



After the crisis:

New economic and social challenges in a new world

Shanghai, 26 May 2013

Post-2015 agenda: the challenges ahead

**Taking into account the specificity of vulnerable countries
in a universal agenda**

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1. Flashback on MDGs to better understand Stakes of redefinition of Development Agenda

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1.1 Stakes of post-MDGs Agenda definition

- Since 2000, the Millennium Development Goals (MDGs) have provided a roadmap for development, with the year 2015 as the first waypoint. With this date soon upon us, it is time to redefine the objectives.
- **New stakes :**
 - Scope and diversity of the problems now facing the international community demands the adjustment of the goals that were defined in 2000.
 - Some targets are now obsolete, while some issues, such as environmental protection and employment, have now acquired "urgent priority" status at the international level.
 - Furthermore, the current goals largely neglect matters such as peace and security.
 - The balance of power between stakeholders is different from that which prevailed in 2000
- Meanwhile, the states present at the last Earth Summit in Rio have laid the foundations for a sustainable development agenda based on the principle of quantitative targets inspired by the MDGs.

1.1 Stakes of post-MDGs Agenda definition

- Through the MDG and SDG processes, **a vision of development for the next twenty years will emerge.**
- However, some questions remain, starting with the relationship between the two processes and with regards to our ability to learn from the MDG process to enable the post-2015 targets to be defined.
- Consensus for the 2015 agenda to be **universal**, meaning concerning not only all countries, but all citizens in each country, i.e. all citizens of the world
- At the same time strong demand of differentiation between developing countries, coming from several parts of the international community , in particular for aid policies
- Consensus also for merging previous MDGs, possibly augmented, and post Rio+20 SDGs
- Fear that broadening the goals leads to dilute the priority previously given to the countries the most in need of support

1.2 Back to MDGs process

- From the Washington Consensus to NY consensus
 - 1990's : From Structural Adjustment Programs (to resolve debt crisis) to the search for solutions for human development issues
 - Starting point : Criticism from UNICEF report against SAPs (end of 80's)
First Human Development Report in 1990 (UNDP)
- Increase of « pro-poor growth » debates at the end of 1990's
- Forerunners of MDGs in the OECD/DAC report in 1996 :
« Shaping the 21st Century »
- Political process via International Conferences and Summits:
 - The Earth Summit (Rio 1992)
 - Cairo Conference on *Population and Development* (1994)
 - Beijing Conference on *Gender* (1995)
 - Copenhagen Conference on Social Development (1996)
 - Millenium Summit in 2000

1.2 Back to MDGs process

- UN Millenium Summit :
 - 189 countries,
 - A Declaration, 6 priorities :
 - i. Peace, Security and Disarmament;
 - ii. Development, and Poverty Eradication;
 - iii. Protecting our common environment;
 - iv. Human rights, democracy and good governance;
 - v. Protecting the vulnerables
 - vi. Meeting the special needs of Africa
- 8 goals, 21 targets, 60 indicators

1.2 Back to MDGs process

- 8 goals :



See details of targets and indicators in Annex

1.3 Lessons from MDGs

- Which assessment?
 - A strict analysis of attainment of the 8 goals? Global, per region, per country?
 - An assessment of the impact of MDGs' process on cooperation policies and their efficiency?
 - An analysis of progress of development, with qualitative judgment?

1.3 Lessons from MDGs

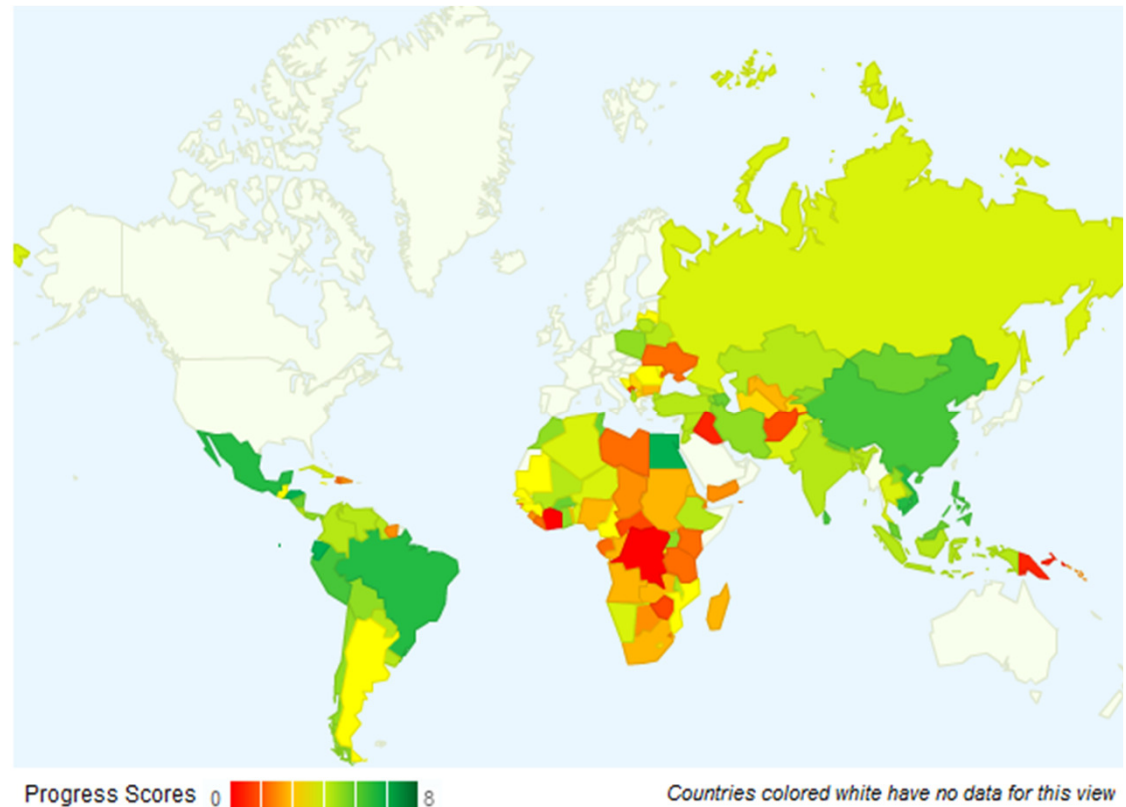
- 1.3.1 Strict analysis of attainment of the 8 goals
 - At global level : Real progress but incomplete

