



NATIONAL VOLUNTARY PRESENTATIONS EXECUTIVE SUMMARIES

Presented by:

***Bangladesh
Barbados
Cambodia
Cape Verde
Ethiopia
Ghana***

**2007 HIGH-LEVEL SEGMENT
OF THE ECONOMIC AND SOCIAL COUNCIL
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The executive summaries contained in the compilation aim to provide a concise overview of the comprehensive national reports of the countries, which have volunteered to deliver national presentations during the Economic and Social Council's first Annual Ministerial Review: Bangladesh, Barbados, Cape Verde, Cambodia, Ghana, and Ethiopia.

Speaking to the theme of this year's AMR, "Strengthening efforts to eradicate poverty and hunger, including through the global partnership for development," the presentations will chart the progress of each country towards the achievement of the Millennium Development Goals (MDGs) and the other Internationally Agreed Development Goals (IADGs), and suggest ways forward to build on country achievements in partnership with the international community.

The summaries contain an overview of the successes, initiatives, issues, policy direction and challenges each country is encountering in its pursuit of the full achievement of the national development strategy, the MDGs and the IADGs. In a knowledge-sharing exercise, the summaries also highlight 'best practices' that could be adapted by other developing countries.



BANGLADESH

“Strengthening efforts to eradicate poverty and hunger, including through the global partnership for development”

EXECUTIVE SUMMARY

SOUND MACROECONOMIC PERFORMANCE

The steady annual economic growth of over 4 per cent during the past decade and relatively low inflation, have been the underlying macroeconomic factors in reducing poverty. According to a World Bank study, Bangladesh’s GDP growth experienced the least volatility in the 151 economies it covered¹. This impressive growth performance, along with a decline in the population growth, contributed to a doubling of annual per capita GDP growth, from 1.6 per cent in the 1980s to 3.3 per cent between 1990 and 2004 (Figure 1). Both farm and non-farm activities, as well as strong export performance by the RMG sector, triggered the growth. Taking into account the impressive strides in economic growth, human development and poverty alleviation, the Goldman Sachs recently included Bangladesh in a list of 11 countries that have the greatest economic potential to replicate the success stories of China and other Asian Miracle countries²

SOCIAL INDICATORS

Bangladesh has outperformed most low-income countries on a range of social indicators. It increased net primary enrolment from 74 per cent in 1991 to 87.27 per cent in 2001 and has already attained the MDG of eliminating gender disparity in primary and secondary enrolment. With the sharp decline in infant mortality from 94 to 51 per 1,000 live births between 1990 and 2004, and in child mortality from 151 to 74 per 1,000, Bangladesh is set to achieve the targeted two-thirds reduction in both infant and child mortality rates by 2015 (please see Appendix 3). Food security has improved markedly, even for the very poor. Bangladesh’s ranking in the human development index (HDI) is much better than might have been predicted for a country at its income level.

EXPLAINING THE SUCCESS

Behind these successes lies a steady productivity growth in the agricultural sector. Despite the fact that its share of GDP declined from 30.4 per cent in 1991 to 20.1 per cent in 2005 (Figure 3), agriculture still employs about 50 per cent of the population in Bangladesh (Figure 2). Moreover, nearly 75 per cent of Bangladesh’s population still live in the rural areas. Though not discussed in the report, the deteriorating terms of trade for farmers – owing to high input prices and an imperfect market structure – help to explain the declining share of agriculture in GDP. Farmers often do not receive a fair price for their output as access to market is controlled by intermediaries. Future efforts in poverty reduction will need to take this into account.

¹ See World Bank, *Bangladesh Development Policy Review*, December 14, 2003. Report No. 26154-BD, pp. 7-8.

² “Why Goldman Sachs may be right about Bangladesh”, by Andy Mukherjee, *International Herald Tribune*, Tuesday, 24 January 2006

Micro-credit has proved to be one of the most effective development tools in Bangladesh. The Grameen Bank model of credit delivery to the rural poor – especially to women - has proved that the poor can lift themselves out of poverty through their own efforts and industry provided they are given access to capital. By 2006, nearly 80 per cent of poor households have taken part in micro-credit programmes, and a majority of those have improved their economic condition. The micro-finance sector is set to push boundaries further with the development of micro-insurance schemes.

The role of NGOs in reducing poverty extends also to education, where they play a key role in providing non formal education. This offers a practical curriculum and a flexible class schedule, in response to the needs of the families and the communities. BRAC, the largest NGO in Bangladesh, has a vast network of schools. This complements the government's own provision of education and has been particularly effective in reaching the poorer sections of society, who may otherwise be excluded from education. There is growing evidence that education and skill development have significantly contributed to reducing poverty in Bangladesh.

Temporary labour migration - primarily to Saudi Arabia and other Middle Eastern countries -has also contributed significantly to increasing household income and reducing poverty, both directly and through consumption and investment multipliers. The remittances reached USD 5.48 billion in 2006, accounting for nearly one tenth of the country's GDP (Figure 14). Temporary labour migration and remittance will continue to play an important role in poverty reduction in the foreseeable future. However, any adverse shock – global, political or economic instability – may seriously undermine the gains in poverty reduction.

KEY CHALLENGES

While agricultural production has increased manifold, it is showing signs of diminishing marginal return. Given the finite amount of land and a still growing population, land use and crop intensity is approaching a maximum. This severely limits the ability of many poor people to earn a livelihood from farming. New investments and innovations in agriculture to further boost productivity will remain key to maintaining food security and reducing poverty and hunger. While the PRSP recognises the importance of maintaining a robust agricultural sector, the maintenance of steady job growth in the urban sector to absorb the increasing flow of migrating rural poor will remain a challenge. Bangladesh will have to identify and promote new thrust sectors to sustain the progress that helped achieve MDG-1 targets.

The ready-made garments (RMG) industry -the country's foremost export sector -has experienced impressive success and growth in recent years. It employs nearly two million women, who migrated to cities and whose income not only empowers them, but also contributes significantly to the rural economy throughout the country. But the future of this important sector will rely heavily on its ability to compete with other garment producing countries in Asia and Africa; and also on the outcome of the Doha Development Round in the areas of special and differential treatment.

If Bangladesh loses preferential market access for its RMG exports to Europe and North America, especially vis-à-vis other RMG exporting LDCs, it is likely to face a large number of job losses, with adverse consequences on poverty. By some estimates, almost 740,000 garment workers – mostly women – will lose their jobs if Bangladesh loses the preferences. When the possible job losses in other sectors dependent on the RMG

industry is accounted for, the total number may be as high as 2.59 million³. This would also mean almost 1.15 million people would slip back into poverty, derailing efforts to reach the MDG-1 by 2015. The PRSP and other policies take this challenge into account.

