

MDG Gap Task Force Report launch

Key findings

Official Development Assistance

The report highlights a large delivery gap in meeting commitments on aid

In 2007 there was a shortfall of \$10 billion compared with the trajectory needed to meet the commitments

Total net aid from OECD DAC countries is only 0.28% of their combined GNI – compared against the UN target of 0.7%

ODA will have to increase by \$18 billion a year in order to meet the 2010 target set at the G8 Summit on Gleneagles in 2005; with \$7.3 billion of that increase directed to Africa

Denmark, Luxembourg, the Netherlands, Norway and Sweden are the countries to have reached 0.7%

The target for aid to the LDCs is 0.15-0.2% of GNI (from the Brussels Plan of Action), but the combined effort of the OECD DAC donors is currently only 0.09%

Aid flows reached \$107 billion in 2005, but dropped by 4.7% in 2006 and 8.4% in 2007

Net aid from the US fell by 9.9% in real terms to 0.16% of GNI in 2007

Net aid from Japan fell by 30.1% in 2007, representing 0.17% of GNI

The combined ODA of the EU-15 fell by 5.8% in 2007

Partial records for non-DAC 'development partners' suggest their aid increased from \$1.5 billion in 2000 to \$5.1 billion in 2006

Support for the social sectors has shown the strongest increase since 1999, rising to 15% by 2006

Allocations for health and reproductive health doubled. By contrast, those for education, and water and sanitation remained relatively static

There has been some progress on aid quality: For example, 95% of bilateral aid to the LDCs was untied in 2006 (although this excludes the United States; and certain forms of assistance such as technical cooperation). This also needs to be extended to other countries

Trade

The failure to conclude a 'development round' constitutes the largest implementation gap in the area of trade, and arguably within the realm of MDG 8

Even though aid for trade has increased, it has fallen as a percentage of ODA

The world's poorest countries are still marginalized from world trade, and many have been hit hard by recent high food and energy prices

World trade has grown rapidly in the new millennium – export volumes grew at an average rate of 8% per annum during the period 2002-07

And developing countries have seen a rise in global exports of about 10 percentage points between 1995 and 2006

But the LDCs' share of exports has effectively stagnated at about 0.38% of global exports once oil is excluded. Moreover, as the food and energy price crisis has shown, many remain vulnerable to trade shocks

Despite the target established by developed countries in Hong Kong to extend duty free treatment to 97% of tariff lines, duty-free access to the markets of developed countries covers only 79% of LDC exports when arms and oil are excluded

Tariffs faced by developing countries have fallen between 1996 and 2006: (from 10.5% to 8.6% for agriculture; from 7.3% to 5.2% for textiles; and from 11.4% to 8.4% for clothing): but the tariffs faced by LDCs have fallen less steeply, thus eroding their preferential access

Trade distorting agricultural support by the OECD has been declining very slowly, and still stood at \$363 billion in 2006 – almost 4 times ODA

Aid for trade averaged \$21 billion per year between 2002 and 2005, but has fallen as a share of sector allocable aid: (from 35% in 2002 to about 30% in 2006)

Five countries – Iraq, India, VietNam, Afghanistan and Indonesia – received nearly 30% of total aid for trade

Debt sustainability

There has been some progress on debt

Debt relief has or will be provided to 33 out of 41 eligible countries, cancelling more than 90% of their external debt

The 33 post-decision point HIPC countries are to receive a total amount of debt relief of \$48.2 billion through the HIPC initiative

Through the MDRI, an additional \$26.8 billion has been committed for all HIPC countries, of which \$21.2 billion has been delivered in full to 23 post-completion point countries

Debt relief in all forms is expected to reduce debt stocks for 33 post-decision point countries from \$105 billion to \$9 billion, a reduction of more than 90%

The debt to service to exports ratios for all developing countries declined from almost 12.5% in 2000 to 6.6% in 2006; and is expected to fall to about 3% in 2007

Despite the extra fiscal space for social expenditures this has created, in 2006 there were 10 developing countries spending more on debt service than on public education, and 52 where debt servicing was more than the public health budget

Access to affordable essential medicines

Access to essential medicines, including those to combat HIV/AIDS, malaria and TB, has improved, but is still far from adequate in the public and private sectors

Wide variations in pricing mean that essential medicines – including antibiotics and painkillers – are often unavailable to poor people

In countries for which there is information, the availability of medicines in the public sector is only one-third, while private sector availability is about two-thirds

The prices people pay for the lowest-priced generic medicines vary from 250% to 650% of international reference prices

There is a wide variation in national per capita spending on medicines by the public sector – ranging from \$0.04 to \$187.30 among developing countries

Access to new technologies

To increase the potential of technology to contribute to development, we need greater commitments to accelerate the diffusion of appropriate new technologies, including for ICTs, agriculture, and to address climate change

The number of mobile cellular subscribers has increased by 500 million since 2005, and reached over 2.8 billion by the end of 2006

In Africa, almost every country has more mobile than fixed telephone subscribers, and some 65 million new subscribers in 2006

With close to 200 million subscribers in Africa by the end of 2006, 22% of the population had a mobile phone

The population covered by a mobile signal rose from 60% in 2001 to 81% in 2006

By the end of 2006, just over 18% of the world's population was using the Internet; but there is a large disparity between developed (almost 60%) and developing (11%) countries

In sub-Saharan Africa, monthly internet prices are on average 23.1% of monthly income; and in the LDCs this figure rises to 36.2%

By contrast, internet subscribers in developed countries pay on average less than 1% of their monthly income

Deficiencies in general infrastructure, electricity in particular, are preventing faster diffusion of ICT: In sub-Saharan Africa, the share of the population without access to electricity is 74%, compared with 10% in Latin America, and near universal access in developed countries