“Best available” indicators for seven key MDGs		Improvement since 1990	Distance progressed to goals <i>(100% = attained)</i>	On Track?	Faster progress 2003-2008 compared to 1999-2001	Faster than historical patterns?
MDG	Source	Kenny&Sumner	World Bank	Kenny&Sumner	Fukuda-Parr	Kenny&Sumner
Poverty		Yes	80	Yes	Yes	
Undernourish.		Yes	77	No	No	
Primary education		Yes	90	No	Yes	No
Gender equality in primary education		Yes	96	Yes	No	No
Child mortality		Yes	69	No	Yes	Yes
Maternal mortality		Yes	57	No	Yes	Yes
Drinking water		Yes	88	Yes	No	
Source : Giorgia Giovannetti, senior Fellow at Ferdi						

1.3 Lessons from MDGs

- 1.3.1 Strict analysis of attainment of the 8 goals

- Results show global progress for seven MDGs
- Majority of developing countries have made progress on most of the MDGs
- Nevertheless, results are very heterogeneous according to countries and indicators
- **Worst global outcomes are in Vulnerable countries, in particular in Sub-Saharan Africa**



Source : Center for Global Development, 2012

1.3 Lessons from MDGs

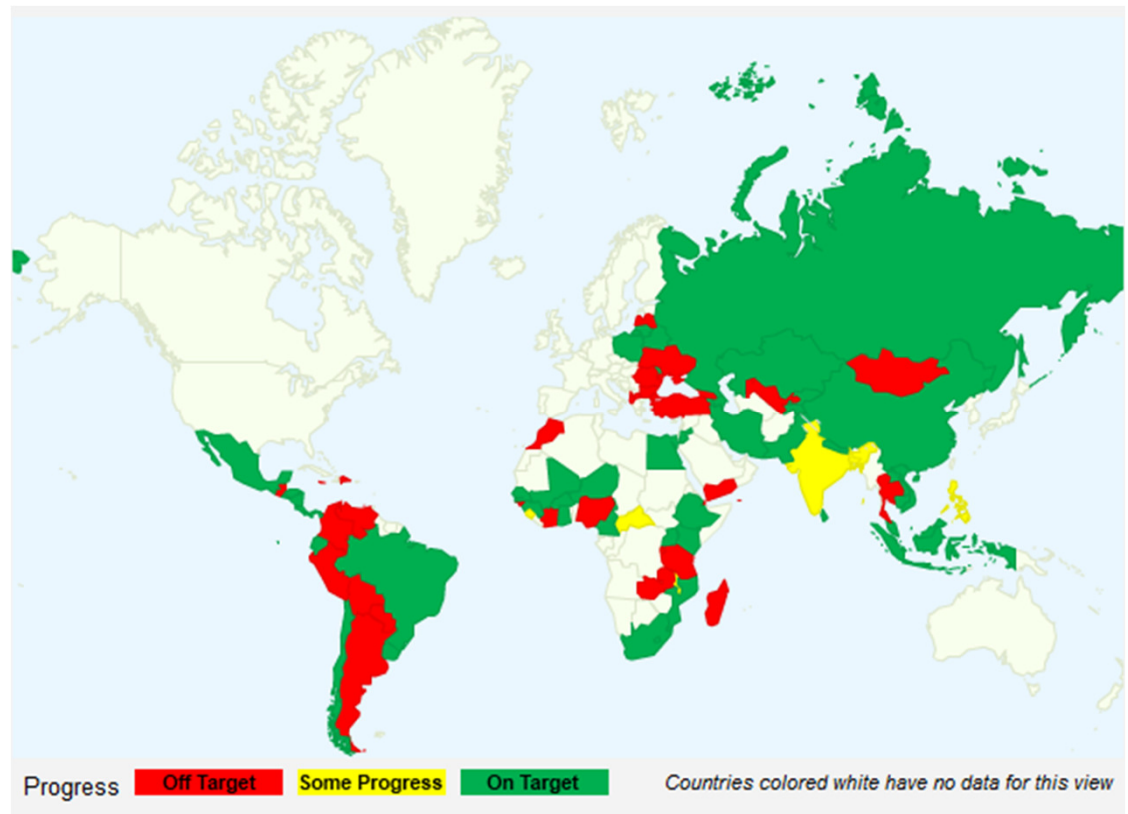
- 1.3.1 Strict analysis of attainment of the 8 goals

- Example of heterogeneity of results according to indicators with MDG 1:

Poverty : halving between 1990 and 2015 the share of persons living below \$1.25 a day.

The key objective of the MDGs is already achieved from a global perspective (-52%).

This performance hides strong disparities, notably because of the weight (in this mean) of the decline of poor in emerging countries, with China in first rank (-500 millions of Chinese poor since 1990).



Source : Center for Global Development, 2012

1.3 Lessons from MDGs

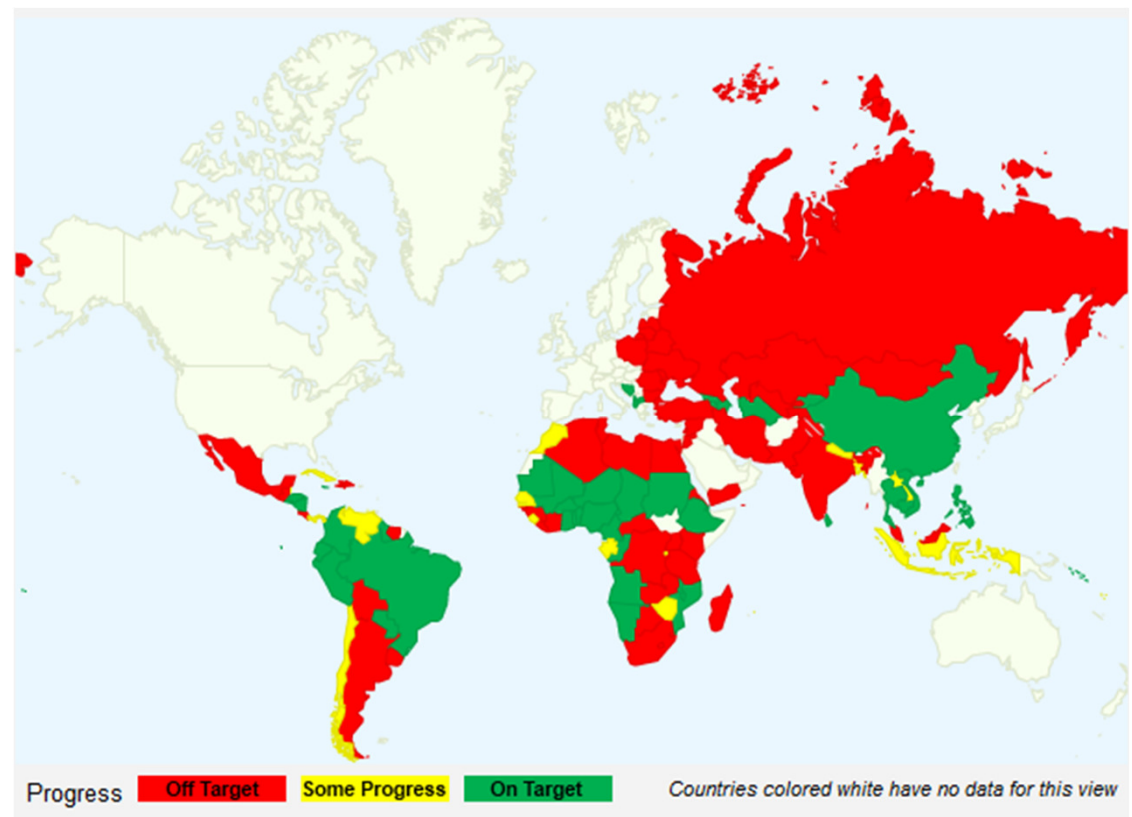
- 1.3.1 Strict analysis of attainment of the 8 goals