It is important to keep in mind – though not elaborated in the report -is the fact that RMG is not a skill-intensive sector and it has little or no learning effect. Excessive reliance on RMG exports may consequently depress the demand for skills and by extension, the demand for education. There is the potential danger that over-dependence on the RMG sector may trap the economy in a “low-skill, low-value added equilibrium”, undermining future efforts to reduce poverty. Taking this into account, PRSP puts the right emphasis on skill development and export diversification.

Trade liberalisation is perhaps the most visible expression of globalisation. Bangladesh has taken bold steps to liberalise its trade since the early 1990s. Trade now accounts for nearly 37 per cent of its GDP, compared to about 19 per cent in 1992. During the same period, Bangladesh’s un-weighted average MFN tariff declined from 47.4 per cent in 1992-93 to 13.54 per cent in 2004-2005⁴. This is reflected in an almost four-fold increase in its imports, from USD 3.9 billion in 1992 to USD 13.8 billion in 2005. Concurrently, trade deficit as a percentage of GDP rose from 4.76 per cent to 6.46 per cent, showing that Bangladesh's exports have not kept pace with growth in imports. It will remain a daunting challenge for Bangladesh to pursue a pro-poor trade policy, especially to ensure that liberalisation leads to job-growth, both in traded and non-traded sectors.

Another formidable challenge in Bangladesh’s poverty reduction efforts – though not detailed in the report - is the adverse consequences of global warming. The Stern Report⁵ warns that the very poor in the low-lying coastal areas of Bangladesh will be one of the worst victims of a rise in the sea-level. By some estimates, the sea level in the Bay of Bengal is rising by about 3mm a year and it is predicted that as much as one fifth of Bangladesh’s land mass will go under water if the sea level rises by just one meter. This will cause not only massive displacement of about 13 to 30 million people, but will also reduce the capacity for rice production by as much as 30 per cent. If Bangladesh is to achieve MDG1 by 2015 -and more importantly, if it is to sustain a low rate of poverty after 2015 -it will need to address the issues of climate change more vigorously. International cooperation will be critically important in minimising the adverse effects of global warming on Bangladesh.

³ Khondker, Bazlul Potential Human Development Implications of MFA Phase-Out: The Case of Bangladesh. Estimates from an Integrated Modeling Approach” UNDP Bangladesh, May 2005

⁴ WTO Trade Policy Review: Bangladesh - 2006

⁵ Stern, Nicholas: *The Economics of Climate Change: Stern Review*, Cambridge, 2007

TABLE : ACHIEVING MDG-1

MDG-1	Targets	Bangladesh Targets	Indicators	Base year 1991 (%)	Target Year 2015 (%)	Current Status 2005 (%)
Eradicate extreme poverty and hunger	<p>Target 1: Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day</p> <p>Target 2: Halve, between 1990 and 2015, the proportion of people who suffer from hunger</p>	<p>Reduce proportion of people living below poverty line⁶ from 58.8% in 1991 to 29.4% in 2015</p> <p>Reduce proportion of people living in extreme poverty from 28% in 1991 to 14% in 2015</p>	<p>Proportion of people below poverty line</p> <p>Poverty-gap ratio</p> <p>Proportion of people in extreme poverty</p> <p>Prevalence of underweight children (under 5 years of age)</p>	<p>58.8</p> <p>17.2</p> <p>28 67</p>	<p>29.4 14</p> <p>33</p>	<p>40.0 9.0</p> <p>19.5 39.7</p>

⁶ The USD 1 per day (PPP) poverty-measure is not used in Bangladesh.



BARBADOS

“Progress towards achieving the Millennium Development Goals and the other Internationally Agreed Development Goals”

EXECUTIVE SUMMARY

In addressing the issue of poverty, the Government of Barbados’ concerns go beyond measures of income and consumption. The concept of poverty reflects the generally accepted understanding of this phenomenon as being multi-dimensional in nature and one that touches all levels of society. It can also include “poverty of the spirit” as defined in Barbados’ *National Strategic Plan*. To eradicate poverty also means addressing issues such as inequality, justice and human rights. So while Barbados is not faced with extreme hunger and poverty, it is still faced with the complexities of human development and the need to sustain efforts to ensure that persons achieve their full capacities. Therefore, the focus of the overall development strategy is not simply to achieve the MDGs but to surpass them. In so doing the Government of Barbados has embraced the notion that while economic growth is a necessary condition for human development, it is insufficient by itself to achieve and sustain human development.

BARBADOS’ SUSTAINABLE DEVELOPMENT PROFILE

Barbados is a middle-income Small Island Developing State (SIDS) with a fragile natural resource base and an open economy characterized by a narrow range of exports and a heavy dependence on imported goods. Its main foreign exchange earning sectors are tourism, sugar, manufacturing, banking and financial services. Barbados enjoys a relatively high quality of life. The country currently ranks 31 in the UN Human Development Index.

However, the country faces several challenges, which are characteristic of SIDS, and others which are unique to the Caribbean region. Its small economic size, its high degree of economic openness and limited resource base makes it extremely vulnerable to external shocks and impedes its capacity to respond and adjust to them. This lack of resilience is further compounded by the negative aspects of globalization.

Barbados’ limited land size, natural resource base and fragile marine ecosystem leave the island susceptible to several environmental threats including: invasive species, flooding, soil erosion, coral reef degradation, climate change and natural disaster. Threats to Barbados’ environment have the potential to seriously harm the tourism-based economy, agriculture and food security. As a SIDS, Barbados must adapt to climate change. However, planning for contingency strategies that may not be resilient enough to withstand the onslaught of rising sea levels or violent hurricane seasons is proving to be challenging. Moreover, the country’s small size undermines its ability to absorb the shock caused by natural disasters.

The single largest threat to Barbados' health and social services sector is the HIV/ AIDS epidemic. The Caribbean region has the second highest rate of infection of HIV/ AIDS after Sub-Saharan Africa. HIV/ AIDS has a significant impact on the cost of health care, the provision of social services and the sustainability of the labour force. The epidemic has the potential to undo the gains the country has made in human development. Reversal of the spread of HIV/ AIDS is the one MDG target that is continuing to challenge the region. Many persons are knowledgeable about the disease and prevention strategies, but changing high-risk behaviours remains an obstacle.

Increasing crime and violence, thought to be arising from disparities of income and security, are also of concern and pose a threat to the sustainability of the gains made over the last 30 years. The Caribbean region has become a major illegal drug transshipment route. Drug trafficking brings with it a myriad of related crimes from petty thievery to organized crime. Increased crime erodes investor confidence and causes slowed economic growth. Strained resources have to be redirected to the justice system and away from critical social programming. In the context of these challenges, the closure in 2006 of the UNODC Caribbean Regional Office was highly disturbing to Barbados and the Caribbean Community and it is hoped that this decision will be reversed.

