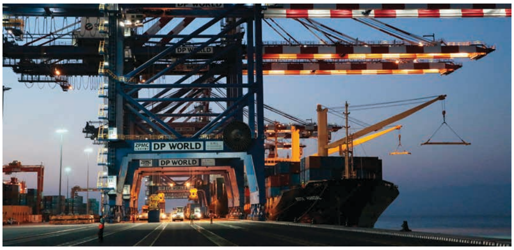
EXECUTIVE SUMMARY

Millennium Development Goal 8

Taking Stock of the Global Partnership for Development

MDG Gap Task Force
Report 2015



UNITED NATIONS

The present report was prepared by the MDG Gap Task Force, which was created by the Secretary-General of the United Nations to improve the monitoring of MDG 8 by leveraging inter-agency coordination. More than 30 United Nations entities and other organizations are represented in the Task Force, including the World Bank and the International Monetary Fund, as well as the Organization for Economic Cooperation and Development and the World Trade Organization. The Department of Economic and Social Affairs of the United Nations Secretariat (UN/DESA) and the United Nations Development Programme (UNDP) acted as lead agencies in organizing the work of the Task Force. The Task Force was co-chaired by Lenni Montiel, Assistant Secretary-General for Economic Development, UN/DESA, and Magdy Martínez-Solimán, Assistant Administrator and Director, Bureau for Policy and Programme Support, UNDP, and coordinated by Alexander Trepelkov, Director, Finance for Development Office, Willem van der Geest, Chief, Development Strategy and Policy Unit, Development Policy and Analysis Division, and Diana Alarcón, Senior Economic Affairs Officer, Office of the Under Secretary-General of UN/DESA.

List of bodies and agencies represented on the MDG Gap Task Force

Department of Economic and Social Affairs of the United Nations Secretariat (UN/DESA)

Department of Public Information of the United Nations Secretariat (DPI)

Economic and Social Commission for Asia and the Pacific (ESCAP)

Economic and Social Commission for Western Asia (ESCWA)

Economic Commission for Africa (ECA)

Economic Commission for Europe (ECE)

Economic Commission for Latin America and the Caribbean (ECLAC)

International Labour Organization (ILO)

International Monetary Fund (IMF)

International Telecommunication Union (ITU)

International Trade Centre (ITC)

Joint United Nations Programme on HIV/AIDS (UNAIDS)

Office of the United Nations High Commissioner for Human Rights (OHCHR)

Organization for Economic Cooperation and Development (OECD)

United Nations Children's Fund (UNICEF)

United Nations Conference on Trade and Development (UNCTAD)

United Nations Development Programme (UNDP)

United Nations Educational, Scientific and Cultural Organization (UNESCO)

United Nations Framework Convention on Climate Change (UNFCCC)

United Nations Fund for International Partnerships (UNFIP)

United Nations Industrial Development Organization (UNIDO)

United Nations Institute for Training and Research (UNITAR)

United Nations International Strategy for Disaster Reduction (UNISDR)

United Nations Office for Project Services (UNOPS)

United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLLS)

United Nations Population Fund (UNFPA)

United Nations Research Institute for Social Development (UNRISD)

World Bank

World Food Programme (WFP)

World Health Organization (WHO)

World Institute for Development Economics Research of the United Nations University (UNU-WIDER)

World Intellectual Property Organization (WIPO)

World Meteorological Organization (WMO)

World Tourism Organization (UNWTO)

World Trade Organization (WTO)

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Millennium Development Goal 8

Taking Stock of the Global Partnership for Development

MDG Gap Task Force Report 2015: Executive summary

United Nations
New York, 2015

Millennium Development Goal 8: Develop a global partnership for development

Targets	Indicators
	Some of the indicators listed below are monitored separately for the least developed countries (LDCs), Africa, landlocked developing countries and small island developing States.
Target 8.A: Develop further an open, rule-based, predictable, non-discriminatory trading and financial system Includes a commitment to good governance, development and poverty reduction—both nationally and internationally **Target 8.B:** Address the special needs of the least developed countries Includes tariff and quota free access for the least developed countries' exports; enhanced programme of debt relief for heavily indebted poor countries (HIPC) and cancellation of official bilateral debt; and more generous ODA for countries committed to poverty reduction **Target 8.C:** Address the special needs of landlocked developing countries and small island developing States (through the Programme of Action for the Sustainable Development of Small Island Developing States and the outcome of the twenty-second special session of the General Assembly)	**Official development assistance (ODA)** **8.1** Net ODA, total and to the least developed countries, as percentage of OECD/DAC donors' gross national incomes **8.2** Proportion of total bilateral, sector-allocable ODA of OECD/DAC donors to basic social services (basic education, primary health care, nutrition, safe water and sanitation) **8.3** Proportion of bilateral official development assistance of OECD/DAC donors that is untied **8.4** ODA received in landlocked developing countries as a proportion of their gross national incomes **8.5** ODA received in small island developing States as a proportion of their gross national incomes **Market access** **8.6** Proportion of total developed country imports (by value and excluding arms) from developing countries and least developed countries admitted free of duty **8.7** Average tariffs imposed by developed countries on agricultural products and textiles and clothing from developing countries **8.8** Agricultural support estimate for OECD countries as a percentage of their gross domestic product **8.9** Proportion of ODA provided to help build trade capacity

Targets	Indicators
Target 8.D: Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term	**Debt sustainability** **8.10** Total number of countries that have reached their HIPC decision points and number that have reached their HIPC completion points (cumulative) **8.11** Debt relief committed under HIPC and MDRI Initiatives **8.12** Debt service as a percentage of exports of goods and services
Target 8.E: In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries	**8.13** Proportion of population with access to affordable essential drugs on a sustainable basis
Target 8.F: In cooperation with the private sector, make available the benefits of new technologies, especially information and communications	**8.14** Fixed telephone lines per 100 inhabitants **8.15** Mobile cellular subscriptions per 100 inhabitants **8.16** Internet users per 100 inhabitants

Executive Summary

This report of the United Nations MDG Gap Task Force takes stock of recent achievements and gaps in the implementation of Millennium Development Goal 8 (MDG 8). The Task Force is an inter-agency initiative that includes more than 30 organizations with specialized competence in the five core domains of the Global Partnership for Development, namely, official development assistance (ODA), market access (trade), debt sustainability, access to affordable essential medicines and access to new technologies.

Lessons from monitoring MDG 8

The international community is currently considering the sustainable development goals that are to be endorsed at the United Nations Summit to Adopt the Post-2015 Development Agenda, to be held during the United Nations General Assembly in September 2015. The final report of the MDG Gap Task Force thus begins by extracting lessons from its monitoring of Goal 8 that may be useful in monitoring the future global partnership for development.

