surge in commodity prices between 2001 and 2007. In Sub-Saharan Africa, this meant better terms of trade for most countries, particularly oil or mineral exporters. Others did less well, including those reliant on agricultural products heavily protected by developed countries. Net exporters of manufacturing products and services faced worse terms of trade, and Bangladesh, China and India may have lost at least 20% in their terms of trade between 2000 and 2006.[7] Net importers of food saw poverty reduction slow and possibly reverse as a result of surging food prices.

[5] See also Klasen, 2008.

[6] We excluded all observations where the initial poverty headcount was below 5%, as percentage changes in small headcounts can be large and erratic. See Klasen and Misselhorn (2007) for a discussion.

[7] UNCTAD data on terms of trade indicate that around 40% of developing countries saw their terms of trade worsen over that period.

Figure 1: GDP per capita growth rate (% annual)



Source: World Bank, WDI.

The full impact of the global financial and economic crisis has yet to be determined, but when growth stabilises, it is likely to be at a level lower than in recent years. While the oil price has peaked, it will remain high for some time. According to the African Development Bank/OECD (2008), agricultural prices are likely to fall, but will remain higher than in 2000. There is uncertainty on the evolution of commodity prices and their consequences. There is also concern about the impact of climate change and, without adaptation policies, MDG achievements to date could be unsustainable. Development strategies need to look beyond the MDGs to take on board the volatility of commodity markets, as well as the impact of climate change and the global financial and economic crisis.

North-South financial flows and migration

Foreign direct investment (FDI) by Northern companies was increasing across developing regions in 2007, but was uneven. Evidence on portfolio capital and debt points to a slowdown in flows towards developing countries.[8] Again, the effect of the crisis on the poorest countries remains to be seen, but their situation has improved due to the Heavily Indebted Poor Country (HIPC) initiative and the write-off of the multilateral debt.

Migration from poor to rich countries may help development, but at a price. Remittances by migrants provide foreign exchange receipts and may contribute to the income poverty MDG,[9] but migration may drain countries of skills needed for development. Without regulation by host

[8] See World Bank, Global Development Finance, 2008
[9] See for instance Lucas (2005), and Ozden and Schiff (2007)

countries, the globalisation of the skilled labour market may prove detrimental to the MDGs. However, easing current restrictions on the migration of *un*skilled labour could benefit poor countries without creating a 'brain drain'.

Trade

International trade is vital for development, but many countries find it difficult to integrate into the global economy. Even countries that are integrated may be harmed by the protectionist policies of developed countries.

Developing countries benefit from preferential agreements with the European Union, including Economic Partnership Agreements (EPAs), and 'Everything but Arms' (EBA), and with the US through the African Growth and Opportunity Act (AGOA), and with all OECD countries (Generalized System of Preferences). Although limited in terms of preference margins,[10] AGOA agreements doubled African clothing exports to the US between 2000 and 2006.

The international trade environment faces two major changes: the conclusion of the Doha round and/or the extension of bilateral preferential agreements. A simulation of the Falconer and Stephenson proposal, tabled in mid 2007,[11] shows that the Doha round would erode preferences in the manufacturing sector of Sub-Saharan African and other poor countries. The European Union's EPAs with African Caribbean and Pacific (ACP) countries, however, could have a more significant impact on their exports than the WTO-compatible Generalized System of Preferences/Everything but Arms (GSP/EBA) alternative.[12]

Development-oriented policies are vital for MDG progress in countries affected by the crisis, such as providing insurance for countries hit by adverse shocks, or relaxing immigration laws to accept more unskilled workers. There is no doubt that the global financial and economic crisis will hit developing countries. Now, more than ever, the pursuit of the MDGs must aim to reduce the risk of increased poverty.

MDGs and official development assistance

Official Development Assistance (ODA) seems the main way in which developed countries can accelerate progress towards the MDGs. But aid alone is not enough.

Volume, composition and impact of aid:

ODA from members of the Development Aid Committee of the OECD (DAC-countries) amounted to $104.4 billion in 2006, or 0.31% of their Gross National Income (GNI), well below the 2005 figure of $109.5 billion and the (never attained) GNI goal of 0.7% (Figure 2). To meet the promises made by the G8 countries, the annual flow of DAC aid needs to increase by roughly $35 billion by 2010 (in real terms) – far more than the progress recorded since 2000.