Barbados continues to attract migrants from other CARICOM countries and the wider world in search of greater economic opportunities and improved living conditions. Some enter illegally. The increasing population places a strain on limited social, economic and environmental resources. However, like many developing countries with a well-educated and skilled workforce, Barbados has been experiencing human capital flight as skilled professionals, particularly teachers and medical professionals, seek career opportunities in overseas job markets. The Government is faced with the challenge of delivering quality education and health care with significant skills-loss in these critical sectors.

PROGRESS IN THE NATIONAL DEVELOPMENT STRATEGY

Barbados' *National Strategic Plan, 2005- 2025* (NSP) clearly sets out a development strategy that fully integrates the aims and objectives of the MDGs and the various IADGs enshrined in the international instruments to which this island has committed itself. National development objectives seek to maintain access to quality education, health care and sanitation. They also address gender inequality, poverty and discrimination. In addition, these objectives seek to ensure broad-based political participation. Long-term preservation of the environment and cultivation of global partnerships are also key goals. Barbados' Medium Term Strategic Framework (MTSF) will advance pressing policy interventions, objectives and targets over the next two years based on the NSP.

In support of the national development strategy, the Government is preparing its first Human Development Report (HDR), which will be completed in 2009. The HDR will report on Barbados' progress in human development and identify areas which need to be guided by policy and interventions. It also provides an avenue for Barbados to assess its achievements and challenges in developing a socially just and competitive society.

BARBADOS' NATIONAL STRATEGIC PLAN, 2005-2025

Goal 1: Unleashing the Spirit of the Nation seeks to harness creativity, pride, adaptability and independence. Developing these characteristics will help sustain progress towards the achievements of the MDGs.

Goal 2: New Governance for New Times seeks to address governance issues that reflect MDG8 'Promoting Global Partnerships'. Government's engagement of civil society, the private sector, regional and international organizations will ensure that the country continues to meet the goals.

Goal 3: Building Social Capital aims to promote greater inclusion of vulnerable groups; gender mainstreaming; community development; and improved education and healthcare.

Goal 4: Strengthening the Physical Infrastructure and Preserving the Environment resonates with MDG7 'Ensure Environmental Sustainability' by facilitating environmentally sustainable practices; protecting the island's biodiversity; and maintaining sustainable access to clean water and improved sanitation.

SUCCESSSES

Barbados has achieved the majority of the MDG targets and the Government remains committed to the concept and vision of the UN's global development agenda in pursuing a MDG-plus mandate.

The Government has ensured that Barbadians have access to free primary, secondary and tuition-free tertiary education. Barbadians can also access the publicly-funded health care system as well as some free pharmaceuticals, including antiretroviral treatment for HIV/AIDS. There is also 100 percent access to clean drinking water and improved sanitation.

Continued sustainable human development remains a major concern of the Government, especially in light of the country's unique vulnerabilities as a SIDS. To help build resilience to exogenous shocks, it is developing a globally competitive society and economy. The Government is also seeking to continue engaging partners at the local, regional and international levels. It is already achieving this in several meaningful ways.

The unique tripartite social partnership agreement, which brings Government, civil society and the private sector together to address local economic and social issues, has been hailed by the International Labour Organization (ILO) and other agencies as an innovative good governance model for other developing countries.

In its commitment to regional integration, the Government has been working through several regional frameworks, including the Caribbean Single Market and Economy (CSME), to ensure that its economy remains robust enough to adapt to globalization. Moreover, these regional frameworks have also helped to strengthen partnerships in the social, health and environmental sectors.

The Government is currently working with regional partners such as the United Nations Development Programme (UNDP) and the Caribbean Development Bank (CDB) to understand the complex and multidimensional nature of poverty or “social deprivation” in the country through the Support to Poverty Reduction and Assessment in the Caribbean (SPARC) initiative and the Country Poverty Assessment (CPA). The partnership is intended to strengthen evidence-based policy and programming to address issues of poverty, discrimination and social injustice.

The joint Government, Inter-American Development Bank (IDB) and CDB-sponsored Education Sector Enhancement Programme (Edutech) has sought to increase access to computer technology and the Internet at all levels in the education system, in an effort to endow future generations with the necessary skills to compete in the global economy and information society.

There have been several dynamic partnerships in the health sector to help combat growing health risks; most notably, the Pan-Caribbean Partnership against HIV/ AIDS (PANCAP) which comprises CARICOM states as well as regional and international partners. The programme is a regional response to the HIV/ AIDS epidemic. International donors are working through this mechanism to deliver critical aid to CARICOM member states.

The Government has been scaling-up initiatives to promote environmental sustainability, especially given the concerns regarding land development and rising fuel prices. The Government is looking forward to taking full advantage of the Global Environmental Facility (GEF) funding that it has received. Additionally, in an effort to build strategic trade and development partnerships, the Government is also exploring South-South partnerships with regional (Brazil) and extra-regional partners (Nigeria) in renewable energy, particularly in the areas of trade and technology transfer.

CHALLENGES

Barbados has consistently expressed the view that the MDGs will only be achieved if the MDG8 ‘Global Partnership for Development’ is fully addressed. It is the Government’s view that successful implementation of the eighth goal is a pre-requisite not only for the comprehensive attainment of the other seven goals, but also in making significant progress beyond the MDG targets and with respect to the IADGs.

Barbados is urging the global community to recognize the needs of developing countries and regions and to take full account of their unique characteristics when prescribing solutions to their problems: *one size does not fit all*. It is also recommending that the international community recognize the particular economic and environmental vulnerabilities of SIDS. Barbados is concerned that few significant achievements have been made in the Programme of Action for Sustainable Development of SIDS since its adoption in 1994 and review in 2005. The international community must take concrete action in response to the challenges of SIDS.

The implementation and sustainability of current policies and programming continue to be challenges. Strategic avenues must be explored to achieve timely and effective outcomes. This is an important area where Barbados, like other developing countries, will continue to need the support of the global community.

Having been graduated as a developing country with middle-income status, Barbados no longer has access to a range of funding mechanisms, which once helped to build and sustain gains in human development. Funding through current ODA mechanisms is not distributed internationally with regard to economic and social equity. In particular, no account is taken of the severe pockets of poverty and the dilemmas of vulnerability in middle-income developing countries. Barbados is requesting the international community to provide appropriately equitable access to ODA and to increase and improve ODA for middle-income countries, particularly in the areas of technical cooperation and budgetary assistance.