The Task Force has identified significant achievements in the implementation of the policy intentions embedded in Goal 8, but major gaps remain. Particularly serious has been the lack of quantitative time-bound targets in the five substantive areas as well as the lack of data to track commitments adequately. Furthermore, the experience of the Task Force emphasizes that monitoring the development of a complex, multi-level global partnership such as this requires comprehensive tracking not just of quantitative measures, but also of the qualitative indicators that describe processes of partnership formation, commitment, engagement and implementation.

In several instances, MDG 8 indicators display a mismatch between the ambitions reflected in the goal targets and the progress that the indicators depict. Additionally, the analysis of delivery gaps required going beyond the set of 16 indicators that were initially defined for MDG 8, particularly in the domains of debt sustainability, access to affordable essential medicines and access to new technologies.

In one case, an indicator had been specified for which no data existed, namely, the share of population with sustainable access to essential drugs (indicator 8.13). Significant research has been undertaken by Task Force members to address this problem. Considerable information has been regularly compiled from which the Task Force can produce an analysis of the limitations on access to affordable essential medicines.

In other cases, data to calculate the indicator were available, but the indicator was found not to be sufficiently informative. For example, the ratio of external debt servicing to exports of developing countries (indicator 8.12) provided very limited information on debt sustainability. The Task Force thus added several additional indicators and also tracked the evolution of the Bretton Woods institutions' methodology for debt sustainability assessments. Indeed, this latter point reflects the Task Force's concern regarding the inadequacy of exclusive reliance on quantitative indicators for monitoring the global partnership.

In yet another instance, the agreed indicator became irrelevant over time. This was the case for the number of telephone lines per 100 people (indicator 8.14), which had been included as an indicator of developing-country access to communication technology. The number of these lines has been declining since about 2005. However, with the explosion in cell phone availability and use, fixed-line expansion has become less important than it once was. The Task Force therefore simply de-emphasized this indicator.

These adjustments illustrate how the Task Force not only produced coherent annual monitoring updates, but also regularly reassessed and, as necessary, revised the approach to monitoring the global partnership. However, the Task Force also observed that monitoring per se, no matter how well undertaken, does not by itself deliver the cooperation promised by the global partnership. There needs to be a willingness of policymakers to act on the findings of the monitoring—a willingness that has ebbed and flowed over the past 15 years.

For example, soon after the MDGs were agreed, ODA accelerated faster than in later years. Political momentum to increase ODA grew in the early 2000s, notably through the explicit recognition of the need for a "substantial" increase in ODA in the Monterrey Consensus of 2002. At the Gleneagles Summit of the Group of Eight in 2005, these major donors committed to adding $50 billion to ODA by 2010, half of which was to be provided to Africa. In total, the volume of ODA rose 66 per cent from 2000 to 2014.

These agreements, plus the Goal 8 targets to provide ODA equivalent to 0.7 per cent of gross national income (GNI) and ODA of 0.15-0.20 per cent of GNI for least developed countries (LDCs), helped mobilize political will in many countries. Although the $50 billion Gleneagles target increase for 2010 was largely met, ODA has since stagnated at around 0.3 per cent of GNI. Thus the gap with the Goal 8 target for total ODA remains very large at 0.4 per cent of developed countries' GNI and developing countries continue to face a major shortfall of much needed financial and technical resources.

ODA providers have begun to speak more about using ODA to leverage private finance, including in the context of a new measure of Total Official Support for Sustainable Development (TOSSD). This warrants international discussion, which it is now receiving in the preparations for the third International Conference on Financing for Development (FfD), to be held in Addis Ababa in July 2015.

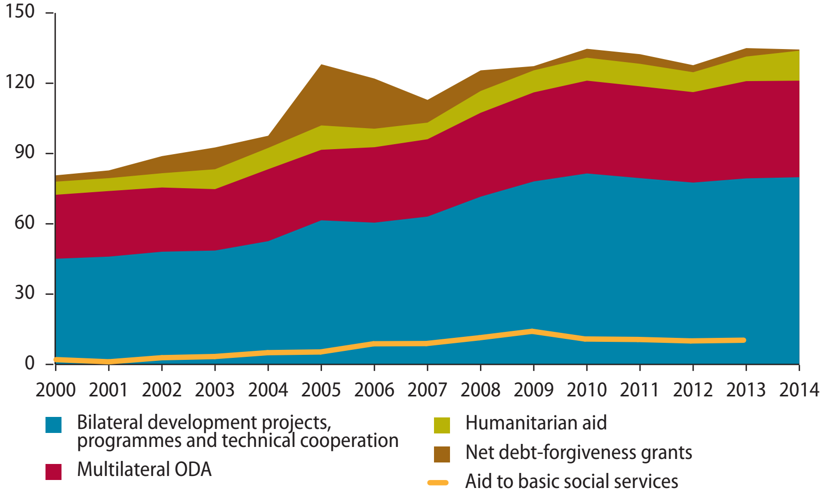
ODA and the other policies in the global partnership for development will need continued review after the Conference. Discussions on these matters should include consideration of credible monitoring reports on progress in realizing cooperation targets and policy coherence. The discussions themselves should be held at appropriate technical and political levels in relevant venues, and should be mutually informed through review in international accountability forums. Thus far, there has been inadequate interaction between the monitoring efforts and follow-up discussion forums that are able to respond to the monitoring results.

Official development assistance

ODA flows reflect the continued international commitment of developed countries to provide concessional financial and technical resources to support the development efforts of developing countries, including achieving the MDGs. The Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development monitors the ODA programmes of its members both in terms of quantitative indicators and national donor policies. According to recent DAC estimates, net ODA reached $135.2 billion in 2014, about the same level as in 2013. After two years of falling ODA flows in 2011 and 2012, ODA flows have in recent years stabilized at a level of $135 billion. However, bilateral ODA to LDCs fell by 16 per cent in 2014 to $25 billion.

Most ODA has been in the form of bilateral and multilateral support for development projects and programmes. In addition, significant amounts of relief from debt obligations to DAC members have been recorded as ODA, especially during 2005 and 2006. A further focus of attention has been the share allocated to basic social services (indicator 8.2), which grew steadily in the first decade of the millennium, but has yet to regain its 2009 peak.