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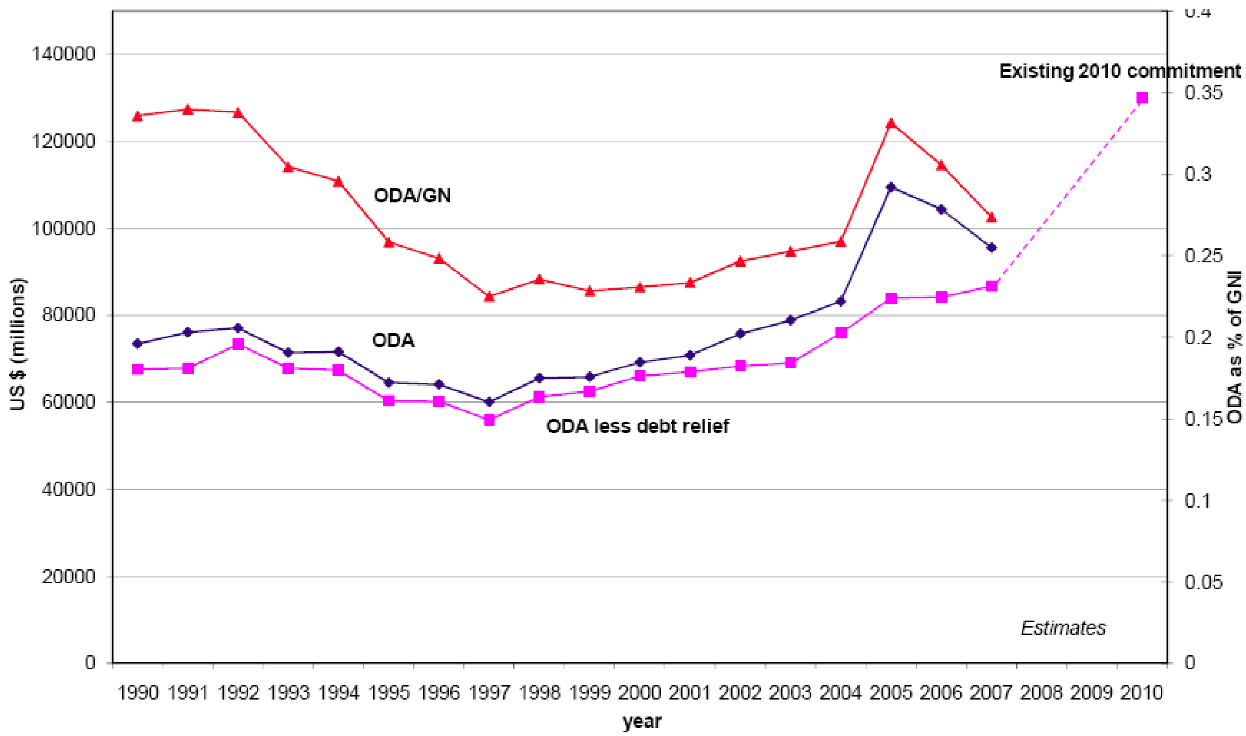
[10] Generally less than 5% compared to the most favoured nation tariff, see Laborde, Mitaritonna and Puppetto (2008).
[11] See Decreux and Fontagné (2008).
[12] See Fontagné, Laborde and Mitaritonna (2008).

Figure 2. DAC-countries: ODA flows, 1990-2007



The composition of aid needs attention. The ODA peak of 2005-06 resulted from exceptional amounts of debt relief, particularly for Iraq and Nigeria, masking a downward trend in 'normal' ODA. As opportunities for debt relief dwindle, it will be harder to reach the 2010 ODA goal. The promised increase in aid must come from higher budgetary allocation or new financing mechanisms.

However, aid is not only about volume or composition. Anecdotal evidence abounds on aid being wasted, and this is an obstacle to deeper partnership between donors and recipient countries around the MDGs. Donors are seeking more, not less, control on the aid they give, and there is increased earmarking of aid through specialized Global Funds – a shift away from the Monterrey compact, which aimed to give recipient countries responsibility for the use of aid funds. Lack of predictable aid is another problem, with recipient countries unable to rely on funding for long-term strategies.

Developed countries can also contribute to MDG achievement through *non-aid instruments.* Support for better governance, and for interventions to keep the peace, prevent conflicts or help early resolution may be more effective than huge aid flows.

Any policy in a developed country that has an international element may have an impact on developing countries. It is crucial that policy makers in developed countries aim for policy coherence for development, whether dealing directly with development, or areas that could have an indirect impact on developing countries.[13]

[13] See also the first EU-wide biennial report on Policy Coherence for Development (PCD) available in electronic form at the following addresses: http://ec.europa.eu/development/icenter/repository/Publication_Coherence_DEF_en.pdf and http://ec.europa.eu/commission_barroso/michel/Policy/key_documents/docs/COMM_PDF_COM_2007_0545_F_EN_ACTE.pdf

Improving aid effectiveness to reach the MDGs

Aid effectiveness is at the centre of the aid debate. The 2005 Paris conference aimed to resolve problems around aid effectiveness, but results are limited.[14] The priority is to improve, and demonstrate, the effectiveness of aid.