***The full national report is available at:
http://www.un.org/ecosoc/docs/pdfs/Barbados_national_rpt.pdf***



CAMBODIA

“Progress in achieving Cambodia’s Millennium Development Goals: challenges and opportunities”

EXECUTIVE SUMMARY

As a signatory of the Millennium Declaration in 2000, Cambodia has expressed its full commitment to the Millennium Development Goals (MDGs). In 2003, the global MDGs have been localized in Cambodia and these are called Cambodia Millennium Development Goals (CMDGs). The CMDGs reflects Cambodian realities based on a strong national consensus. Through adopting a participatory process of consultation, specific indicators have been identified for each CMDGs, including the benchmark and the short, medium and long term target values to be reached during 2005, 2010 and 2015. In all, the CMDGs cover 9 goals, 25 overall targets, and 106 specific targets covering (i) extreme poverty and hunger; (ii) universal nine-year basic education; (iii) gender equality and women's empowerment; (iv) child mortality; (v) maternal health; (vi) HIV/AIDS, malaria and other diseases; (vii) environmental sustainability; (viii) global partnership for development; and (ix) de-mining, UXO and victim assistance.

During the last eight years, Cambodia and its people have enjoyed the benefits of peace, political stability and rapid economic growth. Indeed, the hard gained peace, political stability, safety, social order and enhanced security are the most important pre-conditions to Cambodia's realization of its real economic and social potentials. Based on this peace and stability, which have become more and more entrenched day by day, the Royal Government have undertaken with strong determination the reforms in various sectors within the framework of the "**Rectangular Strategy**" for Growth, Employment, Equity, and Efficiency and the "**National Strategic Development Plan (NSDP)**". These efforts have taken deep root in the socio-economic foundation of Cambodia and provided impetus for rapid economic development. The Cambodian economy has become more and more resilient and dynamic by achieving the average growth of approximately 9.4% per annum during 2000-2006.

The Royal Government of Cambodia recognizes that these achievements cannot be made possible without the generous contribution from all Cambodia's cooperation partners. It also reflects the gradual improvement in the efficient and effectiveness of utilization of all kinds of cooperation financing that Cambodia has received from its external cooperation partners

To implement Rome Declaration, the RGC's Action Plan on Harmonization & Alignment 2004-2008 was endorsed in November 2004. An important element of this Action Plan is the RGC's commitment to prepare a single National Strategic Development Plan (NSDP) 2006-2010 that will serve as a framework for alignment of all ODA supported activities. The RGC stands strongly committed to achieve CMDGs by adopting these as the key pillars of Cambodia's National Development Policy & Strategy.

The NSDP 2006-2010 is a combination of early Socio-economic Development Plan (SEDP), National Poverty Reduction Strategy (NPRS), National Population Policy (NPP) and other sectoral policies & strategies to implement Rectangular Strategy which is the platform of the RGC in the 3rd legislature of the National assembly 2003-2008, for reducing poverty & achieving CMDGs. The NSDP was a CMDGs-based plan aiming to ensure Cambodia's rapid progress towards achieving the CMDGs & other socio-economic goals.

For preparing a CMDGs-based plan, the NSDP had three important features: (i) NSDP shall adopt CMDG-consistent targets, where applicable, as its targets in 2010; (ii) Strategies/policies/programs/financial allocations & sectoral priorities of NSDP will be geared towards achieving these targets; (iii) M & E framework of NSDP shall include appropriate indicators to regularly monitor progress towards achieving the CMDGs. Sub-goals & disaggregated & detailed targets & plans to achieve them will be spelt out in greater precision in sectoral & sub-national plans. Progress of NSDP will be annually reviewed & monitored. There are 15 macro-goals (7 CMDG macro-goals) & 43 critical indicators (28 CMDG critical indicators) to be monitor annually.

The NSDP is a single, overarching document containing RGC's priority goals & strategies to reduce poverty rapidly, and to achieve other CMDGs & other socio-economic development goals for the benefit of all Cambodians. The existing three-year rolling Public Investment Programme (PIP) mechanism will be used to identify, plan, phase and cost estimate specific activities every year for the next three years. PIPs therefore form an integral part of the NSDP.

To support the development of NSDP, 18 Technical Working Groups (TWGs) have been set up: one Technical Working Group on Planning & Poverty Reduction(TWG-PPR) and 17 TWGs at sectoral and thematic level. These joint TWGs provide a useful forum for strengthening partnerships across all stakeholders, including Government & EDPs. To ensure coordination among the TWGs, a Gvt-Donor Coordination Committee (GDCC) has been established to provide policy guidance, to set priorities & to propose measures to resolve issues raised by the TWGs. The RGC has decided to assume full ownership & leadership of the annual aid mobilization consultation by transforming the Consultative Group (CG) process to a Cambodia Development Cooperation Forum (CDCF) from 2007.

Cambodia's present performance in relation to the CMDGs is mixed and uneven. There are significant improvements in poverty rates in urban and more accessible rural areas, expansion of primary education to more children, significant reduction in mortality rates for both infants and under-five year olds, improved immunization against major childhood diseases and breastfeeding, reduction of gender disparity in most areas especially in primary education, adult literacy, and wage employment in agriculture and industry, reduction of communicable diseases, especially HIV/AIDS; and improved urban access to safe water and rural access to improved sanitation

There are still many shortcomings and challenges that Cambodia must overcome to realize the agreed goals and targets such as high rural poverty rate, limited progress in achieving the goals of universal nine-year basic education particularly those beyond primary education, gender disparity in secondary and tertiary education, persistent of domestic violence against women, and access to quality health services especially in case of women and maternal health etc. There are significant discrepancies among provinces in terms of progress toward CMDGs. The situation varies from one CMDG to another.

The First Development Challenge is to maintain a high growth rate to generate productive employment & income earning opportunity for an ever-growing population and to pursue a growth strategy, which will benefit all Cambodians: (i) Pro-poor growth policies through investment in sectors where the poor are concentrated & can find decent work & sustainable employment; (ii) growth should translate into increased Government revenue and; (iii) Increased government revenue as a result of growth should be allocated to social protection programs for those unable to seize economic opportunities.

Cambodia's progress toward CMDG is constrained by a number of impediments. An important one is the chronic shortage of investment funds to meet its priority requirements. There is a danger of debt services that will absorb more and more the limited of national budget.

If Cambodia is to achieve CMDG, greater financial flows through aid, reduced debt servicing and increased current account inflows, as outlined in MDG 8 are critical to bridge the resource gaps & foster the country's required growth.

Such assistance needs to ensure that donors support is aligned to Cambodia's national priorities, that it is managed for results & that there is mutual accountability between RGC & External Development Partners (EDP).