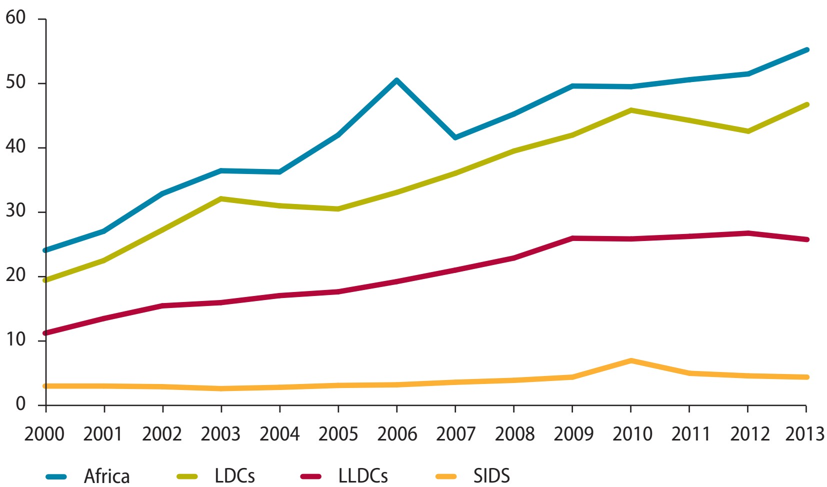
Main components of ODA of DAC members, 2000–2014 (*billions of 2013 dollars*)



Source: OECD/DAC data.

As the international community has specified priority groups of countries, ODA commitments to them have also been monitored over the MDG period. The LDCs and Africa have received large increases in ODA during this period, followed by the landlocked developing countries (LLDCs) and the small island developing States (SIDS).

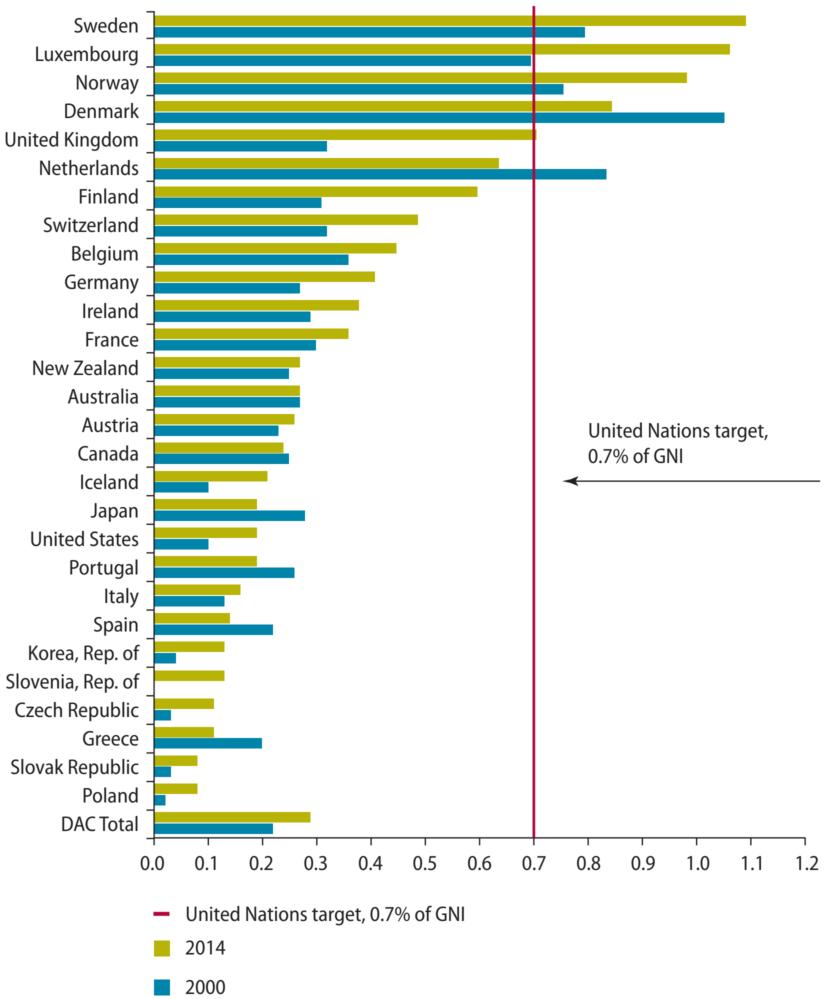
Total ODA received by priority groups of countries, 2000–2013 (*billions of 2013 dollars*)



Source: OECD/DAC data.

The primary indicator of ODA "effort" monitored under Goal 8 (indicator 8.1) has been the level of each donor's assistance as a share of its gross national income (GNI). Donors differ significantly in their aid efforts according to this measure, not only in comparison with each other, but also when compared to the United Nations targets of total ODA equivalent to 0.7 per cent of GNI, and ODA to LDCs of 0.15–0.20 per cent of GNI.

ODA of DAC members, 2000 and 2014 (*percentage of GNI*)



Source: OECD/DAC data.

Five countries—Denmark, Luxembourg, Norway, Sweden and the United Kingdom of Great Britain and Northern Ireland—have met the United Nations target of providing 0.7 per cent of GNI as ODA in 2014. Collectively, DAC members fell far short of the 0.7 per cent target. Their combined ODA amounted to 0.29 per cent of donor GNI in 2014, leaving a delivery gap of 0.41 per cent of GNI, or $191 billion.

Delivery gaps in aid efforts by DAC donors, 2013 and 2014

		Percentage of GNI	Billions of dollars
Total ODA	United Nations target	0.70	326.3
	Delivery in 2014	0.29	135.2
	Gap in 2014	0.41	191.1
ODA to LDCs	United Nations target	0.15–0.20	66.8–89.0
	Delivery in 2013	0.10	44.5
	Gap in 2013	0.05–0.10	22.3–44.5