- Example of heterogeneity of results according to indicators with MDG 1:

Hunger: halve the population of undernourished in 2015

Between 1990 and 2010, the proportion of undernourished sharply declined. DCs saw this proportion reduced by 41% during the last twenty years.

However, in view of the trend observed the last few years, it seems DCs won't be able to achieve the target fixed.



Source : Center for Global Development, 2012

1.3 Lessons from MDGs

- 1.3.1 Strict analysis of attainment of the 8 goals

- **A certainty: Worst results are in Vulnerable countries:**

- (See [*"MDGs in vulnerable developing countries : Where do we stand ?"*](#) - Ferdi, 2013)

Poverty : Slower progression in LDCs that stay far from the target.

Starting from an initial level of poverty very high, LDCs and LLDCs saw their share of population living below \$1.25 per day declining respectively by 29% and 40% between 1990 and 2010 (-52% from a global perspective).

Explanation : A bigger difficulty to reach poor of whom the share is definitely higher in LDCs than in other DCs.

Indeed, to achieve the same objective of reducing poverty, a LDC needs on average one additional point of growth compared to another DC (non LDC). This illustrates the need to take into account the initial levels of each country in developing objectives, when those ones are expressed in relative terms.

Decline is slightly more important during the 2000's than on the previous decade : specific and beneficial effect potentially attributable to the MDG

1.3 Lessons from MDGs

- 1.3.1 Strict analysis of attainment of the 8 goals

- **A certainty: Worst results are in Vulnerable countries:**

- (See [*"MDGs in vulnerable developing countries : Where do we stand ?"*](#) - Ferdi, 2013)

Hunger : Whereas number of undernourished has decreased in DCs, it has increased (+27M⁶) in LDCs

Education : Although we observe an important catch-up phenomenon of LDCs and LLDCs in terms of net enrolment ratio in primary school, primary completion rates and literacy rates, they stay widely below others DCs

Gender : Gender inequalities have been reduced almost wholly in primary enrolment in all DCs (including LDCs), but LDCs stay far from target for secondary and tertiary enrolment (contrary to other DCs)

Health :

- U5M : LDCs still remain at high levels compared to the other DCs
- Maternal Health : catch-up phenomenon for LDCs compared to other DCs, but levels stay much higher in LDCs
- HIV Prevalence : Spread of HIV has been reversed in DCs (including LDCs) but levels of prevalence are much higher today than in 1990. Prevalence is higher in LDCs

1.3 Lessons from MDGs

- 1.3.2 Beyond indicators : a mobilizing framework but an incomplete content
 - An attractive approach :
 - Goals are simple, easy to understand, ambitious, quantifiable
 - Broad conception of well-being
 - As a result : MDGs have provided a mobilizing framework for development that led to a high increase of ODA during the 2000's
 - They have helped donors' governments and international institutions to coordinate their actions
 - They have helped every actors to work out their development policies
 - But open to criticism :
 - An imperfect matrix : some goals are too ambitious, some others are missing or neglected as Infrastructure, Agriculture, Industry, Inequalities, Peace, Security, Mitigation and adaptation to Climate change, ...
 - Some goals should be measured by indicators of impact rather than indicators of means (ex. of Education : Enrolment / Acquisition of knowledge)
 - There's no consensus on the best way to measure progress
 - MDGs Agenda was worked out by the North : Ownership issue
 - Nobody is really responsible : Accountability issue
 - Targets are the same for all developing countries (ex. of the poverty goal) :
Need to adapt goals and targets according countries

2. State of play of discussion on Post-2015 Agenda

- 2.1 What future for MDGs after 2015 ?
- 2.2 Several processes are in progress in parallel
- 2.3 Three mains implications
- 2.4 Possible scenarios for Post-2015 Agenda