The urgent need of Cambodia is to secure adequate external assistance and targeted support in specific areas. These areas include agriculture and rural development, infrastructure and technology, health, education and capacity building in trade related areas. Massive investments in these areas are needed in order to be on track to meet the CMDGs.

Complement from EDPs and global community to its pro-CMDG national strategy will require financial, technical & other supports and by creating win-win partnerships. A collective effort is the key to achieving CMDG & ensuring sustained growth & stability in Cambodia.

***The full national report is available at:
http://www.un.org/ecosoc/docs/pdfs/Cambodia_national_rpt.pdf***



CAPE VERDE

“Strengthening efforts to eradicate poverty and hunger, including through the global partnership for development”

EXECUTIVE SUMMARY

Cape Verde has had economic growth, averaging 5.6% in real terms during 2001-2006, with low inflation, exchange rate stability and reduction of public debt.

Of the MDGs, primary education for all is a reality and a program to reinforce the quality of the education system, secondary education and vocational training is in progress. Gender equality is guaranteed in primary, secondary and higher education. There is a strong feminine presence in public institutions, such as the Parliament and the Government. The mortality rate decreased from 43.6 per thousand in 1995 to 20.2 per thousand in 2005; the mortality of under five-year-olds decreased from 56 per thousand in 1993 to 22.6 per thousand in 2005. Access to drinking water rose from 42% in 1990 to 85% in 2006.

Despite progress, the country remains one of the most vulnerable in the world and is highly dependent on Official Development Assistance and emigrants' remittances. Food insecurity in Cape Verde is structural and caused by agro-ecological constraints made worse by drought and desertification.

Regarding governance, the Government has implemented measures and policies to promote the transparency of public management, make democratic institutions function, increase civil society participation in public life, promote and protect private property and investment, respect rights and liberties. Such measures have earned the consensus of national political and social stakeholders as well as international partners.

MDG 1: REDUCE EXTREME POVERTY AND HUNGER. Despite significant economic growth rates in recent years, poverty remains a problem. Data published by the National Statistics Institute (INE), resulting from the Household Expenditure and Income Survey, confirm that 37% of the population was poor in 2002, and 20% very poor. These data show that relative poverty and extreme poverty increased between 1989 and 2002. With regard to poverty at the family level, approximately 28% were poor and 14% extremely poor in 2002. The level of poverty is not identical throughout the country. Due to limited arable land, climatic conditions unfavorable to agriculture, an agrarian situation that prevents productive investments, there is a structural and chronic shortage of farming and cattle raising. Agricultural production, even in years of high rainfall, meets under 20% of cereals needs. Despite food insecurity, the national context may be considered, in general, as favorable to food insecurity reduction.

With regard to public policies, Cape Verde has a National Strategy for Food Security (ENSA), developed in 2002 but ending in 2015 with a Five-Year Program for Food Security (PSA 2002-2007), both adopted by a Cabinet resolution in 2004. The national food security program for 2007-2011 has been submitted for Government's approval. There is

also a National Strategy for the Development of Agriculture and Fisheries up to 2015 with an Action Plan 2005-2008.

To achieve the MDG goals there are several challenges in areas of poverty alleviation and food insecurity reduction. Implementation of the growth and poverty reduction strategy focuses on actions to achieve the MDGs.

CAPE VERDE'S GRADUATION FROM LDC, scheduled for 2008, is a milestone for both the international community and the Capeverdean nation and a signal of progress in several sectors, including the MDGs.

Cape Verde will have achieved most of the MDGs by 2015. If GDP continues to grow at an accelerated rate, poverty is expected to have halved by 2015. Some MDGs have been reached at macro level while others are being reached thanks to the Growth and Poverty Reduction Strategy. Sanitation and infrastructures have high investment needs. There is also an increasing gap between rich and poor, urban and rural areas, men and women, and the islands.

The key issue is to know if Cape Verde's graduation from LDC category will be successful taking into account its lack of natural resources and vulnerabilities in economic and security areas. Will this positive drive continue after graduation? Will Cape Verde be able to graduate from LDC in a successful and sustainable manner, despite its vulnerabilities?

Within the framework of UN General Assembly Resolution A/59/209 of December 20th 2004, a consultative mechanism named Transition Support Group, GAT⁷ was created in May 2006. The GAT, in its third meeting on the 12th of June 2007, adopted a Declaration on the effective and sustainable graduation of Cape Verde from LDC. The GAT also urges donors particularly bilaterals and multilaterals, and the private sector, to reinforce partnership with Cape Verde focusing on synergies between public and private investment, support to market access, improved access to funding and investments, capacity building for development, and participation of emigrants in transforming the country.

In formulating the new **GROWTH AND POVERTY REDUCTION STRATEGY, GPRSP II**, the main objective is to identify what the country intends to accomplish by establishing priority actions to be implemented as well as expected outcomes and needs in terms of financial resources for their implementation. All this will be achieved based on dialogue between government authorities, civil society, private sector and development partners.

***The full national report is available at:
http://www.un.org/ecosoc/docs/pdfs/Cape_Verde_national_rpt.pdf***

⁷ The GAT includes the Government of Cape Verde and the following partners: Austria, China, Spain, United States of America, France, Netherlands, Luxemburg, Portugal, African Development Bank, World Bank, European Union, and the United Nations System.

ETHIOPIA

“Emerging Ethiopia: Strengthening efforts to eradicate poverty and hunger, including through the global partnership for development”

EXECUTIVE SUMMARY

FEATURES OF THE NATIONAL DEVELOPMENT STRATEGY

Ethiopia’s Poverty Reduction Strategy (PRS) is the primary vehicle for achieving the MDGs. To date, two PRSs have been formulated; the Sustainable Development and Poverty Reduction Programme (SDPRP) and the Plan for Accelerated and Sustained Development to End Poverty (PASDEP). The SDPRP was launched in 2002 following wide-ranging public consultations in 2001. The strategy focused on improving human and rural development, food security, and capacity building through transformation of the agricultural sector; reforms in both the justice system and the civil service; decentralization and empowerment and; capacity building in the public and private sector.

The PASDEP is a five-year (2005/06-2009/10) strategic framework that builds on the strategic directions pursued under SDPRP but also embodies some bold new directions including a major focus on growth with particular emphasis on commercialization of agriculture, private sector development, and the scaling up of resources to achieve the MDGs. PASDEP ranks among the first PRSs to be based on an MDG Needs Assessment. Costed MDG required interventions span seven sectors (i.e., agriculture and rural development, education, health, water and sanitation, road, urban development, private sector and trade issues) as well as three cross cutting areas (i.e., gender, HIV/AIDS and population). In effect, PASDEP is explicitly linked to the MDGs and constitutes Ethiopia’s medium term plan for achieving the MDGs. Furthermore, it has been synchronized and aligned with the longer term MDGs time frame.