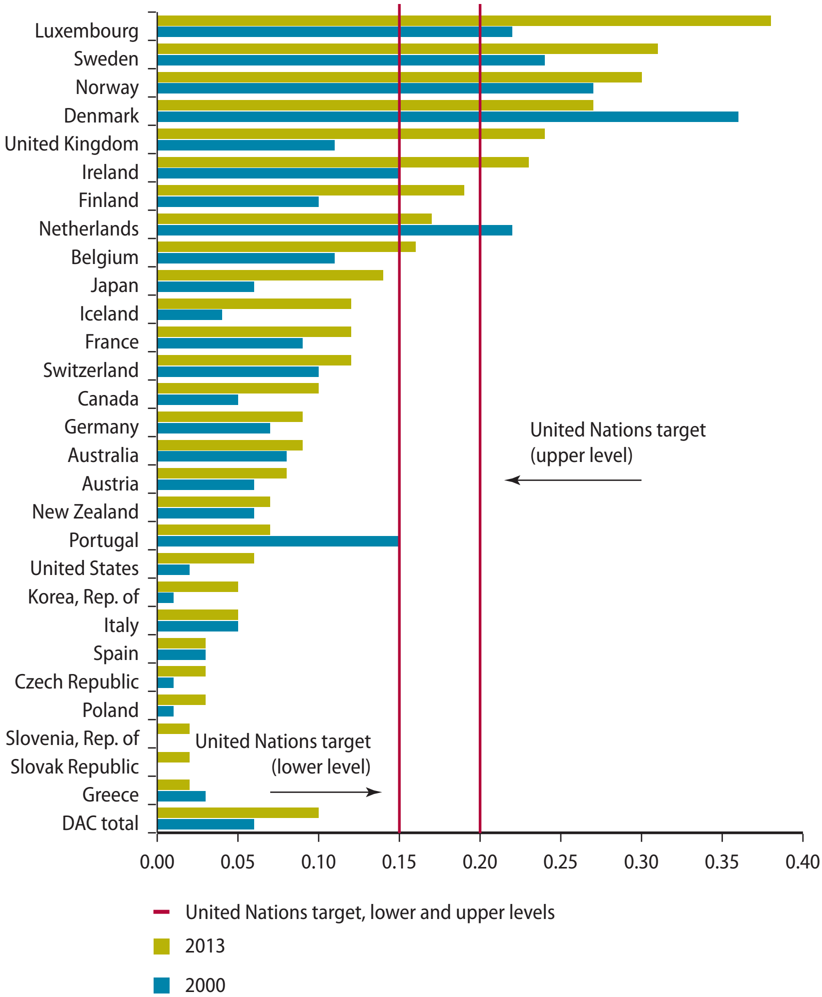
Source: UN/DESA, based on OECD/DAC data.

By the same token, ODA to LDCs reached 0.10 per cent of the GNI of the DAC countries in 2013, the most recent year for which country-disaggregated data is available. It remains below the 2010 peak of 0.11 per cent. In recent years ODA to LDCs fell, leaving a gap of between 0.05 to 0.10 per cent of GNI in 2013, amounting to $22-$45 billion. Only 9 DAC donors surpassed the 0.15 per cent benchmark in 2013: Belgium, Denmark, Finland, Ireland, Luxembourg, the Netherlands, Norway, Sweden and the United Kingdom.

However, some countries have recently scaled up their assistance to LDCs. Seventeen DAC members increased their ODA to these countries in 2013. Notably, the United Kingdom increased its contribution from 2012 to 2013 by 0.06 percentage points of GNI to 0.24 per cent, exceeding the upper United Nations target. Furthermore, Japan increased its aid flows from 0.08 per cent in 2012 to 0.14 per cent in 2013 (largely because of major debt relief for Myanmar), while Belgium increased its contribution from 0.14 per cent in 2012 to 0.16 per cent in 2013.

While the volume of ODA has served as the headline focus in international aid monitoring, the international community has long been concerned with the effectiveness of the assistance provided. Goal 8 thus included in its monitoring the share of ODA that is "untied" (indicator 8.3), that is, in which no restrictions are placed on where the aid-receiving country purchases the goods and services that the assistance supports. The intention in removing restrictions on recipient procurement is to encourage selection of the most appropriate suppliers, which may often be found in the South. While many donors have completely untied their bilateral ODA, others should further increase their shares of untied aid.

ODA of DAC donors provided to least developed countries, 2000 and 2013
(*percentage of GNI*)



Source: OECD/DAC data.

DAC donors and their development partners have made additional efforts to strengthen aid effectiveness. This includes increasing the reporting of ODA in national budgets and strengthening country administrative systems in the management of aid-funded programmes and projects so that donors would use those systems rather than impose additional administrative burdens on recipients. Nonetheless, conditions attached to ODA remain a burden, internal procedures by donors remain complex, and the fragmented landscape continues to pose major coordination challenges for recipient countries.

Indeed, strengthening mutual accountability of donors and recipients—let alone effectively and coherently integrating the assistance from Southern providers, foundations and others into recipients' national strategies—remains a high priority of the international community, along with arranging for sufficient assistance on appropriate terms to meet the emerging needs of the post-2015 development agenda.

Market access (trade)

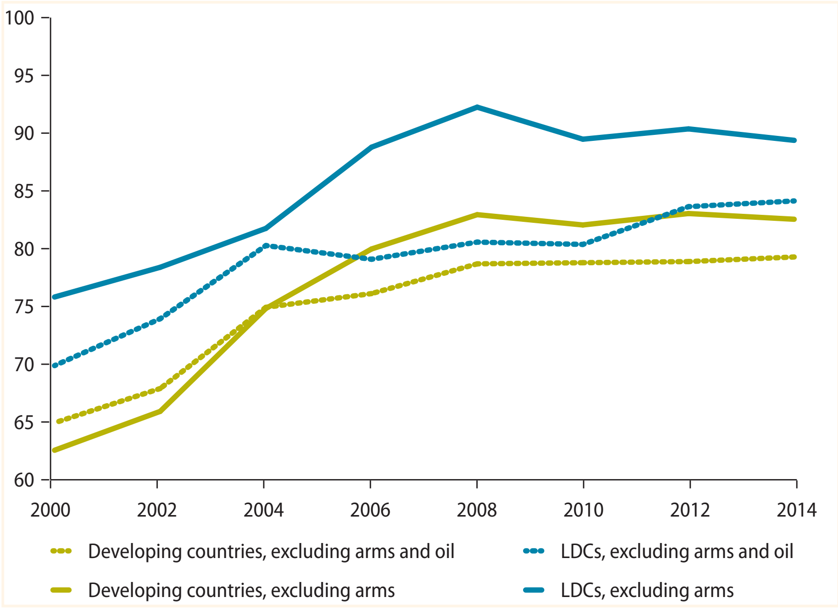
Although the Doha Development Agenda was adopted by the World Trade Organization (WTO) in 2001, after MDG 8 was codified, it has been a focus of the global partnership for development and regularly monitored by the MDG Gap Task Force. The failure to conclude the Doha Development Round after 13 years of negotiation represents a significant gap in achieving the global partnership for development envisaged in MDG 8. In the last two years, however, substantial progress has been made and current efforts focus on the negotiation of a work programme to facilitate prompt conclusion of the Round.

Since 2000, the proliferation of regional trade agreements (RTAs) has continued. New mega-regional initiatives represent a shift in trade relations and pose challenges to the multilateral trade system. They also pose a risk to smaller developing countries, which may simply be excluded from RTA benefits and the shaping of new trade rules.

