



Institute of Development Policy and Management

# How useful is the MDG discourse for aid planners and managers?

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University  
of Antwerp

**Robrecht Renard**



# To start with the good news:

## MDGs

- represent a worldwide compact
- focus on poverty as an overarching objective
- capture many if not all of its dimensions
- seem to harness commitment
- and are measurable

There are however very serious limitations when using MDGs at a lower than global level

## MDGs

1. lack country specificity
2. contradict national ownership
3. constitute a poor planning guide
4. underestimate governance issues

# 1. MDGs lack country specificity

- A one-size-fits-all approach based on worldwide 'average' poverty trends and indicators is not particularly helpful
- If UNDP wishes to promote MDGs at country level, it should propose country level targets based on country level trends

## 2. MDGs contradict national ownership

- Low-income countries produce their own strategy for reducing poverty (PRSP) in which they set their own objectives and targets
- On this they consult with their own civil society as well as with donors
- Such targets form the basis for a results-based contract with donors
- Yet targets often do not strictly tally MDGs

# MDGs in the PRSP

**Table 1: Coverage of MDG indicators in PRSPs**

Share of PRSPs including at least one indicator in category

MDG category		Category average	MDG category		Category average
<i>Poverty</i>	Poverty Headcount	93%	<i>Health</i>	Child Mortality	96%
	Poverty Gap	22%		Immunization	74%
	Income Distribution	15%		Maternal Health	100%
	Child Malnutrition	67%		HIV/AIDS; STDs	59%
	Malnutrition	22%		Other infectious diseases	48%
<i>Education</i>	Enrolment/Attendance	100%	<i>Environment</i>	Energy/Electricity	37%
	Progression/Completion	48%		Forests	0%
	Literacy	59%		Biological Diversity	7%
<i>Gender</i>	Education	70%		Housing	15%
	Employment	30%		Water	89%
	Voices	7%		Sanitation	67%
				Atmosphere/Air quality	22%

### 3. MDGs constitute a poor planning guide

- They may be high on monitorability
- But they are low on evaluability
- Because too high up in the causality chain