2.1 What future for MDGs after 2015 ?

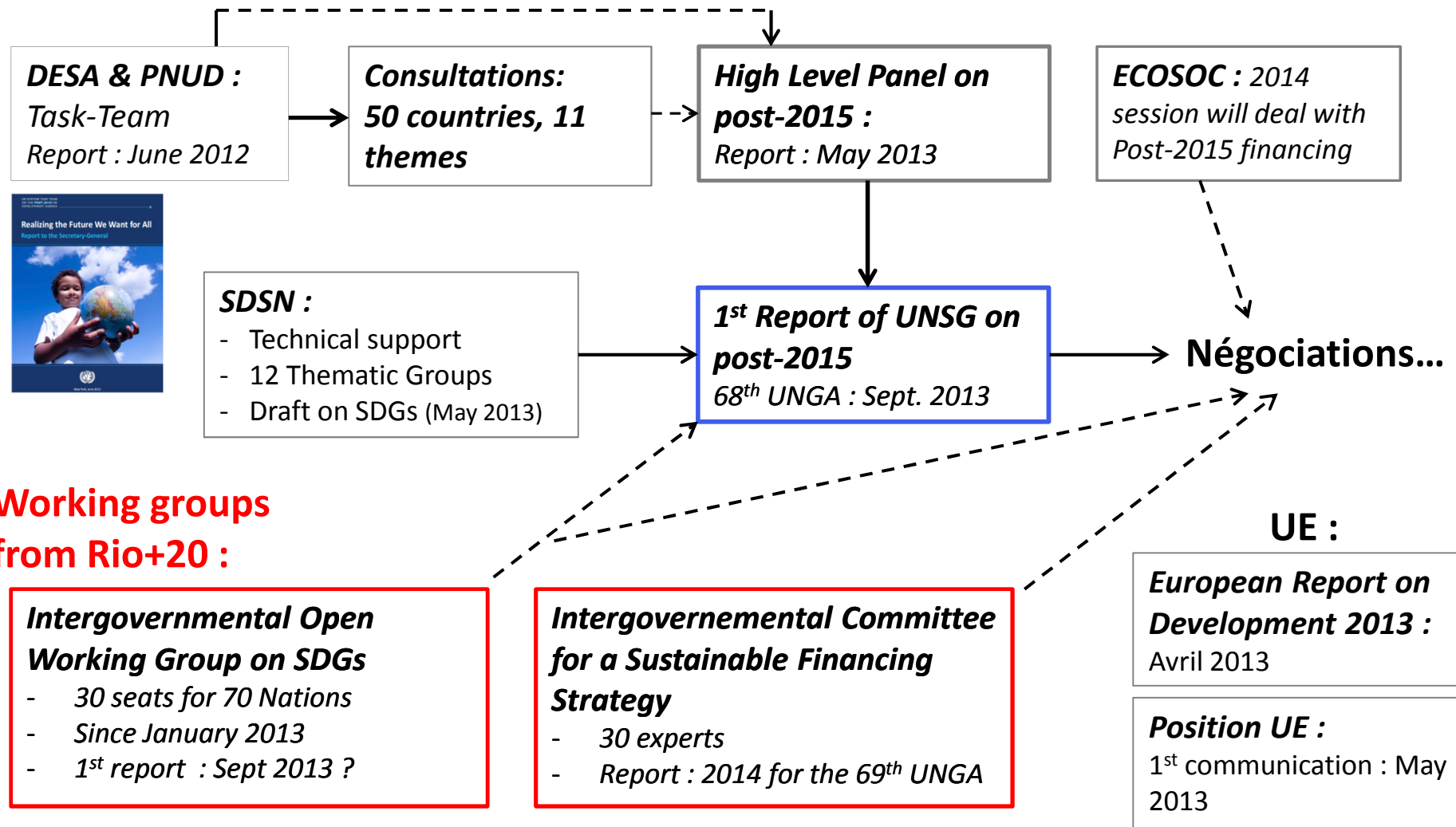
- Monitoring of MDGs by UN :
 - 2 Summits (2005 & 2010), High level meeting in 2008
 - Although reviews showed that MDGs would be a failure in many countries, post-2015 has never been discussed during these meetings, except in the last short paragraph of 2010 Summit Declaration :
« 81. We request the Secretary-General to report annually on progress in the implementation of the Millennium Development Goals until 2015 and to make recommendations in his annual reports, as appropriate, for further steps to advance the United Nations development agenda beyond 2015.»
- Various initiatives have emerged, in particular Sustainable Development Goals suggested by Guatemala, Columbia and Peru
 - 2012 Earth Summit in Rio have laid the foundations for a sustainable development agenda based on the principle of quantitative targets inspired by the MDGs :
"practical, concise and easy to understand, limited in number, ambitious, universal in scope and adapted to the circumstances, resources and development level of respective countries, as well as national policies and priorities".
 - SDGs are considered as complementaries to MDGs

2.1 What future for MDGs after 2015 ?

- SDGs : broader than MDGs. They introduce powerfully Environment issues
- SDGs would be universal, contrary to MDGs which were designed only for Developing countries
- Consensus for a unique set of goals after 2015
- It appears paradoxical : Post-MDGs Agenda has emerged first from outside discussions on MDGs.
- So, SDGs could be a relevant extension of MDGs but working out SDGs leads to many questions, in particular :
 - How to articulate renewal of MDGs and definition of SDGs ?
 - How to combine relevant specific goals for developing countries with universal goals for all countries included developed countries ?

2.2 Several processes are in progress in parallel

Drafting of the Secretary-General of the United Nations proposal :



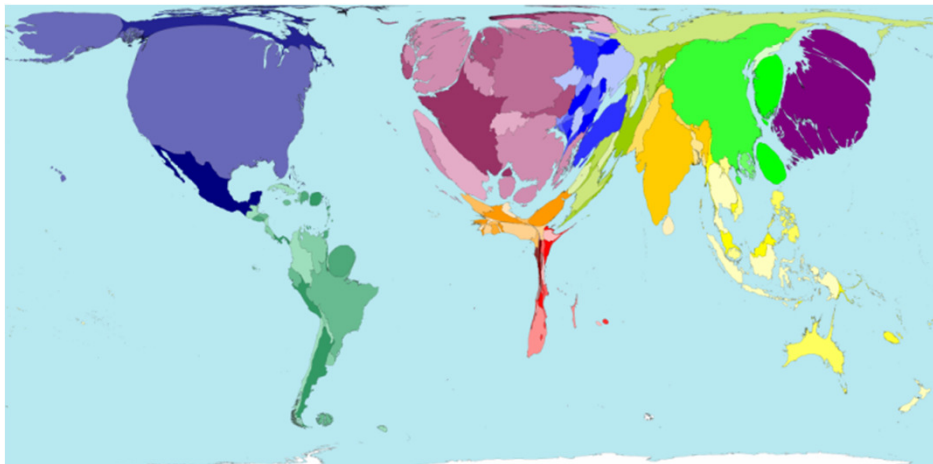
2.2 Now, many questions remain unanswered, in particular those linked to criticism levelled against MDGs

- What should be the shape of the next Agenda ?
 - Quantitative goals ? Some qualitative ?
 - Goals for all countries?
 - Differentiated targets according countries ?
 - Ranking between goals ?
 - How to take interdependence of goals into account?
- What should be its content ?
 - Missing and neglected MDGs
 - We must avoid the « Christmas Tree » syndrome
- Which beneficiaries should be prioritized ?
 - Which poor ?
 - ODA Allocation issue
- Which responsibilities ?
 - Allocation of Income and power in the world has changed since 2000. 4 distincts groups of countries : Developed countries must share economic power with Emerging countries, while vulnerable countries marginalization increases since middle income countries progress are significant