There are also setbacks at the level of national trade policies. In particular, from 2008 to October 2014, the Member States of the Group of Twenty (G20) took 1,244 trade-restrictive measures, of which only 23 per cent were rolled back. As a result, the stock of such measures increased to cover 4 per cent of world imports in 2013—a small but increasingly significant share that is especially notable as the G20 had agreed to refrain from such practices through at least the end of 2016.

This notwithstanding, special trade policy benefits have been accorded to developing countries in the form of allowing most of their exports (excluding arms and oil) duty-free access to the markets of developed countries. In 2014, 79 per cent of developing countries' exports benefited from duty-free treatment in developed-country markets, up from 65 per cent in 2000. This ratio rises to 84 per cent in the case of LDC exports, up from 70 per cent fifteen years ago. However, the value of the preferential access has eroded over time as developed countries have reduced their most favored nation tariffs and continue to sign RTAs that reduce tariffs to selected partners.

Proportion of developed-country imports from developing countries admitted duty free, 2000–2014 (*percentage*)



Note: Proportion of the value of total developed-country imports (excluding oil and arms) from developing countries and least developed countries admitted duty free. This indicator is also subject to the influence of changes in export structure and relative prices.

Source: ITC/UNCTAD/ WTO database.

Developing countries as a whole are playing a growing part in world trade. Their share of world merchandise exports increased from 31 per cent in 2000 to 44 per cent in 2014; their share of world trade in services grew from 24 per cent to 30 per cent over the same period. Merchandise exports of LDCs increased over the period, but remained tiny, at 1.1 per cent of world trade. South-South trade accounts for 52 per cent of the exports of developing countries and an increasing proportion of LDC exports.

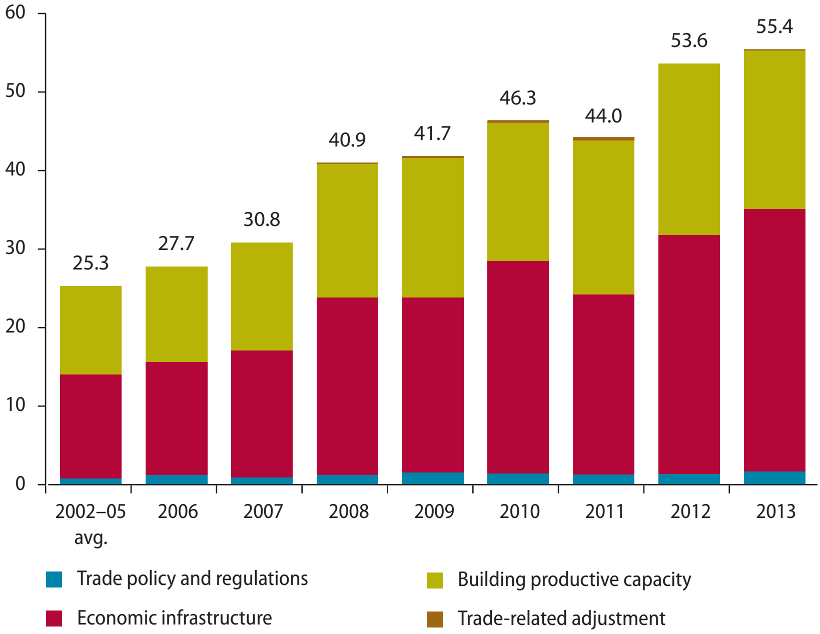
The increase in global trade has been underpinned by the expansion of international production networks spread over multiple locations, commonly referred to as global value chains (GVCs). Trade in parts and components between developing countries has increased steadily over the last fifteen years to 25 per cent in 2013, and their share in trade between developed and developing countries reached 40 per cent during the same period. By spreading economic activity more widely, GVCs provide developing countries opportunities for participation in global trade at lower costs. However, participating in GVCs is not automatic and entails risks. Not all countries are able to participate equally, with LDCs struggling to connect to GVCs.

In addition, developing countries have benefited since 2000 from significantly increased commodity prices sustained by rapid industrialization and urbanization of the emerging economies. Although this "super-cycle" of commodity prices came to an end in 2014, it appears that prices will remain relatively high in the medium term, albeit volatile. The increase of commodity prices, particularly in agriculture, creates opportunities for exports that can contribute to poverty reduction, given the significance of the sector for the economies of developing countries. Challenges remain, however, including addressing low productivity in small-holder agriculture, market access barriers and the costs of meeting food safety and other quality requirements.

Developing countries have also benefited from the programme of Aid for Trade (AfT), whose commitments reached $55.4 billion in 2013 or 41 per cent of total ODA (indicator 8.9), an increase in real terms of 118 per cent from the 2002-2005 base period. Most AfT is allocated to economic infrastructure and building productive capacities. AfT commitments to LDCs, including under the Enhanced Integrated Framework, more than doubled between 2006 and 2013 when they reached $18 billion, while AfT spending in middle-income countries was twice the size of that in LDCs. The top ten recipients of AfT since 2006 captured a little over 40 per cent of total AfT, highlighting the concentration of AfT flows. Finally, AfT terms have hardened over the period, with loans representing 60 per cent of total AfT as opposed to 50 per cent in the base period.

Looking forward, and in view of the changing trade landscape, a renewed partnership on market access and trade will need to take into account the increasing weight of non-tariff measures as barriers to developing countries' trade. In 2014, the international community renewed its commitment to the LLDCs and the SIDS through the adoption of the Vienna Programme of Action and the SAMOA Pathway, respectively, both of which emphasize the importance of strengthening the global partnership for development. The increasing importance of trade in services requires support for trade capacity-building in developing countries, especially LDCs. South-South trade has become an important source of trade expansion for developing countries, especially LDCs. It is essential to continue monitoring trends in economic and export diversification and value-addition in exports of developing countries in order to assess their effectiveness as a means of integrating developing countries into the multilateral trade system and resilience building.

Aid for Trade commitments, by category, 2002–2005, 2006–2013
(*billions of 2013 dollars*)



Source: OECD/DAC, Creditor Reporting System (CRS).

Debt sustainability

By the time the Millennium Summit was held, numerous developing-country Governments had gone through one or more cycles of sovereign debt crisis. As each crisis had imposed severe economic and social costs, the international community focused on prevention and resolution of future sovereign debt crises, a dual approach that continues to this day.