# The causality chain

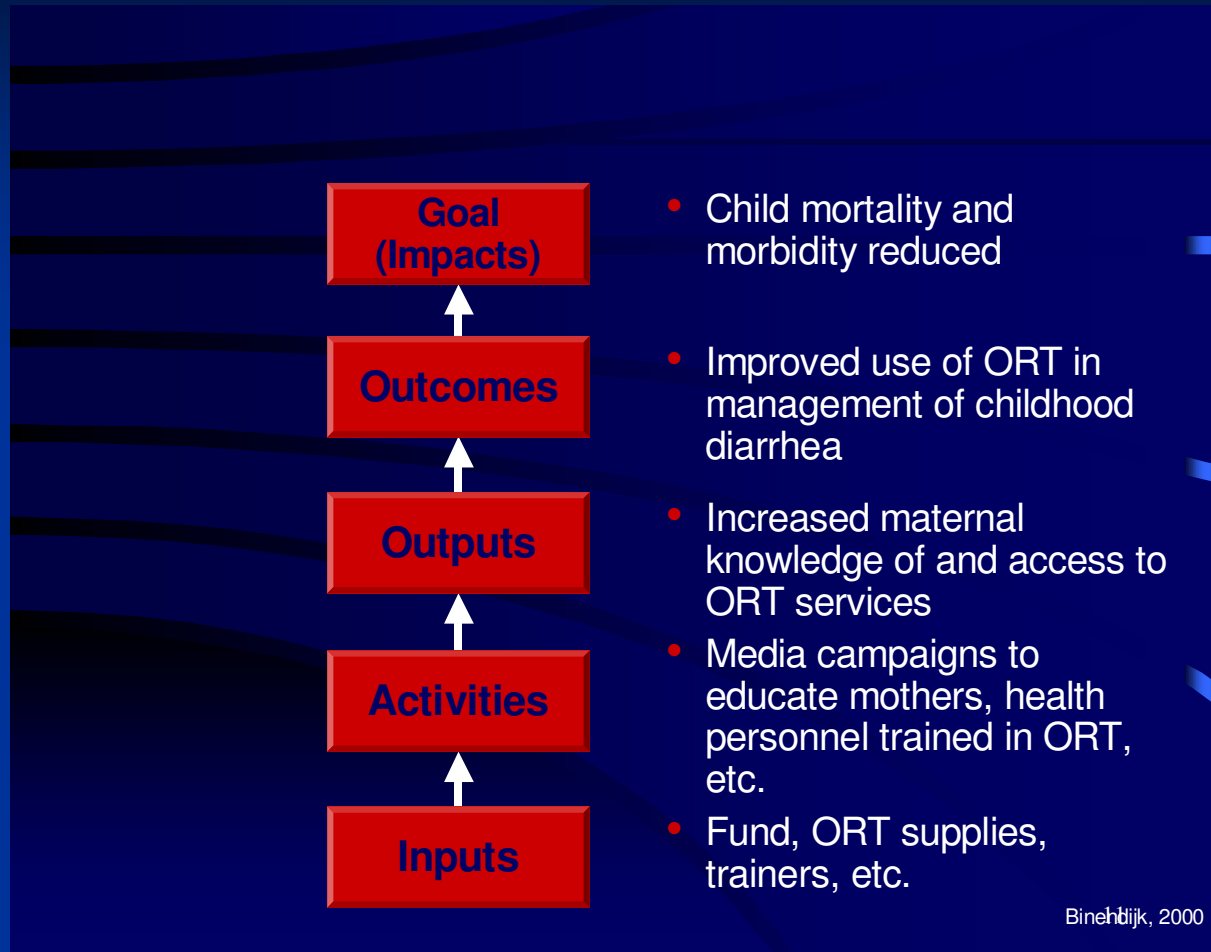


Illustration taken from a presentation by G. Rist

- For a large number of aid interventions the link to ultimate MDG targets is very difficult to model theoretically, let alone measure

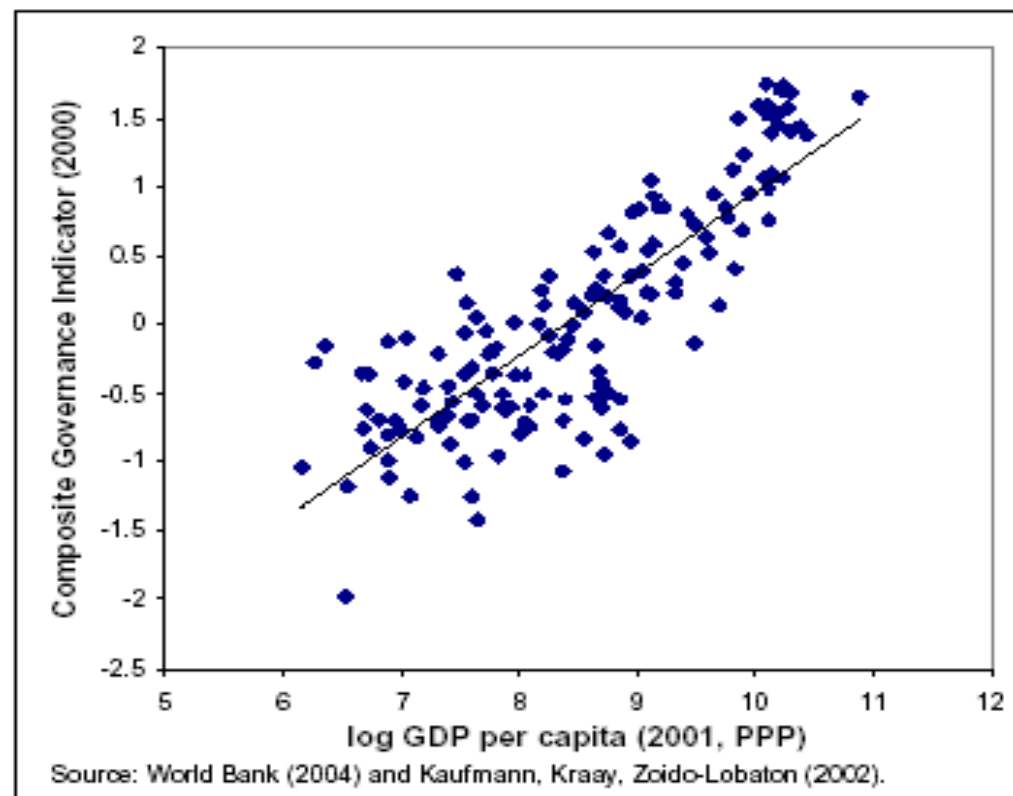
Illustration:

- Agricultural research (CGIAR)
  - Roads
- 
- Is it surprising then that aid managers who are pressed to justify their activities in terms of MDG targets go for the easy solution = social sector spending?