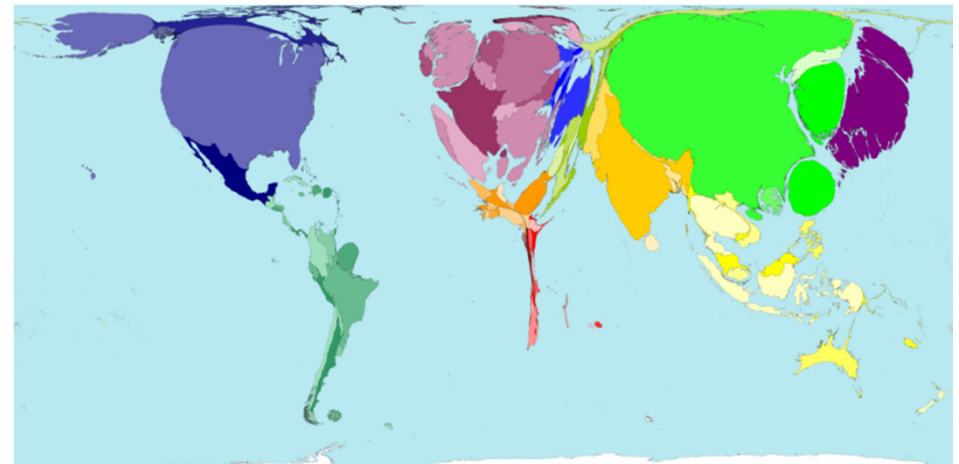
2.2 Now, many questions remain unanswered, in particular those linked to criticism levelled against MDGs

- Which responsibilities ?

- Distribution of Wealth in 1990 :



- ... and in 2015 :



Source : worldmapper.org

- Case of emerging countries : They don't belong to OECD (except Mexico and South Korea); so they don't have to respect « MDGs process rules » of the 2000's
 - The search for a global Agenda calls for a global answer : But Multilateralism suffers (see failure of Copenhagen Conferneec on Climate for instance)
 - Case of new big private stakeholders as *Gates Foundation* for instance

2.3 Three main implications

- i. Need to focus fight against poverty and concessional resources on vulnerable countries
- ii. Need to differentiate goals and targets according to the level of development of each country
- iii. Need to redefine responsibilities of each stakeholder, in particular as regards financing of development

2.4 Possible scenarios for Post-2015 Agenda

- i. The easiest option (but the worst): **No new Agenda**, for lack of agreement on new goals. The achievement of MDGs is just postponed.
- ii. The « **MDG+** » option : Drawing up a new Agenda for developing countries from updated MDGs, by adding some goals among main missing or neglected themes. Convergence with Rio+20 Agenda is postponed.
- iii. Universal **SDGs** with differentiated targets per country : more ambitious than MDG+, SDGs option is what UN hope for. But divergence between stakeholders remain high today, what could lead to a disappointing outcome (with only very consensual goals) or to an unrealistic Agenda (risk of « *Christmas Tree* » to please everybody).
- iv. Others ?

3. Taking into account the specificity of vulnerable countries in a universal agenda

Fear of a decrease in the priority previously given to the vulnerable countries (*see 1.1*)

Need to ensure 3 consistencies :

- 3.1 Geographic consistency : Universalism & Differentiation
- 3.2 Thematic consistency : Is broadening goals compatible with taking into account specificities of vulnerable countries?
- 3.3 Temporel consistency : Ensuring compatibility between Post-2015 Agenda and current commitments in favour of Vulnerable countries
- 3.4 Implications for ressources allocation

3.1 Geographic consistency : Universalism & Differentiation

- 3.1.1 Universality... of opportunities: an equity issue
 - Let us agree on the universality of goals and on the concern of promoting equity or justice among the citizen of the world
 - Also remember that equity means equality of opportunities and that the citizen opportunities differ according the country where they are located, because development opportunities differ among countries
 - In poor countries facing structural handicaps to growth, in particular structural vulnerabilities, the probability for a citizen not to be poor in the future is lower than in other countries
 - LDCs are precisely designed as poor countries facing structural handicaps and as such more likely to stay poor
 - Landlocked and small island developing countries are also facing significant and structural vulnerabilities.

3.1 Geographic consistency : Universalism & Differentiation

- 3.1.2 So, need for differentiation as regard structural handicaps
 - High and lasting vulnerability in LDCs, according to **EVI** :

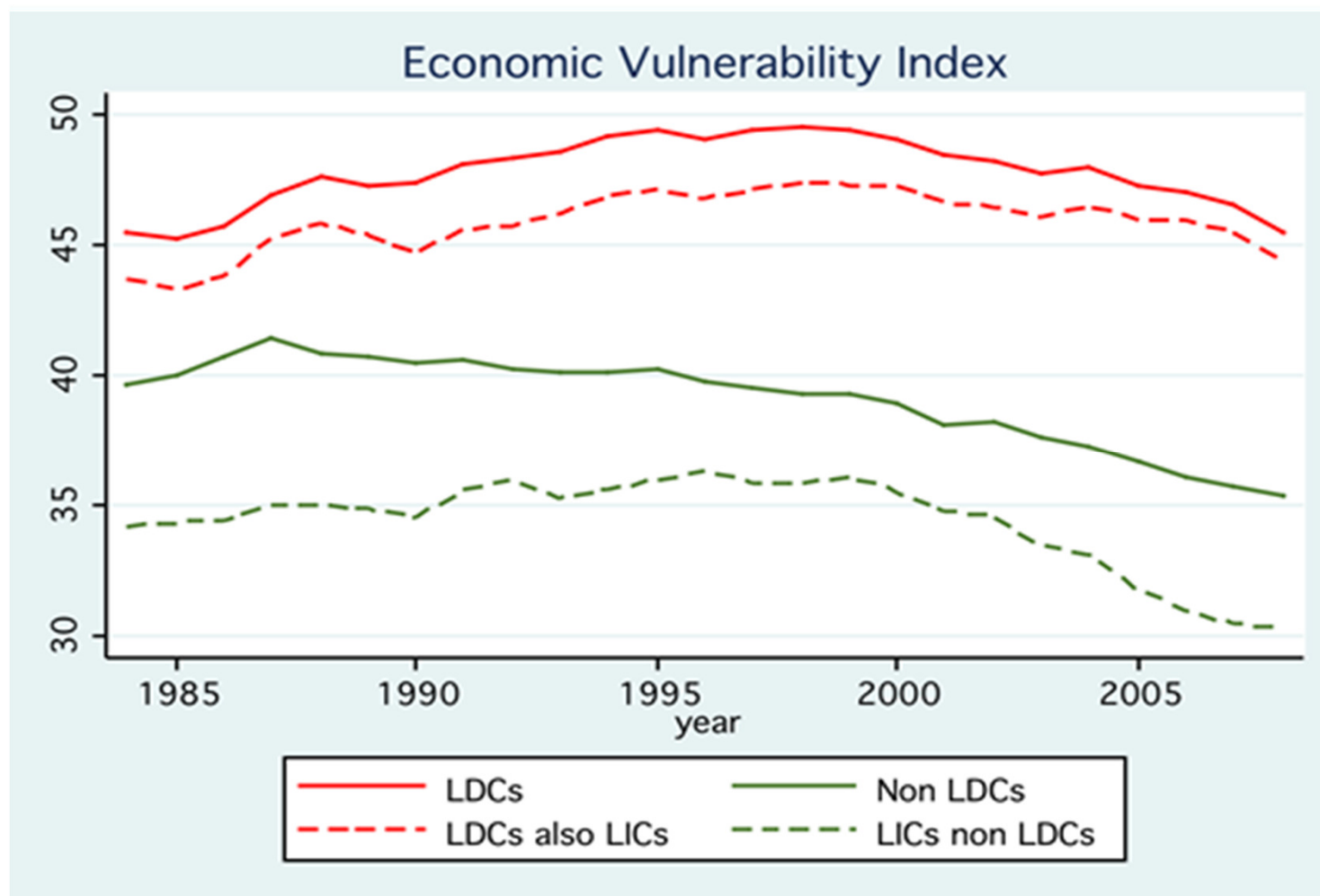
The Economic Vulnerability Index (EVI), progressively set up by the CDP in 2000- 2005 for the identification of LDCs, slightly revised in 2011, balancing shock and exposure components, naturally evidences the high vulnerability of the LDCs