Firstly, it is known that channelling aid to projects in poor countries make little sense in some circumstances, and that aid is better channelled as budget support. Nevertheless, aid continues to go to projects (increasingly MDG-related). The question arises: 'If we do not trust this government enough to give it budget support, why would project finance produce the intended results?'

Secondly, we know that aid is only effective in a 'good policy environment'.[15] Yet donors are reluctant to withhold aid from countries with a poor policy environment (including fragile states), even though there may be more effective ways to provide support, such as helping to create a legal system.

Even countries with a reasonable policy environment find that it takes time to access international markets.[16] This suggests that providing bridging finance might be one of the most useful things donors could do.

While donors pay lip service to national 'ownership', they engage in aid relationships in which ownership by the recipient country may well be undesirable. This 'rhetoric' of ownership, combined with tight donor control, sends conflicting signals to recipient governments. Donor wariness on country ownership is further reflected in the continued practice of combining development finance and technical advice in one package – in effect, tied aid. Developing countries need access to expertise, but they should determine its origin. This would improve accountability and send a clear signal: the government runs development policy.

Finally, there has been little progress on results-based aid, with disbursements linked to progress on targets agreed in advance. While results take time to materialise, recipient countries need aid money to launch programmes. The result-based aid contract should start by giving governments the benefit of the doubt,[17] before aid becomes conditioned on a set of indicators, while policy choices should be left to recipient country governments.[18] Steps in this direction include the Poverty Reduction Strategy (PRSP) process, and the European Commission programmes whereby aid disbursement includes fixed and variable components, the latter linked to progress towards specific targets.[19]

With mounting evidence that lack of insurance undermines investment and growth, donors could also step up support for insurance mechanisms, Multinational insurance companies are unable to offer insurance to people in remote communities. Microfinance institutions can reach such communities, but are unable to pool risk at the scale required. Donors could provide reinsurance or act as intermediaries between countries and multinational companies.

[15] For a survey of this literature see for instance Clemens et al. (2004)
[15] For a survey of this literature see for instance Clemens et al. (2004)
[16] See, for example, Collier and Gunning (1999).
[17] See Collier *et* al. (1997)
[18] For a short discussion of these issues see Bourguignon and Sundberg (2007).
[19] See Adam and Gunning (2002)

MDGs and policies in developing countries

Even in the most favourable global scenario, a country may lag behind on the MDGs through bad domestic policy choices. We find that there is no single recipe for policy success, and this reinforces the argument for country ownership.

Cross-cutting national policy issues.

While debates on development policy usually focus on what *should* be done, more is known about what *not* to do. The first rule should be to avoid harmful policies.

A study by the African Economic Research Consortium identified four 'syndromes' that could apply to any low-income country with low growth performance at some point. *Regulatory syndrome* involves extensive state ownership and excessive regulation of the economy. The *redistributive syndrome* is characterised by the use of the state to redistribute resources to particular groups only. The *inter-temporal syndrome* includes the mismanagement of commodity booms. Finally, *state breakdown,* when the state is unable to maintain security.

Avoiding these syndromes is a governance issue. In the past, policy makers often had *incentives* to adopt damaging policies. Many governments of oil or commodity exporting countries in the 1970s and 1980s knew that commodity booms were temporary, but had more to gain from spending than saving their windfalls. The regulatory syndrome is better understood today. During the recent commodity boom, many countries – with the exception of Chad and Ecuador – saved their windfalls as foreign assets.

The AERC evidence on the redistribution and state breakdown syndromes is worrying. In Sub-Saharan Africa, redistribution syndrome is as common in resource rich-countries as in the 1960s, and the number of people affected by state breakdown is static. This suggests that there are still strong incentives for dysfunctional policies, and disincentives for the creation of effective institutions.

There is now consensus that weak institutions hinder development. However, their influence depends on context. While Africa does not have a monopoly on autocratic regimes, they do more damage in situations of resource wealth or ethnic fragmentation, both common in Africa. This strengthens the argument for 'democracy' that goes beyond the narrow definition of 'free elections' to encompass transparency, accountability and protection of the marginalised.

