

PRESS RELEASE

Significant MDG gains risk slowing under declining aid – United Nations report

UN Secretary-General urges development partners to deliver on commitments to remain credible

New York, 20 September – Despite several important global targets being met ahead of the 2015 deadline, for the first time in many years aid shows a decline that risks slowing the momentum of significant development gains, warns a United Nations report issued today ahead of the annual high-level General Assembly meetings next week. With no apparent commitment by donor governments to reverse the trend, it is possible that fewer of the Millennium Development Goals (MDGs), the UN's poverty reduction targets, will be reached in fewer countries by the 2015 deadline.

In the 2012 MDG Gap Task Force Report, entitled "[The Global Partnership for Development: Making Rhetoric a Reality](#)", experts from across the UN system found difficulty in identifying areas of significant new progress in the global partnership to achieve the Goals, and for the first time there are signs of backsliding. After reaching a peak in 2010, the volume of official development assistance (ODA) fell almost 3 per cent in 2011, as measured in constant prices and exchange rates. Poor countries also suffered setbacks in market access for their exports.

While the funding challenges are enormous, global targets on poverty, water, slums and parity between girls and boys in primary education have been met, according to this year's [UN Millennium Development Goals Report](#), issued in July. Also, there have been significant improvements in access to primary education and availability of HIV treatment. While challenging, meeting the remaining targets by 2015 is still possible, but only if Governments do not waiver from their commitments made over a decade ago and international support is adequate, says the MDG Gap Task Force Report issued today. It offers recommendations for the global community to sustain momentum on important MDG gains.

Gaps in development aid

Citing a \$167 billion gap between actual aid disbursement and the amounts committed, the Report of the MDG Gap Task Force warns that a delayed impact from the economic crisis on donor country budgets between 2013 and 2015 threatens to further widen the delivery gap. At the 2005 G8 summit in Gleneagles, donor countries made commitments to increase aid to Africa by \$25 billion a year by 2010. This target, however, was not met. Aid from Development Assistance Committee (DAC) donors fell \$18.2 billion (in 2010 dollars) short of the target, while disbursements to the sub-Saharan region actually declined by almost 1 per cent in 2011.

In his preface to the report, UN Secretary-General Ban Ki-moon said, "At the just-concluded Rio+20 Conference, commitments were made on an ambitious sustainable development agenda. But to keep those pledges credible, we must deliver on previous commitments. As a world community, we must make rhetoric a reality and keep our promises to achieve the Millennium Development Goals."

[The MDG Gap Task Force Report](#) notes that, out of the 23 donors that are DAC members of the Organization for Economic Cooperation and Development, 16 reduced their aid in 2011, mainly as a result of fiscal constraints

related to the economic crisis, which had negatively affected their ODA budgets. The largest falls were seen in Greece and Spain as a direct result of the crisis. These were followed by Austria and Belgium, owing to reduced debt forgiveness grants. Japanese ODA also suffered a large decrease after a significant rise in 2010. Only Sweden, Norway, Luxembourg, Denmark and the Netherlands still provided aid over and above the United Nations target of 0.7 per cent of donor country gross national income (GNI) in 2011 (see figure 1).

According to the MDG Gap Task Force Report, to meet the United Nations target, total ODA should more than double to about \$300 billion (in 2011 dollars), thus leaving a delivery gap of \$167 billion against that commitment. Least developed countries should receive about one-fourth of this amount (see figure 2). The report further expresses concern that aid flows remain highly volatile from the perspective of recipient countries, as donors have made little to no progress in disbursing aid in more predictable ways. Such volatility is affecting the implementation of development programmes. The report urges donors and multilateral organizations to develop publicly available multi-year spending plans to increase transparency and help reduce such volatility.

Debt relief

The report commends the international community for successfully providing debt relief to heavily indebted poor countries (HIPCs). The external debt of a number of middle-income countries has also been reduced, helped by internationally concerted debt restructurings. Despite this and caused in part by deteriorating global economic conditions, the report identifies 20 low-income and vulnerable countries that are in debt distress or at high risk. Since existing international debt relief initiatives are coming to an end, the report stresses the urgent need to devise new arrangements.

Protectionism on the rise

The MDG Gap Task Force Report further finds that the current economic situation has lured Governments back into pursuing protectionist trade policies. Despite the pledges by G20 members to resist protectionist measures initiated as a result of the global financial crisis, only 18 per cent of trade restrictions introduced since the end of 2008 have been eliminated, and new trade-restrictive measures have been introduced recently. The protectionist measures taken so far have affected almost 3 per cent of global trade.