According to the figures used for the 2012 review of LDCs list,

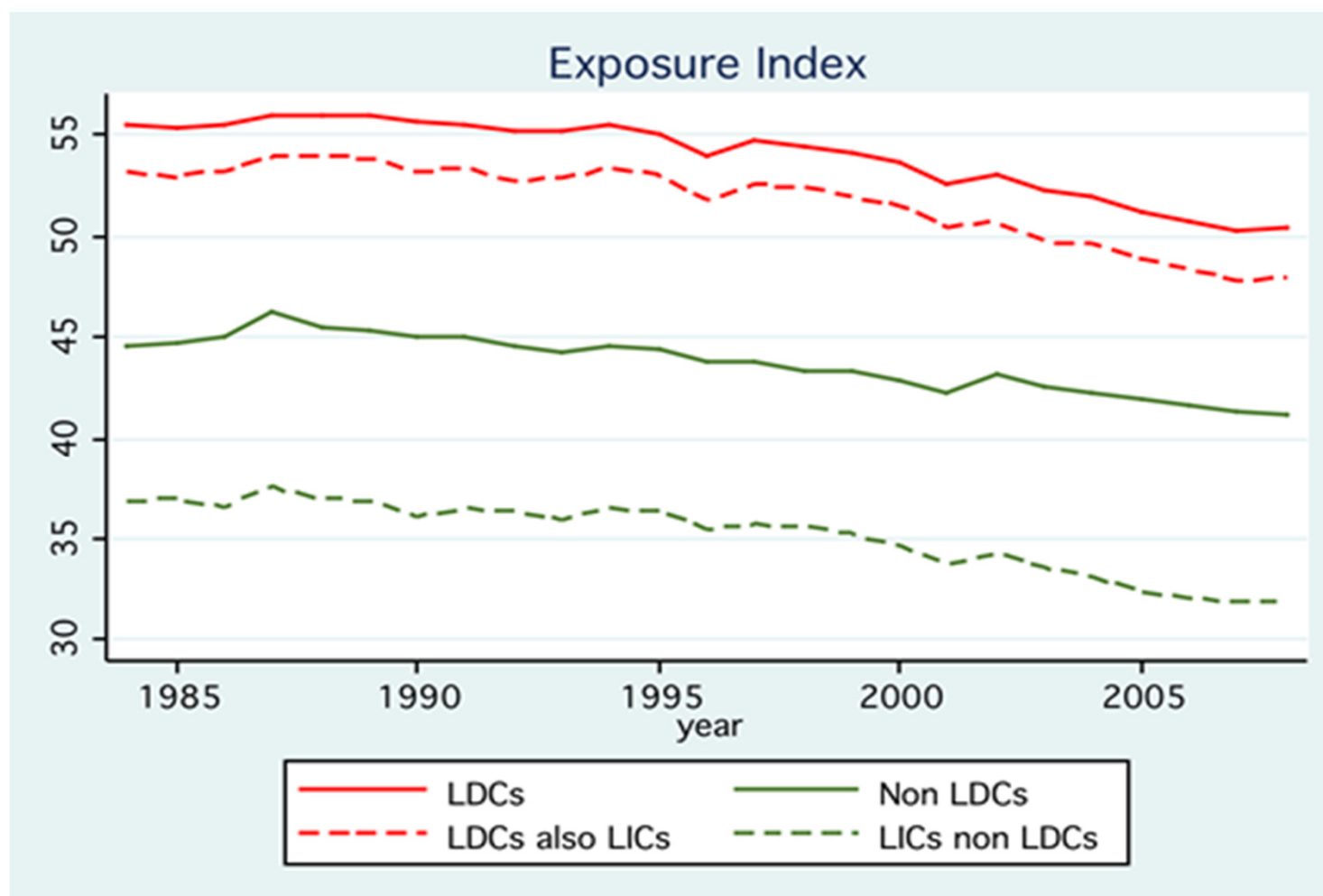
	EVI	Exposure Index	Shock Index
LDCs	45,7	42,3	49,2
Others DCs	33	34,9	31,1
SIDS non LDCs	42,1	48,7	35,4
SIDS	46,2	52,5	39,8

According to a Retrospective EVI, set up at Ferdi for the last 30 years using the 2006-09 CDP definition : i) Less decline of EVI in LDCs than in ODCs and in other LICs, ii) This is more due to the shock components than to the exposure ones