Some policy areas are more relevant than single policies, including policies to build an environment for private investment. Some of the wealth of Africa or Latin America that is still held outside the region would return if the investment climate improved. At the same time, it is important to recognise that there are areas where private investment is no substitute for public resources, including some areas covered by the MDGs (e.g. education).[20]

Agricultural policies and the management of risk are also relevant to the MDGs. ODA from rich countries could 'smooth international shocks' and support social protection to safeguard small farmers and others against income uncertainty. Policies that help firms and farmers cope with risks through, for example, formal insurance, may well increase growth,[21] as suggested by recent work in Zimbabwe and Ethiopia.

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[20] Estache (2008)

[21] See Dercon (2005), Elbers *et al.* (2007), Gunning (2007). The evidence for rural Zimbabwe and Ethiopia is that the capital stock would, in the long run, be at least twice as high if actuarially fair insurance was available.

Experience shows that social protection is feasible and affordable. Examples include pioneering conditional cash transfer programmes in Latin America, now being replicated in Africa, and public works or employment schemes in some Asian and African countries.

MDG-specific national policies

A coherent policy network requires consistency between general development strategies and MDG-specific strategies. One approach is to cost out the tasks required to achieve the MDGs – a method adopted by the Millennium Project. However, this overlooks the fact that any major change in public spending in a developing country triggers changes in the economy. Training more teachers, for example, means more teachers to be paid, requiring a bigger education budget. However, it may also accelerate growth. An understanding of this complexity is necessary for effective MDG strategies.[22]

The need for consistency between national and sectoral policy contexts is illustrated by assessing the scope for decentralisation and local participatory governance. In theory, participatory governance is commendable, with people exercising their voice on relevant issues. Critics assert, however, that local governments and communities are susceptible to élite capture, under-resourced and can be divisive.[23] Here, the institutional environment is critical for effective decentralised development.[24]

'MDG plus': The road ahead

The difficulty of keeping the MDGs on track, even in countries with excellent economic growth, raises doubts on whether they should be seen as overall development objectives. There are two schools of thought: an 'MDG plus' view, in favour of their enlargement; and a 'compact' view, in favour of making them more consistent with comprehensive development strategies. We review both.

Conceptual foundations of the MDG process

To have impact, the MDGs must represent an international consensus on the goals of the development process. Some, however, including the goals on gender, environment and international co-operation, raise questions that apply to the MDG process as a whole around consensus, prioritisation and the value of setting goals.

MDG coverage, trade-offs and nature

Coverage. Should the MDGs include voice and accountability? Could there be consensus on these governance principles as a development objective? Would this be on a par with, for example, the consensus on gender equality?

Trade-offs. Countries may prioritize one MDG at the expense of another. For example, should scarce resources be used to expand educational access, or improve quality for those already in school? How would we compare two countries: one emphasizing quantity; the other quality? Such trade-offs span the MDGs.

[22] See the description and some application of the MAMS model in Bourguignon, Diaz-Bonilla and Löfgren (2008).
[23] See, for instance Platteau, 2008; Mansuri and Rao, 2004
[24] See Bardhan and Mookherjee 2006: Chap. 1

Nature of the MDGs. Spending on teachers is an input, the number of teachers hired is an output, and the number of children taught in primary school in an outcome. But is the number of 'bums on seats' the desired end result?

Goal setting as an aid to development

National level goal-setting. If countries worldwide are trying to halve poverty by 2015, domestic policy makers may well follow suit. However, rhetoric on domestic goal setting in developing countries makes little reference to the MDGs, which are often seen as instruments 'owned' by developed countries. If domestic debate prioritises goals that are *not* MDG-related, such as road-building, over others that *are*, such as education and health, that has to be accepted. This is about policy coherence, and the judgement of domestic policy makers.

Goal setting and resource mobilisation. National goal setting on outcomes can help to quantify resource needs, if backed by a credible model of the economy and government intervention. Such exercises are now routine in developing country finance and planning ministries and in aid agencies and can cover several MDGs. This can happen without the MDGs, but the MDG process can be used to create a common footing for assessment of needs and performance, and to inform aid allocation and reallocation.

MDGs and performance assessment. If the MDGs do represent an international consensus on the objectives of development, they can be used to assess *performance,* as well as needs. Few would disagree with MDG4 – the reduction of under-five mortality – as a development objective. The question is how to achieve it. Without consensus, assessing performance via inputs is contentious. The MDGs may offer a solution by giving greater weight to the evolution of their target areas, such as child mortality. The *level* of mortality can be used to measure need, but the *rate of improvement* could be a measure of performance.