## 4. MDGs underestimate governance issues

- Governance problems are a major factor inhibiting development
- When governance is poor, just throwing in more aid money is not a good idea
- UNDP acknowledges the argument, but then sweeps it under the carpet

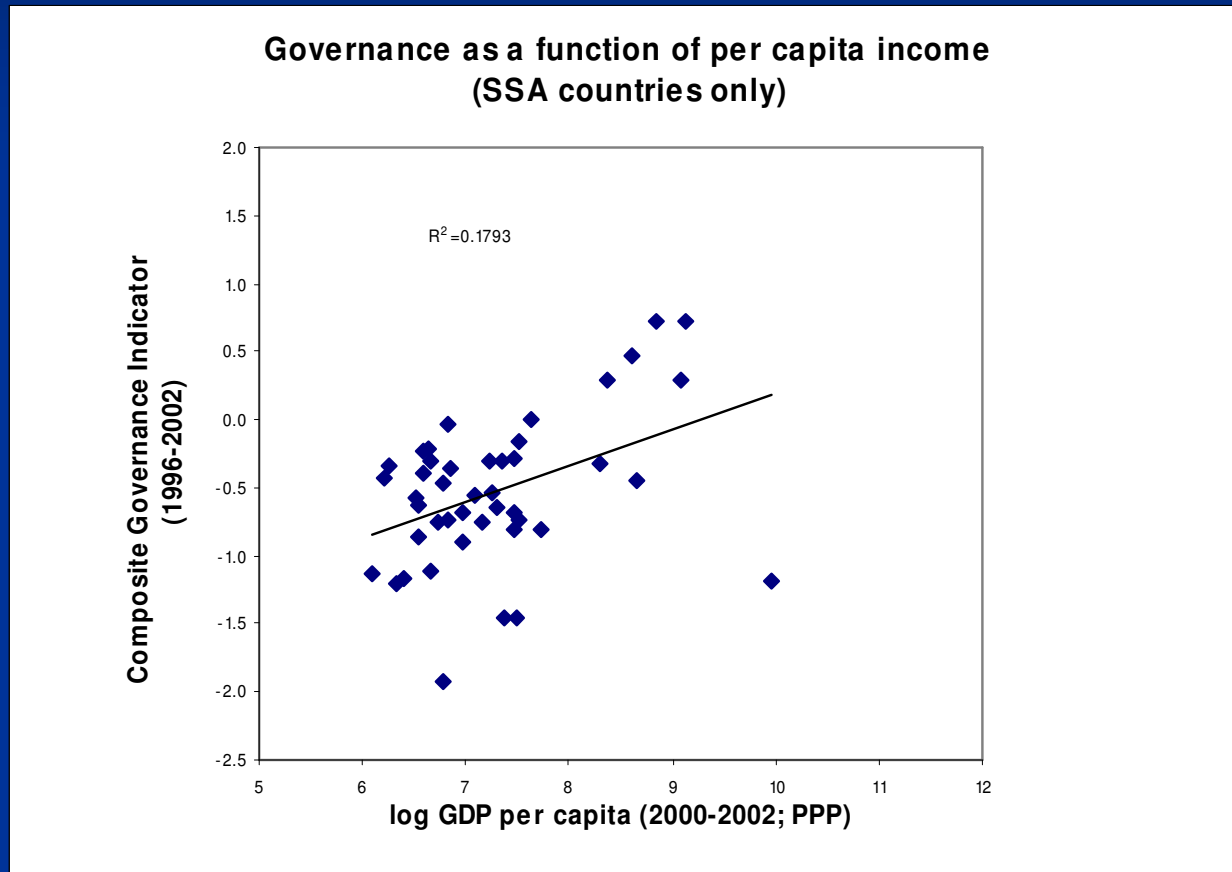
Figure 6.1: Scatter plot of GDP per capita versus governance indicators



“As countries get richer, their governance tends to improve systematically, with the rise in income typically leading, rather than lagging, the big improvements in governance”

(Preliminary version of Sachs Report 2005: 163)

For SSA the correlation is far from overwhelming, and no scientific evidence is offered to support a one-way causality





# Conclusions:

- 1/ MDGs are a good tool for checking on global donor promises,**
- 2/ but do not add much for aid planning or management**