PROGRESS IN THE IMPLEMENTATION OF THE NATIONAL STRATEGY

The implementation of Ethiopia’s strategies for poverty reduction has been associated with positive trends in macro-economic as well as socio-economic indicators. At the macro-economic level, Ethiopia’s per capita income growth has, over the past half-decade, exceeded the average for sub-Saharan Africa. Growth has been led by the agricultural sector but complemented by strong performance in the manufacturing, construction and service sectors. In particular, construction has been spurred by the much needed public sector investment in infrastructure.

Ethiopia’s socio-economic indicators have also improved. In particular, gross primary enrolment rates have improved markedly; immunization coverage has expanded; the nutritional status of the population has improved; and the absolute number of people living below the national poverty line declined between 1999/00 and 2004/05 with much of the decline occurring in rural areas. The decline in poverty has been associated with an improvement in food security in both the urban and rural areas.

STRATEGIC POLICY SUCCESSES

Although a number of innovative policy measures have contributed to Ethiopia's progress, policy successes in education, agriculture and infrastructure are worth noting.

A. Education

Ethiopia's remarkable achievement in gross primary enrolment is largely attributable to the government's Education Sector Development Programme (ESDP), which places emphasis on improving access to educational opportunities without compromising on quality. Specific measures to achieve these objectives include: promotion of universal free primary education; community control over schools and resources; upgrading teacher training; enhancing the English language curriculum; and emphasising information technology, computers, and television in teaching across the country. To support these efforts, government per capita spending on education more than doubled between 2001/02 and 2004/05.

B. Agriculture

The Agricultural Development Led Industrialization (ADLI) strategy is the government's overarching policy response to Ethiopia's food security and agricultural productivity challenge. The ADLI's distinctive features include: commercialization of smallholder agriculture through product diversification; a shift to higher-valued crops; promotion of niche high-value export crops; support for the development of large-scale commercial agriculture; effective integration of farmers with domestic and external markets; and tailoring interventions to address the specific needs of the country's varied agro-ecological zones.

Specific policy measures to improve agricultural productivity and promote food security include: agricultural extension and research; the design and operationalization of growth corridors; agricultural export promotion; a National Food Security Programme; a Productive Safety Net Program; and a Voluntary Resettlement Program.

Agricultural Extension Services and Research

A key feature of this innovative policy measure is the deployment of extension workers to every rural *kebele* in Ethiopia to facilitate sustained knowledge and skills transfer to smallholder farmers. This has contributed to increased agricultural productivity particularly for cereals, pulses, and oil seeds.

Growth Corridors

To enhance agricultural commercialization and diversification, the government is designing growth corridors to integrate complementary centers of production and marketing. Growth corridors facilitate integrated development by creating value chains within and across regional boundaries.

National Food Security Program

The National Food Security Programme seeks to achieve food security by: increasing the availability of food through domestic (own) production; ensuring access to food for food deficit households; and strengthening emergency response capabilities.

Productive Safety Net Programme

The Productive Safety Net Programme is intended to bridge the income gap of chronically food insecure households, and engage such households in community asset-building

efforts especially during the lean season and times of drought. Priority for household asset-building interventions is given to beneficiaries of the Safety Net Programme.

C. Infrastructure

Achieving ADLI's objectives requires focused infrastructure investments, especially in roads, energy and water and sanitation. To this end, the government has designed a number of programmes to improve the nation's infrastructure.

To date, the governments Road Sector Development Programme which was designed to integrate isolated rural communities with regional and national markets has resulted in a significant increase in the total road network of the country and the proportion of roads in good condition.

The catalytic role of telecommunications for development is now widely accepted. Accordingly, Government has taken major steps to enhance the sector's contribution to economic growth and poverty reduction. The Ethiopian Telecommunication Corporation (ETC) has developed a strategic plan to face the challenges of bringing telephone connectivity to the wider public particularly rural areas and towns.

The telecommunication policy/strategy framework stipulates that the backbone infrastructure will remain in the public domain, under the auspices of ETC, while the private sector is encouraged to become increasingly involved in downstream activities and services. At the same time, the Government and the regulatory authority will keep up sustained pressure to ensure that the ETC meets the highest service standards, attain roll-out targets and delivers world class network and service quality standards.

Furthermore, the Universal Electrification Access Programme, a large-scale rural electrification programme, is expected to benefit over 6,000 rural towns and villages in all regions of the country.

Finally, Ethiopia's *National Water Resources Management Policy*, *Water Sector Strategy*, and *Water Sector Development Programmes* seek to ensure efficient, equitable and optimum utilization of available water resources to support the country's socio-economic development. Notable achievements of these programmes include: increased rural access to clean water and; increased access to irrigated land by farmers.

D. Health

One of the major policy initiatives that have been placed in motion recently, is institutionalization of the village health service through the implementation of health service extension programme as an institutional framework. This Programme would give momentum to the efforts directed towards the achievement of the MDGs, especially Goals 4, 5 and 6).

As a result of the diligent implementation of this Programme, the number of Health Extension Workers (HEWs) increased from 2,800 in 2004/05 to 9,900 in 2005/06. Complimentary measures have also been put in place to improve the number, skills, distribution and management of health workers. In addition, a new system of healthcare financing, including drug revolving funds has been introduced and efforts to mobilize additional foreign aid to overcome some of the problems mentioned below have been

scaled up.

E. Private Sector Development

Ethiopia has made significant improvement in business and investment climate to create a dynamic private sector and contribute to economic transformation. The recent vibrancy in the private sector (both domestic and foreign) including increasing trade, investment, employment and income growth clearly shows that the private sector is making its contribution to Ethiopia's development. PASDEP intends to deepen the business and investment environment for accelerating and sustaining private sector led growth in Ethiopia;

F. Gender Equity

Ensuring gender equity is also another critical issue that is being addressed in order that Ethiopia accelerates growth to achieve the MDGs and eradicate poverty. Since the 1990's, Ethiopia has moved firmly to promote and protect the rights of women to participate in the political, economic and social processes of the country- from the constitution to passing and revision of various laws, proclamation of rural development, education, health etc. Further, advances are still required in implementing the various gender equity initiatives particularly the National Action Plan for Gender Equity.

