

Main points in my 10 minute presentation at the After-dinner Roundtable discussion on **‘The MDGs and Beyond 2015: Pro-Poor Policy in a Changing World’** organized by Stephan Klasen and Andy Sumner at 08:00 pm to 10:30pm on Wednesday 8th September.

- Poverty became the leading challenge for development practitioners around the new Millennium. The World Bank’s WDR 2000/01, the DAC Guidelines on Poverty Reduction in 2001 and UNDP’s HDR in 2003 all focused on analysis and policy recommendations for reducing multidimensional poverty.
- The MDGs were created as a result of a new focus on *measurable results* of policies, and programs for poverty reduction. At the same time, it was increasingly understood that one size does not fit all, and that context matters.
- In recent years, there has been a search among practitioners for approaches that build on the local context in the hope that this may lead to better sustainability through the inclusion of the relevant stakeholders, and to more modest donor ambitions.
- The political incentives driving donor behaviour are based on the premise that aid can have a significant development impact in a relatively short span of time. And while donors pay lip service to partner country ownership and harmonization, they still want to attribute visible impact to their own work. It is extremely hard for donors (and their political masters, including taxpayers) to accept that context may matter more than aid, reducing donors to less significant – sometimes largely insignificant – players.

So, my **first point** is that an increasing focus on *aid management for results* in terms of poverty reduction targets and indicators reflects increasing political problems in donor countries to defend rising aid budgets. The problem for donors in dealing with context seems to be first and foremost dealing with their own context that forces them to show more results of their aid than they objectively can.

- Moreover, aid is increasingly being integrated in a policy context where multiple and sometimes incoherent objectives are to be fulfilled. For the next few years, the needs of poor countries risk to be forgotten when many donor governments are forced to handle their bolting debt situation. The role of aid is changing and the provision of aid for development purposes risks to be further eroded. As a result of the triple crises of finance, food and climate change, the commitment of donor countries to increasing aid and focusing it on the MDGs may be weakened further, while at the same time the crises increase the need for effective pro-poor aid.

The scope of aid for revised MDGs beyond 2015, should be limited to the least developed countries and thus mainly to Sub-Saharan Africa. Any major effort to support African development will have to take into consideration the changing aid landscape in Africa due to climate change, increased world market prices of commodities, food and energy, as well as combined aid/trade/investment agreements with emerging powers and thereby alternative modalities of external funding available to African governments. That is my **second point**.

- However, the real commitment of African and other developing countries finance ministers to the MDGs and to the declarations of their own heads of state has come into question, after some finance ministers succeeded in deleting any reference to budgetary targets for education, health, agriculture and water in the report and resolutions of the 2010 annual meeting of African ministers of finance. This begs the question whether programs aimed at reaching the MDGs are given sufficient priority in developing country budgets.

So my **third point** is that the governments of African and other poor countries must allocate sufficient resources for MDG-related programs. This is also a challenge for the in-country PRS processes to deal with, and we need to look at and learn from the PRS experiences so far.

The last issue I want to raise concerns the revision of the MDGs beyond 2015.

- The emphasis on poverty-related social indicators rather than on employment creation, industrialisation and economic development has led to critique of the MDGs as a form of 'welfare colonialism'. The MDGs are seen as far too biased towards palliative economics rather than structural change, i.e. towards treating the symptoms of poverty rather than its causes. We need a new – and complementary – set of goals which would direct the attention to issues and targets more related to underlying causes than to symptoms. Some of these goals can easily be formulated in terms of quantitative targets similar to the MDGs.
- Examples would be income distribution, domestic resource mobilisation, democratic development and respect for human rights, corruption, crime and violence, and formal employment, unemployment and underemployment, labour standards and respect for the core ILO conventions.

That is my **final point**.