The International Monetary Fund (IMF) and the World Bank developed a strategy in 1996 for addressing the debt struggles of 39 heavily indebted poor countries (HIPCs). The HIPC Initiative was enhanced in 1999, and then supplemented in 2005 by the Multilateral Debt Relief Initiative (MDRI), which aimed explicitly at freeing up additional resources in the targeted countries to help them advance towards achieving the MDGs.

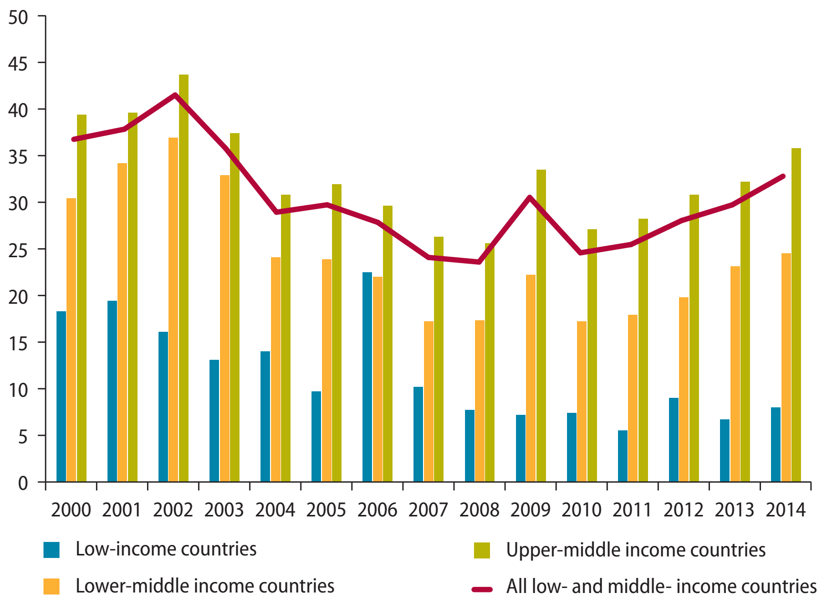
As of May 2015, 36 HIPCs had completed the multi-year process to receive the expected relief (indicator 8.10). According to the 2014 cost updates, the IMF and World Bank estimated that the cost of the HIPC relief for all 39 countries totalled \$75 billion, plus an additional \$41 billion to cover the cost of the MDRI, measured in 2013 present value terms (indicator 8.11). About 45 per cent of HIPC and MDRI relief is the responsibility of the IMF and World Bank; the rest are mostly bilateral and other multilateral official credits (MDRI relief is provided by four multilateral lenders).

Some 26 per cent of the planned HIPC relief is, however, still owed from a number of bilateral creditors, small multilateral creditors and some private creditors, a number of which have delivered none or only some of the planned relief—with some of those who have delivered none even litigating their claims for full repayment. More recently, new risks are emerging for a few HIPC countries that are rapidly accumulating debt, including borrowing from international capital markets. Some three-quarters of low-income developing countries are currently assessed as being at low or moderate risk of debt distress under the Joint World Bank-IMF Debt Sustainability Framework, but debt levels are high and/or have increased significantly in recent years in a third of low-income developing countries. While having stabilized at a lower level for low-income countries, debt servicing as a percentage of export earnings is rising, reflecting both increasing principal payments and slower growth of export earnings (indicator 8.12).

The HIPC Initiative is now essentially complete; therefore, for these and all other developing countries, resolution of future debt crises will depend on separate negotiations that the debtor government undertakes with each class of its creditors. The framework for negotiating official debt relief has generally been predictable for bilateral creditors participating in the informal

Paris Club. Going forward, the increasing contribution of South-South flows may, unless there is an expansion of the Paris Club participation, require other modalities for negotiating official debt relief. Although a number of restructurings with groups of banks and bondholders were effectively completed with adequate creditor participation, they were often "too little too late", and the 2014 decisions on Argentina in United States courts increased the risk of hold-out problems in debt restructurings. This led the IMF to make recommendations, in October 2014, on modified clauses in international sovereign bond contracts in order to reduce the debtor's vulnerability to hold-out creditors. Since then, a number of countries have adopted key features of these recommendations in new debt issuances.

Total debt service of developing countries, 2000–2014 (*percentage of exports*)



Source: IMF, World Economic Outlook April 2015 database.

IMF staff is currently also proposing reforms to the IMF lending framework aimed at preventing and promoting more efficient resolution of sovereign debt crises. The proposal under consideration has two key elements: (i) the introduction of a "debt reprofiling" option to make the IMF lending framework more flexible in cases where debt is assessed as sustainable but not with high probability; and (ii) the elimination of the systemic exemption that, in the view of IMF staff, has proven to be ineffective at mitigating contagion, and does not constitute a coherent solution to addressing spillovers from a sovereign debt crisis. In a separate initiative, the United Nations General Assembly is continuing to debate the creation of an international legal framework for resolution of sovereign debt crises.

In February 2015, the IMF Executive Board established the Catastrophe Containment and Relief Trust to provide grants for debt relief to the poorest and most vulnerable countries hit by catastrophic natural disasters or public health disasters, including epidemics. The new trust is intended to complement donor financing and IMF concessional lending. The new instrument has been used to provide debt relief to the three West African countries struck most intensively by the Ebola outbreak (Liberia, Sierra Leone and Guinea). The Paris Club has also accorded unilateral temporary debt relief in cases of natural emergencies.

A number of low-, middle- and high-income countries are currently in debt distress. The IMF reports that, among low-income countries, 3 countries are in distress, 13 are judged to be at high risk of distress, 32 are at moderate risk and 22 countries are at low risk of debt distress. A number of Caribbean and Pacific Island States have the highest ratios of debt to gross domestic product in the world. In addition, although fiscal deficits and current accounts in the balance of payments absorbed much of the shock of the 2008 global crisis, these indicators have not on the whole reverted to their pre-crisis levels. In other words, the capacity to absorb future economic shocks is limited.

As illustrated above, several important initiatives have been undertaken. However, continued reform of sovereign debt workout processes will remain on the post-2015 development agenda.

Access to affordable essential medicines

As noted at the outset, the current state of information is such that access to affordable essential medicines can be only imperfectly monitored. Nevertheless, the data that exist paint an unsatisfying picture. On the one hand, where a concerted international effort is made to supply an essential medicine at an affordable price, the outcome is positive. The data on cases with less public visibility—even where inexpensive generics are in principle available—have been disheartening, owing to various constraints on improving delivery, which international policies are only partly addressing.