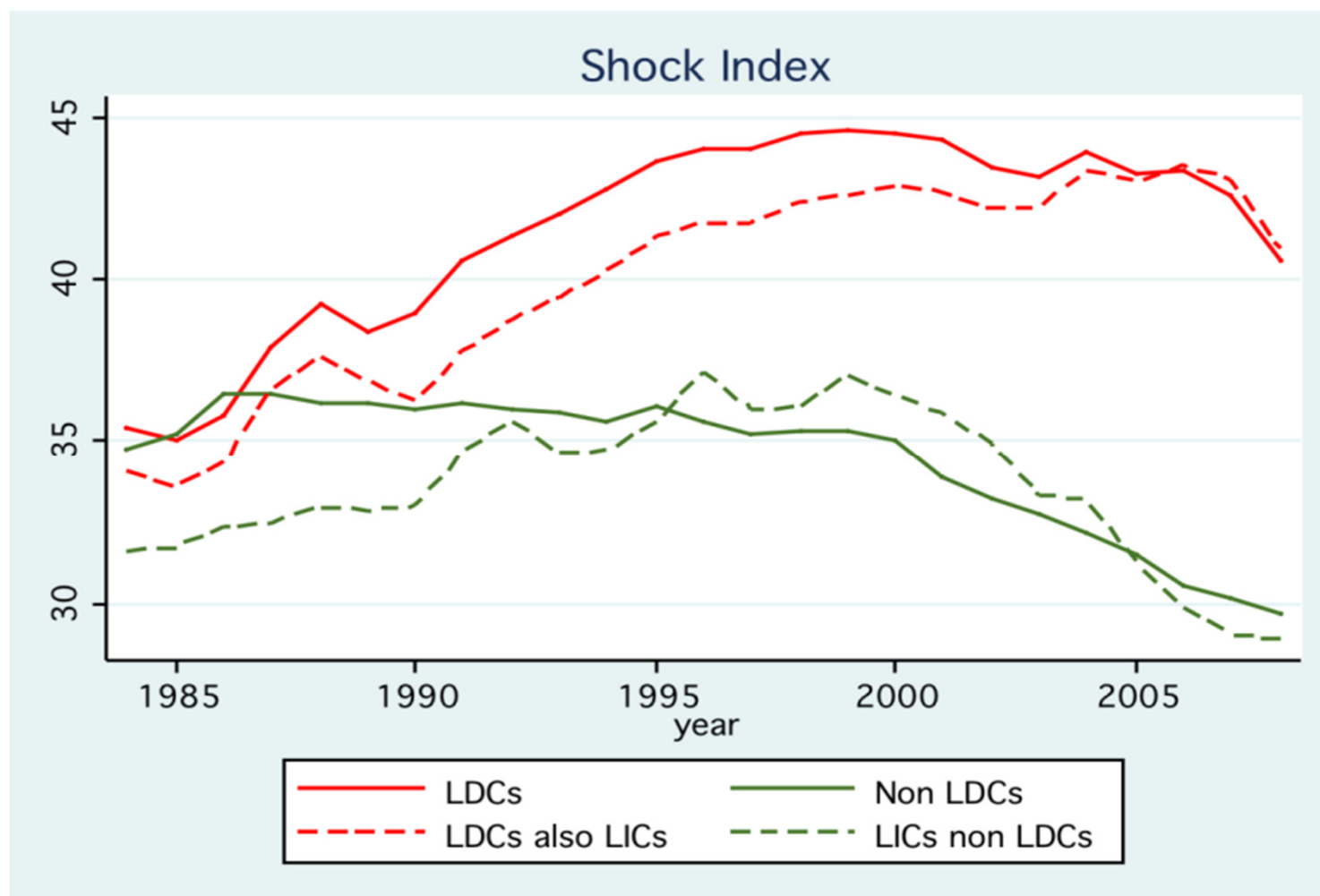
3.1 Geographic consistency : Universalism & Differentiation



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3.1 Geographic consistency : Universalism & Differentiation

- Beyond EVI, strong structural handicaps (**SHI**)

EVI is one of the two indicators of structural handicap used, with the GNIpc, to identify LDCs, the other one being the Human Assets Index (HAI)

HAI can also be viewed as reflecting an important aspect of the structural resilience to shocks, so that the combining HAI and EVI leads to an enlarged assessment of structural vulnerability , called « structural handicap index » (SHI) in *Caught in a trap*

SHI assessment of vulnerability even more evidences the specific situation of LDCs, due to the low average level of their HAI, compared with any other group of DCs, in particular SIDS

3.1 Geographic consistency : Universalism & Differentiation

– Resulting lag in MDGs attainment (3 ex.) :

Comparison between LDCs, LLDCs, SIDS and other DCs progress towards MDGs, depending on data availability, from 1990 to 2010 (*Ferdi draft document*) :

MDG1 (T1), decrease the % of people below the poverty line (weighted):

(target: -50%): LDCs -29% , ODCs -48%

absolute: LDCs -20 pts, ODCs -26 pts

number of poor: LDCs +16% > ODCs -45% (-22% without China)

MDG1 (T3), decrease the % of people who suffer from hunger

relative (target: - 50%): LDCs - 29% , ODCs - 41%

absolute: LDCs -12pts (from 40 to 28%), ODCs -9 pts (from 21 to 13%)

number: LDCs +17%, ODCs -23%

MDG 4 (T4A), decrease by 2/3 the under-five mortality rate

relative (rate): LDCs - 39 % , ODCs - 46 %

absolute : LDCs -63pts (161 to 98) , ODCs -27 pts (58 to 31)

3.1 Geographic consistency : Universalism & Differentiation

- 3.1.3 Also revealing inadequacy in goals measurement
 - Goals are designed independently of their initial level, so that the meaning of the indicator is undermined by the « normal » evolution path
 - Many targets are measured as a % of change in an indicator of « bad » (poverty, undernourishment, child mortality,...) , making achievement of a given % of change more difficult to obtain from a high initial level
 - It would be the reverse if the goal was expressed as a change in the corresponding indicator of « good » (for instance child survival, enrollment ratio,...), initially low
 - A solution for differentiating according to initial levels would be to express the target as an average of the relative change in the indicators of « good » and « bad » (logit change), eg average of change in child mortality and child survival

3.1 Geographic consistency : Universalism & Differentiation

- 3.1.4 Taking into account the growth elasticity of poverty in LDCs
 - Resumed growth in LDCs during the 2000's
 - But limited impact on poverty reduction
 - Due to a lower elasticity of poverty to income in LDCs: one additional point of growth results in a lower relative decline of poverty ratio in LDCs compared to ODCs, while it results in a higher absolute decline
 - This result means that a higher rate of economic growth was needed in LDCs to meet the MDG1

3.2 Thematic consistency : Is broadening goals compatible with taking into account specificities of vulnerable countries?