The case for broadening MDGs

It has been suggested that the MDGs should be upgraded by adding input-based monitoring indicators to the standard indicators. But it is unclear whether these would be monitoring instruments, inputs into existing MDGs, or new objectives.

Firstly, should absorptive capacity be monitored alongside the MDGs? This involves macro-economic circumstances and constraints in absorbing the aid the MDGs require. While these are critical for MDG strategies, they are too far removed from the goals themselves to be MDG monitoring indicators.

Secondly, should the equity of MDG implementation strategies be monitored? It is possible that progress on the MDGs will include, at some stage, a worsening of income distribution. Again, this needs monitoring, but is not necessarily linked to the MDGs.

Thirdly, should 'voice' be monitored? More voice for local people may benefit local people in once context, but be counter-productive if captured by the élite in another. 'One size fits all' indicators seem inappropriate.

Given the need for context specificity, there seems little justification for expanding the MDGs to include more goals or monitoring indicators.

A forward-looking integrated view

A greater focus on general development objectives does not mean abandoning the MDGs. It means retaining them as part of a dynamic process of development. The MDGs need to reflect the realistic aspirations of a population for their own future, in the form of a set of ambitious forward-looking indicators. They need to embrace very different country contexts. Some countries have hopeful prospects, even if they face current deprivation. While they may not necessarily achieve the MDGs by 2015, they will achieve them, and perhaps soon after the 2015 deadline. Other countries have limited signs of hope, including fragile states facing severe deprivation. In these countries, a vast compendium of MDGs makes little sense, and a few priorities to build the foundations for sustainable development may be preferable.

The implication is that a major shift is needed in monitoring practice, with the donor community moving from *measuring* MDGs to *understanding* the processes that work. Every country uses forecasts to assess future economic growth, but few have such mechanisms to assess poverty or the MDGs. Forward-looking strategic monitoring is needed, and this should be integrated into policy coherent framework for development, with MDGs as part of the objective function.

Conclusions

We need more policy coherence, not more goals

The MDGs remain a valuable framework for development action to 2015, but should be seen as a broad initiative to reduce poverty, not a detailed blueprint for separate interventions. There is no need to add more goals or targets. Instead, the MDGs need to be part of a coherent policy framework to support growth with equity, and well-designed sectoral policies.

MDG policy coherence must be improved drastically at the international level. Ultimately, global economic governance may be more important to MDG delivery than the creation of new funds for health or education. Progress on trade agreements is vital to support shared economic growth, alongside better regulation of the financial system, the creation of a favourable investment climate, and the removal of barriers to unskilled labour migration. Adaptation strategies are needed immediately for developing countries affected by climate change. Greater resources must be made available to the international community for peace-keeping and conflict-prevention.

Donors must deliver on promises

The volume and effectiveness of aid must be prioritised. Despite repeated commitments, aid volumes have declined, and aid delivery leaves much to be desired. In countries with functioning institutions and effective policy-making, scaled up aid should be delivered as predictable budget support based on a clear compact. The Accra Agenda for Action, approved in September 2008, provides the framework – now donors need to deliver.

Policies within developing countries are crucial

The fact that there is no single recipe for policy success on the MDGs reinforces the argument for country ownership that is based on sound national policies. Coherent and consistent national policies are required, encompassing strategies for overall development, as well as those related more directly to the MDGs.

Social protection and insurance need more support

Social protection, and more generally, protection of MDG progress, should be on every national agenda, and the sharing of innovations from developing countries in such areas as cash transfers is to be encouraged.

Fragile states need a special agenda

Fragility must be tackled if the MDGs are to be achieved. This requires sustained engagement with governments, civil society and non-state actors, as well as creative use of resources. Multilateral approaches are necessary, with further strengthening of the UN Peacebuilding Commission.

We need to look beyond 2015

We need to think now about the post-2015 agenda. Global poverty may have been halved but will not have been eradicated. At the same time, income poverty definitions may have been revised upwards. Another concern is whether MDG achievements will be sustainable beyond 2015. This strengthens the argument for considering the MDGs as part of overall sustainable development strategies, rather than independent targets.

The European Union has a special role

The European Union (EU) brings particular strengths to the MDG ‘project’, as reflected in the European Consensus on Development. Its own history shows the advantages of regional co-operation, support for weaker members and joint action. It is the world’s largest aid donor and a major trading partner, and its Member States have taken a lead in peace-keeping and peace-building. It is committed to improved aid effectiveness, through its Code of Conduct on Complementarity and Division of Labour. It can draw on its experience to help poor countries reduce internal barriers to trade, correct market failures and increase regional ownership of reforms. At the same time, more needs to be done by the EU and its member states to push this agenda forward.

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