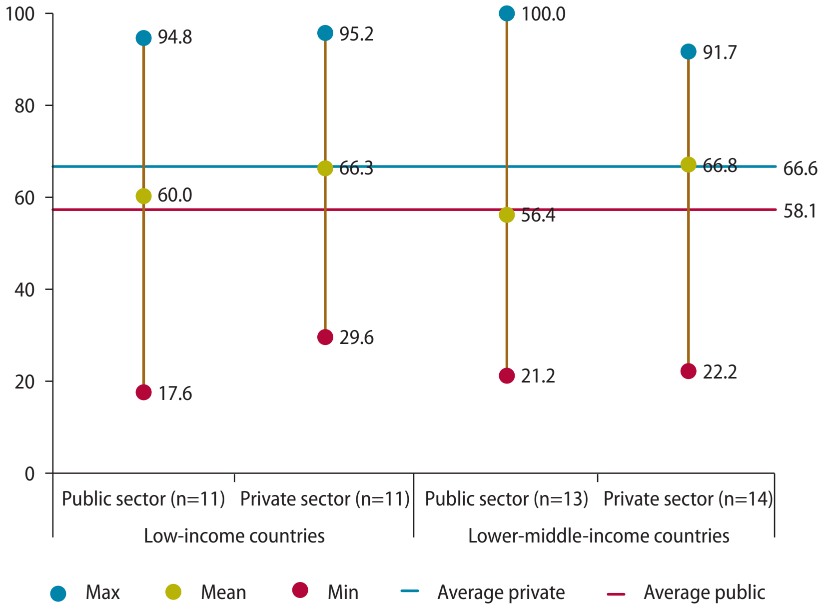
The evolution of access to antiretroviral (ARV) medicines indicates what is possible and underscores the importance of legislation, policies and measures in the field of intellectual property rights where essential medicines are still under patent. The massive influx of funding from the international community for HIV, tuberculosis, malaria and other priority diseases (Global Fund, GAVI, PEPFAR, UNITAID, among others) has consolidated and secured the demand side and increased access to these medicines. At the beginning of the millennium, triple combination antiretroviral therapy, under patent at the time, cost more than $10,000 per patient per year. The introduction of generic antiretroviral treatment in 2001, at the drastically reduced price of $350 per patient per year, triggered dramatic reductions in the cost of first-line treatment, which today is available at a little more than $100 per patient per year. Voluntary licensing agreements have started to play a bigger role in facilitating access, but third-line and many second-line antiretroviral treatments are still expensive. In part, this reflects that these medicines are new to the market, that their sales volumes remain small, and that they are much more widely patented.

In contrast, access to new treatment for hepatitis C virus (HCV) is limited, with only a small minority of the estimated 130-150 million people infected world-wide receiving a diagnosis, and even fewer initiated on treatment. In 2013, a medicine to treat HCV was launched in the United States of America at a cost of $84,000 for a single 12-week course, and is currently being considered for inclusion in the WHO Essential Medicines List. Some developing countries have since successfully negotiated sharply reduced prices and first license agreements have been signed, but further price reductions are necessary to ensure affordability of the new treatments.

The more general situation in a cross-section of countries is seen from 26 surveys conducted at different times from 2007 to 2014. If these studies are indicative, it appears that generic medicines are significantly less available in public health facilities compared to private facilities, and sometimes poorly available even in private facilities.

To improve access, medicines also need to be affordable. In these surveys, affordability is expressed as the number of days' wages needed by the lowest-paid unskilled government worker to purchase standard treatments. Changes in the affordability of lowest-priced generic salbutamol inhaler (for asthma) were assessed in countries undertaking repeated surveys. In Shaanxi Province, China, Lebanon, Tanzania and Ukraine, affordability remained at less than 1 days' wages to buy one inhaler. In Tajikistan, affordability improved over time; however, this essential medicine remains unaffordable for those on low wages. In Kyrgyzstan, the treatment became even less affordable at 11.3 days' wages in 2010.

Availability of selected generic medicines in public and private health facilities in low- and lower-middle-income countries, 2007–2014 (*percentage*)



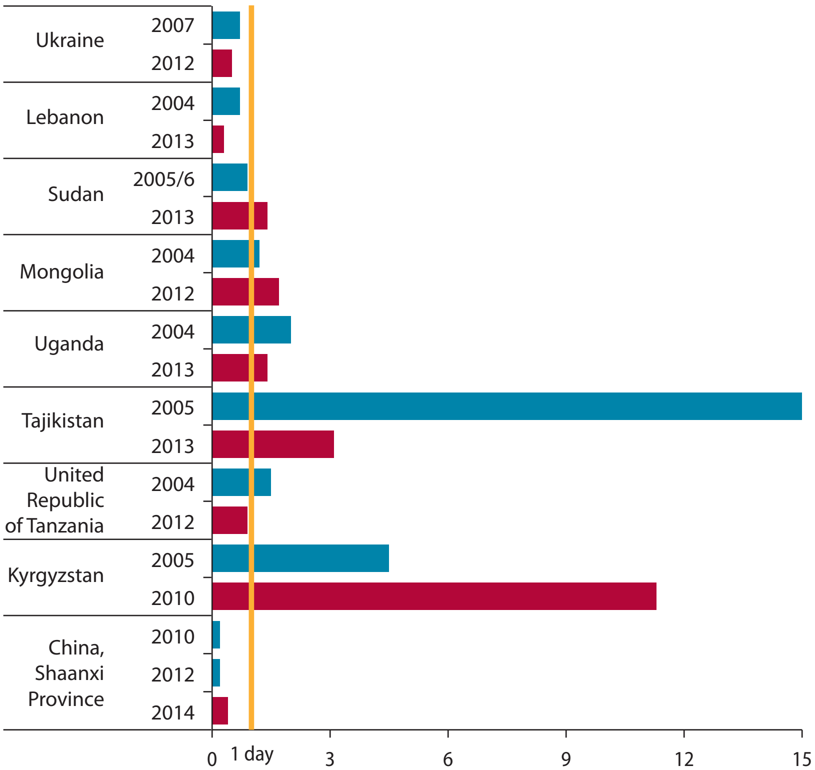
Note: n=number of countries. Baskets of survey medicines differ between countries.

Source: World Health Organization/Health Action International (WHO/HAI), based on data from medicine price and availability surveys from 2007 to 2014 using the WHO/HAI standard methodology, available from http://www.haiweb.org/medicineprices.

The WTO Agreement on Trade-related Aspects of Intellectual Property Rights (TRIPS) obligates WTO members—except LDC members who are benefiting from an extended transition period that currently runs until 2021—to provide at least 20 years of patent protection in all fields of technology, including pharmaceuticals. TRIPS contains provisions, known as "flexibilities", which allow countries to balance their intellectual property regimes with public health needs. Full use of these TRIPS flexibilities, as appropriate, is one of the important tools for low- and middle-income countries that can support achieving increased access and innovation in essential medicines.