Negotiations for a fairer multilateral trading system that are taking place under the Doha Round remain at an impasse 11 years after they have started. Successful conclusion of the Doha Round would promise greater opportunities for developing countries to gain from world trade. Rather than seeking a comprehensive agreement, the report suggests that achieving partial agreements could help in making steps forward and regaining momentum in the negotiations to eliminate inequities in the trading system.

More funding for essential medicines

Resources available for providing essential medicines through some disease-specific global health funds increased in 2011, despite the global economic downturn, the MDG Gap Task Force Report notes. New funding was pledged to the Global Fund to Fight AIDS, Tuberculosis and Malaria and the Global Alliance for Vaccines and Immunization. Global initiatives such as these have been effective in the prevention and control of specific diseases. However, greater efforts should be made to assure that such funds are not merely diverting existing ODA, but also become vehicles for raising significantly more resources.

In a broader sense, however, the UN report finds that there has been little improvement in recent years in improving availability and affordability of essential medicines in developing countries. Essential medicines appear to be available only in 51.8 per cent of public and 68.5 per cent of private health facilities. Prices of drugs in developing countries are about five times the international reference prices. As a result, obtaining essential medicines, especially for the treatment of chronic diseases, remains prohibitive for low-income families in developing countries.

Recommendations

To address the current situation, the MDG Gap Task Force recommends that donor Governments honour their commitments to deliver increased ODA, despite budgetary constraints. While taxpayers in donor countries have grown more sceptical of development assistance, the UN report argues that supporting more balanced global development is in their own best political and economic interests. "The ultimate security and well-being of people anywhere depend on the expectation of adequate living standards everywhere," says the MDG Gap Task Force Report. "Rich people may try to live behind fortress walls in their countries and rich countries may try to erect fortress protections against the foreign poor. They would all be fooling themselves in our highly globalized world. Whether they realize it or not, they already rely on one other." When the economies of development partner countries achieve robust growth, they become dynamic markets for world trade and investment; thus rich countries stand to gain when poor countries improve. Additionally, migration flows will diminish when there are decent jobs and living conditions in developing countries.

For more information:

See http://www.un.org/en/development/desa/policy/mdg_gap/index.shtml. Also see "Tracking Support for the MDGs" (<http://iif.un.org/>), a web-based platform, recently launched under the aegis of the MDG Gap Task Force, designed to enhance accountability for the delivery on commitments in support of the MDGs, putting into practice the "Integrated Implementation Framework".

Media Contacts

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From the 2012 Report of the MDG Gap Task Force:
The Global Partnership for Development: Making Rhetoric a Reality

Figure 1. ODA of DAC members in 2000, 2009, 2010, 2011 (percentage of GNI)

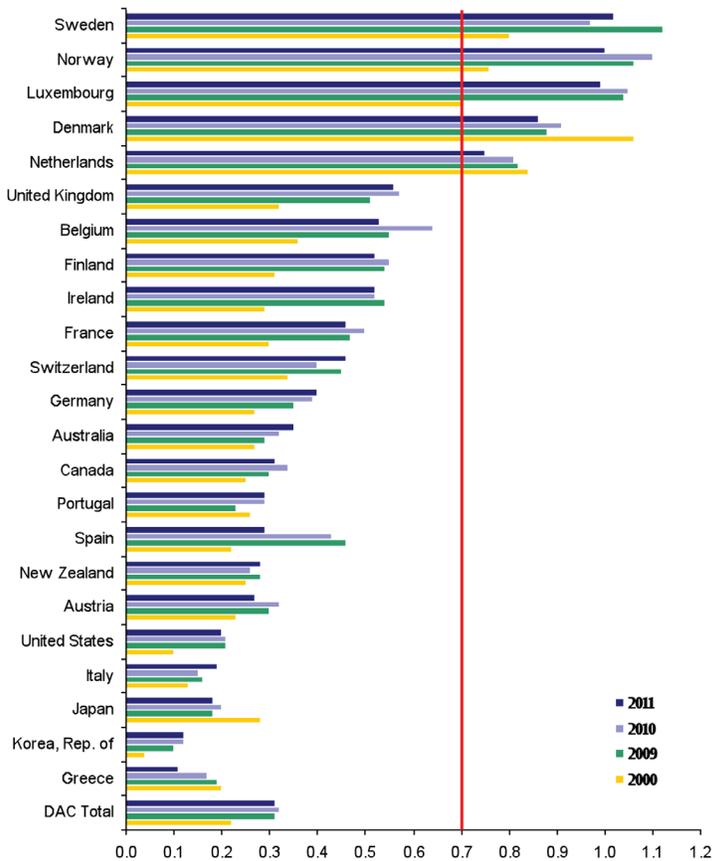


Figure 2. Delivery gaps against UN targets in 2011