- 3.2.1 Promoting sustainability and tackling vulnerabilities are compatible
 - Promoting sustainability of development involves a broadening of current goals to global goals as climate change or environmental issues
 - In the same time, vulnerable countries are faced with specific issues and could attach less importance to these global issues.
 - But vulnerability is an obstacle of sustainability, whatever the country : sustainability issues cannot be addressed without taking into account corresponding vulnerabilities
 - The SDGs added to the previous and probably modified MDGs should not fundamentally change the location of the main vulnerabilities
 - For instance, the LDCs, as well as the SIDS, have relatively high levels of vulnerability to climate change (*See hereafter*)
 - They are also particularly affected by security and state fragility issues
 - So they are clearly the countries facing the most structural (or physical) obstacles to sustainable development

3.2 Thematic consistency : Is broadening goals compatible with taking into account specificities of vulnerable countries?

- 3.2.2 Building sustainable development goals taking into account vulnerabilities
 - Goals of sustainable development cannot be designed and pursued without considering the corresponding vulnerabilities (vulnerability is a risk on sustainability)
 - Consistent with a universal agenda of sustainable development: taking into account vulnerability in its various dimensions (economic, social, environmental), and paying special attention to countries vulnerable for these various reasons, such as LDCs, LLDCs and SIDS
 - Economic vulnerability threatens the sustainability of economic growth and its inclusiveness, as does political or state fragility, itself to a large extent an outcome of structural economic vulnerability
 - For environment, vulnerability is the opposite of environmental sustainability, as it clearly appears with climate change

3.2 Thematic consistency : Is broadening goals compatible with taking into account specificities of vulnerable countries?

- 3.2.3 The physical vulnerability of LDCs and SIDS to climate change
 - As with the EVI, vulnerability to climate change can be assessed at the country level as a structural vulnerability, not depending on present or future policy, but only on components reflecting both the likely size of the climatic shock and the exposure to these shocks
 - Such an index set up at Ferdi, the Physical Vulnerability to Climate Change Index (PVCCI), with components reflecting both the impact of progressive shocks (sea level rise and desertification) and of the intensification of recurrent shocks (in rainfall and temperature)
 - According to this index, the LDCs appear to be significantly more vulnerable, as are SIDS, than Others DCs:
 - for LDCs, PVCCI= **38**; for ODCs, **35**; for SIDS, **38** (SIDS non LDCs, 36)

3.2 Thematic consistency : Is broadening goals compatible with taking into account specificities of vulnerable countries?

- 3.2.4 Progress towards environmental MDGs in vulnerable countries
 - MDG 7, although limited in scope, is to insure environmental sustainability
 - Progress in LDCs have been significant, but weaker than in the ODCs, with regard to the quantitative targets, as illustrated by target 7.C « Halve the % of people without access to safe drinking water and basic sanitation »
 - Improved water source, population without access:
 - 1) relative rate of change (target -50%): LDCs: **-33%**; ODCs: **-45%**
 - 2) absolute change: LDCs : 48%-32%=**-16pts**; ODCs 18%-10%=**-8pts**
 - 3) relative rate of change of population with access: LDCs **+30%**; ODCs **+10%**
 - 4) average of 1) and 3) : LDCs **31%**; ODCs **27%**
 - Useful also for SDGs to assess progress with regard to initial levels

3.3 Intertemporal consistency: linking the post-2015 agenda to the previous meetings and commitments

What will be the credibility of the post-2015 agenda if the commitments recently taken with regard to vulnerable countries are forgotten?

3.3 Intertemporal consistency: linking the post-2015 agenda to the previous meetings and commitments

- 3.3.1 From Istanbul to post 2015
 - In Sept 2010, Ferdi organized here a side-event on « From MDG Summit to UN LDC IV Conference: Focusing on the LDCs for the MDGs and Filling the Gap »
 - May 2011: UN LDC IV adopts the IPoA, reviewing the 2001 BPoA and including a large set of « Priorities areas for action » in a « Renewed and strengthened partnership for development »
 - Even if some objectives may not seem realistic (enabling half of LDCs to meet the criteria for graduation in 2020), IPoA is gathering a set of actions to be taken by LDCs as well as their development partners during the next 10 years
 - Need of consistency over time, without which there is a lack of credibility of new commitments

3.3 Intertemporal consistency: linking the post-2015 agenda to the previous meetings and commitments

- 3.3.2 Other commitments with regard to vulnerable countries
 - Scheduled in 2014: UN (OHRLLS) Conference on Landlocked Developing Countries (LLDCs) and UN Conference on SIDS
 - And the MDGs 8A (ODA and market access for LDCs) and 8B (for SIDS and LLDCs), still valid
 - In particular for ODA, the target of 0.15% - 0.2% for LDCs is likely to gain more importance with the debate about the ODA global target of 0.7% and the more focused role expected from ODA in the post-2015 agenda : vulnerable countries are those for which ODA will remain the more relevant
 - However, unstable trends: from 2005 to 2011 the ODA to LDCs ratio improved, while the global target ratio deteriorated, but in 2012 the ODA to LDCs is estimated to have decreased (-13%), more than the total amount of ODA (-4%)

3.4 Implications for aid allocation

- 3.4.1 From principles to criteria, more than to categories
 - Underlining the need to take into account the specificity of vulnerable countries in the post-2015 agenda is not a defense of « categories » (only LDC is an official one), but of principles: global equity involves addressing countries structural handicaps to sustainable development
 - Most often, continuous criteria can be used for policy purposes, instead of ad hoc and possibly arbitrary categories that are leading to binary measures
 - Progress in that direction made by the GA in December Resolution on the Follow-up to the 4th UN Conference on the LDCs, §23 :
« Invites development partners to consider least developed country indicators, gross national income per capita, the human assets index and the economic vulnerability index as part of their criteria for allocating official development assistance »

3.4 Implications for aid allocation

- 3.4.2 Towards application and extension
 - The application of such a principle, in particular by the Multilateral Development Banks, would be a significant progress in ODA allocation, which would rely on uniform criteria and not on ad hoc and debatable categories (such as fragile states or very small or very large countries)
 - Similar principle may be applied to other sources of public external finance, in particular the resources for adaptation to climate change
 - For adaptation, relevant to consider the physical vulnerability to climate change as part (may be a main part) of the criteria for allocating official resources devoted to the adaptation to a climate change for which the poor and vulnerable countries are not responsible.

Thank you