Finally, there is a lesson to take from the latest Ebola outbreak. Ebola is not a new disease. There have been outbreaks since 1976. However, restricted, publicly financed research and the current patent system have not delivered the innovation needed. The lack of expected return on investment was one of the reasons that vaccines were not tested years ago. Long-term financial commitments by governments to finance research and development for treatments against Ebola and other neglected diseases remain urgently needed.

Number of days' wages needed by the lowest-paid unskilled government worker to pay for one lowest-priced generic salbutamol 100mcg/dose inhaler (200 doses) for asthma, when purchased in the private sector, selected years, 2004–2014



Source: WHO/HAI using data from medicine price and availability surveys undertaken using the WHO/HAI standard methodology, available from http://www.haiweb.org/medicineprices.

Access to new technologies

The international community places a special emphasis on access of developing countries to new technologies. At the beginning of the millennium, the most rapid and promising technological change appeared to involve information and communications technologies (ICT). Hence, MDG 8 paid particular attention to ICT.

Growth of ICTs in developing countries has been remarkable. Mobile-cellular penetration in developing countries is estimated to reach 92 per cent at the end of 2015 (indicator 8.15 of the MDGs), compared to less than 10 per cent in 2000. Although this refers to the number of subscriptions, not the number of unique subscribers, users or owners, the figure highlights the extensive spread of mobile-cellular technology in developing countries. However, mobile-cellular penetration in the LDCs is estimated at 64 per cent in 2015, and an estimated 450 million people residing in rural areas lived outside the reach of a mobile-cellular signal.

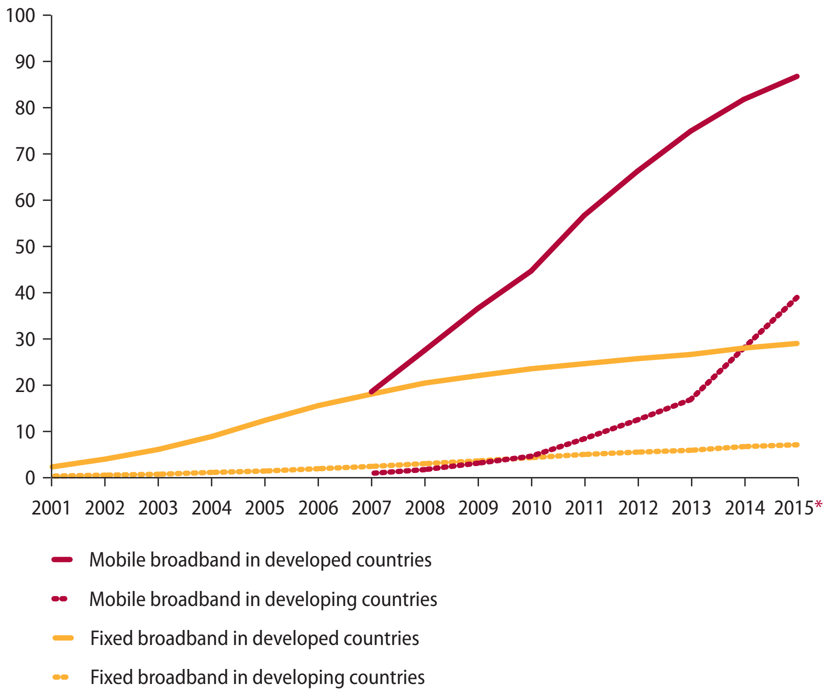
At the same time, a smaller proportion of people in the developing world (35 per cent) is using the Internet (indicator 8.16), although the growth of developing-country users continues to be robust, increasing by around 10 per cent in 2015, compared to growth of about 4 per cent in the developed countries. The International Telecommunications Union (ITU), the source of the data reported here, estimates that just over 20 per cent of Africans are online as of end-2015. In the developing world, as in the developed, the fastest growing method for going online has been through mobile broadband.

However, in several low-income countries, limited international Internet bandwidth and weak national backbone capacities hinder the provision of affordable, high-speed Internet services, particularly in small-island and landlocked developing states. These limitations have concrete impacts on the speed and the quality of the Internet connection, and on the types of services and applications that users can access. Also, the average price of services remains relatively high in many of the world's poorest countries. By 2013, in close to 20 countries, mainly from sub-Saharan Africa, the price of a basic fixed-broadband plan still represented more than 50 per cent of GNI per capita.

The interest of the international community in monitoring the extent of ICTs in developing countries particularly relates to the role they play in, and the impact they have on, development. For example, ICTs can help deliver government information and services to citizens in developed and developing countries and enhance efficiency, effectiveness, transparency, accountability and citizen participation. By 2014, the number of Governments offering mobile applications and mobile portals had increased to nearly 50, while 130 countries publish parts of their budgets online. There are 118 Governments officially using social media while 75 put their e-participation policy online, demonstrating the potential ICTs hold for enhanced civic engagement.

In addition, increasing the access to early warning systems for disaster risk reduction has been an important target of the disaster risk reduction frameworks, adopted by the international community. Improvements in risk monitoring and forecasting, satellite data quality, and increased computer power and connectivity have resulted in a transformation of early warning systems across the globe. Mobile phone coverage has dramatically increased the potential to disseminate timely warnings directly to those at risk and to support peer-to-peer warning.

Fixed (wired)-broadband and mobile-broadband subscriptions in developed and developing countries, 2001–2015 (per 100 inhabitants)



Note: The developed and developing country classifications are based on the United Nations M49, see: http://www.itu.int/en/ITU-D/Statistics/Pages/definitions/regions.aspx.html

* Data for 2015 are estimated.

Source: ITU, World Telecommunication/ICT Indicators database.

The emphasis here on ICTs, however, should not distract attention from overcoming barriers to technology transfer and technology generation in other domains. Climate change mitigation and adaptation, for example, have been priorities for the international community ever since the Rio Summit in 1992. It is indicative of challenges, in this regard, that developing countries have requested technical assistance in mitigation and/or adaptation from the recently established Climate Technology Centre and Network. The Centre is co-hosted by the United Nations Environment Programme and the United Nations Industrial Development Organization and serves as a focal point for enhancing the development and transfer of climate-related technologies. Developing countries' requests pertain to a broad range of technologies, from energy, water and waste management and efficient transport to agriculture, fisheries, biodiversity and water harvesting. Indeed, the needs of the ensuing post-2015 development agenda will be vast.