G. Devolution of Power and Empowerment

In the Ethiopian context, designing and implementing the economic transformation agenda in synergy with state transformation agenda through devolution and empowerment and civil service reform is central for peace, democracy and development, hence eradicating poverty. The on-going implementation of public sector capacity building programme including civil service reform, district level decentralization programme is intended to build a capable, accountable, and effective state. The priority focus is to empower and build-up the capacities of the lowest echelons of regional governments-*woredas* and *kebeles* by building effective democratic and public institutions. This will enhance democratic participation, governance and hence improve the delivery of services and contribute to poverty eradication.

H. Industry and Exports

The integration and interdependence between the agricultural and industrial sectors play a key role accelerating the country's economic development and bringing about socio-economic transformation. Following the sequence of reform measures, achievement of macroeconomic stability, the opening up of the market as part of efforts towards liberalization of the economy, the creation of an enabling investment environment, a steady growth of industry and trade has been registered in the recent past. As a result, value-added in industrial output grew on average by 7.1% and in services by 7.3% during between 2002/03 - 2005/06.

The linkages between the agricultural and industrial sector also provides opportunity for the expansion of the service sectors i.e., domestic trade, transport, banking and finance, and the tourism sectors. Hence, the overall strategic framework is comprised of the government's Industrial Development Strategy, the ongoing Privatization Programme, and MSE Development Strategy.

A sustainable and fast industrial development can only be ensured if the sector is competitive in the international market. Accordingly, it needs to be exposed to the rigorous of the international market. Apart from its linkage with agriculture, it should be export oriented and led by the industrial export sector. This is the thrust of the Industrial

and Trade Development Strategy. The strategy is informed by ADLI and has been under implementation since 2001/02. In order to successfully implement the strategy, the state has focused on providing support to the private sector, coordinating & guiding the activities of all stakeholders, and addressing market failures through strengthening of inter-sectoral linkages (between agriculture and industry) on the domestic front and through exploiting the potentials and opportunities of regional and global economic integration..

KEY CHALLENGES

Notwithstanding these strategic policy interventions, a number of key challenges remain. They include: rising inflationary pressures; growing income inequality particularly in the urban areas; HIV/AIDS; a decline in the quality of education and; limited resources particularly for resource-intensive interventions in the area of infrastructure development.

In recent months, the country has experienced a rise in inflation and a corresponding decline in real incomes particularly of the poor. Long run solutions to this challenge rest on efforts to enhance productivity of smallholder farmers while expanding the modern sector to create more jobs.

Furthermore, despite the decline in the poverty rate and the impressive growth record, low income persists.

Moreover, ensuring universal primary health service including HIV/AIDS remains a major health challenge.

Undoubtedly, the gains in enrolment have placed considerable pressure on the nation's educational infrastructure and compromised the quality of education at both the primary and secondary level.

Additional human and financial resources are therefore required to improve the absorptive capacity of the educational system.

Additional investments in overall infrastructure development are needed to support and sustain Ethiopia's current economic expansion. Given the resource-intensiveness of infrastructure development, greater effort and assistance is required to scale up resources to finance such investments.

SUPPORT FROM THE INTERNATIONAL COMMUNITY

Addressing Ethiopia's development challenges will require a scaling up of both human and financial resources. Currently, over a third of PASDEP's capital expenditure is funded through External Aid. Development partners take PASDEP as the organizing framework and basis for support. In order to enhance partnership Government and partners have put in place dialogue architecture - at policy level - the High Level Forum (HLF) and various sectoral forums. We have also established Joint Government- Partners Task force on Harmonization to take forward the Paris Declaration. A number of multilateral partners (World Bank, EU, AfDB) and bilateral (UK, Ireland, Canada) have moved to supporting budgets and sector/programmes using public finance system.

However, the country faces challenges such as unpredictability in aid flows, lack of information on aid flows, lack of commitment by some donors to harmonize disbursement and reporting procedures. There is also need to accelerate the pace of implementing the Paris Declaration. We recognize that there is a lot of good will to support PASDEP. However, this good will needs to be translated in real aid flows on time.

Furthermore, despite debt relief and debt cancellation, per capita official development assistance to Ethiopia (US\$14.8 in 2005/06) is considerably lower than that of other low-income countries, including many with higher average per capita incomes and with better indicators of human development. It is worth noting that OECD/DAC figure for Ethiopia's ODA per capita refers to as US\$26. This is a reflection of information gap as well as scope. Even if we take this figure, Ethiopia still gets half of the average per capita ODA for Sub-Saharan Africa (SSA).

Increased, well-coordinated, transparent and harmonized inflows of external finances are critical for the achievement of PASDEP and the MDGs. In line with Monterrey, Gleneagles, and Blair's Commission Report, at least a doubling of aid is needed to implement the programmes and projects required to accelerate growth and achieve the MDGs. This can only be achieved through strengthened support from the international community

CONCLUSIONS

Development interventions will only be effective if they are guided by long and medium-term home grown development plans that internalize the MDGs. To date, Ethiopia has achieved fairly rapid growth with measurable positive human development outcome. This has been accomplished through prudent macro-economic management and innovative policy interventions particularly with respect to primary and secondary enrolment, infrastructure development, increased agricultural productivity and improved food security. However, several challenges remain including emerging inflationary pressures induced by excess demand, declining quality of educational services stemming from rapid increases in the enrolment rate, rising inequality particularly in the urban areas and continuous effort needed to bridge the infrastructure deficit.

Most importantly, financing remains a critical challenge to the effective implementation of the PASDEP. In particular, on-budget external finance (ODA) has leveled off since the implementation of PASDEP. As the Government enters the third year of implementing the PASDEP (2007/08), there is an urgent need to scale up Official Development Assistance (ODA) towards full-scale implementation of the PASDEP and MDGs. On its part, the Government has been doing its level best in mobilizing domestic resources through implementation of a comprehensive tax reform programme as well as putting in place an institutional framework for leveraging social mobilization and community contribution to facilitate implementation of the PASDEP and hence MDGs. However, the effort on the domestic front needs to be complemented through scaling up financing in the spirit of meeting the MDGs by our development partners.

***The full national report is available at:
http://www.un.org/ecosoc/docs/pdfs/Ethiopia_national_rpt.pdf***



GHANA

“Strengthening efforts for the eradication of poverty and hunger”

EXECUTIVE SUMMARY

In 2001 Ghana faced difficult policy choices emanating from the unfavourable economic policy environment and its negative impact on human development. The economy was characterised by large fiscal deficits and a heavy debt burden, a combination of which placed severe limitations on the capacity to address the high level of poverty in the country.

The government applied to access the Enhanced Highly Indebted Poor Country (HIPC) facility so as to lessen the huge debt burden and enhance its fiscal space for addressing poverty and implementing programmes of reforms required to restore macroeconomic stability. With this in view and as a requirement for accessing the HIPC initiative a national development policy framework the Ghana Poverty Reduction Strategy (GPRS I) was formulated and implemented over the period 2003-2005.

The process of preparation of the GPRS I was participatory with consensus built through consultations with major stakeholders, including Ministries, Departments and Agencies, civil society organizations, local government institutions, groups of experts and Ghana’s development partners.

The strategy focused on the attainment of macroeconomic stability alongside the component of human development policies and programmes which targeted the objectives of improving access of Ghana’s population to basic needs and essential services. These programmes included basic education, safe water, improved health, environmental sanitation and special programmes for the vulnerable and excluded. In this respect, the GPRS I, broadly reflected a policy framework that was directed primarily towards the attainment of the anti-poverty objectives consistent with the UN’s Millennium Development Goals (MDGs).

The GPRS I also incorporated a set of sector priorities identified and prioritized as Medium Term Priorities (MTP). Based on the positive results of the implementation of the GPRS I, especially in the area of attaining macroeconomic stability and some measure of progress made towards attaining the objectives of human development including the MDGs a successor national development policy framework, the Growth and Poverty Reduction Strategy (GPRS II: 2006-2009) was formulated. While GPRS I focused on poverty Reduction Programmes and projects, the emphasis of GPRS II is on growth-inducing policies and programmes which have the potential to support wealth creation and poverty reduction.

STRATEGIES

Key strategies for poverty reduction include the following:

- ◇ prudent fiscal and monetary policies;
- ◇ private sector-led industrialization through the application of science and technology;
- ◇ sound and sustainable management of the environment;
- ◇ promotion of commercial agriculture using environmentally friendly technologies;
- ◇ agro-based industrial expansion; and
- ◇ increased investments in economic and social services.

These strategies were strengthened by increased efforts to implement the following medium term priority interventions:

- ◇ infrastructure development
- ◇ modernised agriculture based on rural development to ensure increased production and employment;
- ◇ investments in education, health, and sanitation to enhance delivery of basic social services;
- ◇ upholding the rule of law, respect for human rights and the attainment of social justice and equity to enhance good governance; and
- ◇ private sector development through macro-economic stability and

Additionally, measures were adopted to enhance the opportunities for implementing direct poverty reduction interventions at the district level through:

- ◇ utilisation of HIPC funds to support expenditures in health, water, sanitation, education and employment generating projects at the district level;
- ◇ direct funding of District Assemblies by government to implement projects that impact directly on the poor;
- ◇ increased shares of budgetary allocations to finance the provision of rural infrastructure;
- ◇ implementation of District Mutual Health Insurance Schemes.

KEY SUCCESSES AND FAILURES

The prime objective of relative macroeconomic stability has been attained largely as a result of the implementation of prudent fiscal and monetary policies. Associated with this turn around are the following:

- ◇ the fiscal space has widened substantially, with government revenue-GDP ratio rising from 17.7% in 2000 to 23.5% in 2006. This has facilitated rising increases in government expenditure from 32.34% to 36.77% of GDP between 2000 and 2006.
- ◇ end-of-year inflation has also dropped from 40.5% in 2000 to 10.5% by the end of 2006.
- ◇ commercial bank lending rates have also declined from 47% in 2000 to 22% in 2006, whilst the violent cedi depreciation has been considerably reduced successively from 49.8% (dollar) in 2000 to 0.9% in 2006.
- ◇ relative progress has also been made in realising the objectives of the medium term priority areas. In agriculture, for example, the cocoa and forestry sub-sectors have experienced productivity gains;

- ◇ investments in infrastructure have shown significant gains especially in the road sub-sector, energy and ICT.
- ◇ the improvements in the fiscal space of the economy has enabled significant increases in investments in the social sector in support of health, education, water and sanitation and special programmes targeted at women, children, the vulnerable and excluded. These have contributed to substantial progress towards the MDGs.
- ◇ the private sector has benefited from the improved macroeconomic conditions, increased government efforts to address the infrastructural bottlenecks, and from institutional reforms carried out in the financial sector, customs, legal system, labour market, land reform and civil service. These benefits have manifested themselves in increasing credits to the private sector, and in the ease of doing business in Ghana (CPIA = 3.9).
- ◇ these improvements have contributed significantly towards promoting accelerated growth with GDP growing from 3.7% in 2000 to 6.2% in 2006 and a substantial decline in poverty levels from 39% in 1998/99 to 26.5% in 2006 that puts Ghana on the road to achieving the millennium development goal of reducing poverty levels by half from the 1990 levels long before 2015 in spite of some mixed results on the efforts to attain some of the MDGs

SUPPORT FROM THE INTERNATIONAL COMMUNITY INCLUDING THE UN SYSTEM

Strengthening the partnership between Ghana and her Development Partners has been central to the formulation, implementation and monitoring of the GPRS. The principles of the partnership are based on the Paris Declaration and include:

- ◇ strengthening country's ownership of the development process,
- ◇ ensuring the alignment of development partner support on national priority,
- ◇ ensuring harmonisation of donor procedures and country systems
- ◇ managing resources on the basis of desired results and use of information to improve decision making
- ◇ ensuring mutual accountability in relation to resource flow and results achieved through the implementation of national strategy

The results of improved Government and Donor Partnership have influenced the current Aid architecture in Ghana with mutual benefits to both parties. The new relationship has contributed to increased technical and financial support for the implementation of the GPRS from both bilateral and multilateral donors.

CHALLENGES

Ghana has achieved progress towards accelerated growth and poverty reduction in recent years, but major challenges still remain including the following:

- ◇ lack of structural transformation of the economy in the face of sustained economic growth
- ◇ energy crisis
- ◇ low level of accumulation of technological capabilities
- ◇ high youth unemployment as a threat to social cohesion
- ◇ slow pace of public sector reform

- ◇ the brain drain
- ◇ unsustainable management of natural resources
- ◇ persistent inequalities in the distribution of the gains of growth
- ◇ the HIV/AIDS menace
- ◇ financing the infrastructure gap
- ◇ high public sector wage bill

KEY LESSONS LEARNT

- ◇ Country-owned national development strategy is essential to provide focus and direction
- ◇ Linking national strategy to budget ensures that resources are properly targeted towards the implementation of national priorities
- ◇ Strengthening the partnership between government and its development partners has promoted mutual and contributed to increase in financial and technical support for the implementation of GPRS II
- ◇ Broad based progress on reforms can lead to rapid increases in economic growth and sustained poverty reduction. Economic growth should be a shared endeavour to avoid increases in inequality.

***The full national report is available at:
http://www.un.org/ecosoc/docs/pdfs/Ghana_national_rpt.pdf***