

Chapter 6

Conclusion

Why is it that some countries do better than others? The quest to understand differences in development has long preoccupied theorists and practitioners. Countless papers, task forces and special commissions have attempted to come to grips with this basic concern and with strategies and policies that can advance the progress of nations. The emergence of a shared global agenda, the Millennium Development Goals, and the partnerships that underscore them have the potential to make a departure from previous global attempts, many arising from UN conferences in the 1980s and the 1990s.

The Millennium Declaration of 2000 presents development as a multifaceted phenomenon. It recognizes that results matter and that in the end people's lives have to improve visibly. This, then, is the Millennium Declaration challenge: to design and promote development strategies and policies that are likely to make a difference in the material conditions of developing countries and visibly improve the prospects and lives of people and their communities.

KEY ISSUES, CONDITIONS AND ROLES

The framework in this Report highlights some of the key issues in development effectiveness, in the conditions that ensure sustained development and in the roles that partners can play. It argues that agency and country performance be measured in relation to the contribution to development effectiveness. It identifies some pressing challenges in this area and presents possible venues of action.

On ownership the Report argues for broad-based commitment to development that goes beyond government. It recognizes

the leading and pivotal role of the state and argues for a smarter, more effective role. It raises the compelling need for greater civic engagement if development is to become sustainable and meaningfully close the gap between macro initiatives and micro and community realities.

On policy environments the Report argues for an examination of the real intent of policies and their likely beneficiaries. Experience shows that few predetermined sets of policies are likely to work in all countries or in all circumstances. Some basic questions have to be asked about policies. Are they pro-poor? Are they likely to be sustained? Even if the subject is technical, the challenges of pro-poor options remain. For instance, in transport, rural roads may well be more pro-poor in some countries than similar investments in urban roads. Clearly these policy choices do not occur in a vacuum. The politics that result from elite capture and powerful entrenched interests have to be countered by other forces in society.

Some other questions: Are policies relevant? Do they create a tolerant society? These questions require looking beyond broad aggregates such as expenditures in education, to the content of the curriculum to verify whether tolerance and ethics are being taught. When policies are seen fundamentally as country and geography specific (as this Report sees them), there is a pressing need for robust institutions and civil society groups to have the space to debate different perspectives. Policy positions reached through these processes may well differ from those encouraged by international bodies.

If development is fundamentally about transformation, then content matters—a lot.

**RESULTS MATTER—
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**THIS REPORT
ARGUES THAT
ALIGNING CAPACITY,
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POVERTY REDUCTION**

In some ways this goes to the heart of the development debates, especially those positions that champion incentives and sound economic policies. Economic policy is important, but so is social policy. Indeed, social policy emerges as a powerful lever for transforming the mindsets of societies and establishing social networks that are more supportive of modernization and development progress. Poverty-reducing policies have a much greater likelihood of success if there are also accompanying structural changes, such as land reform that provides the poor with better access to assets and markets.

This Report argues that the key dimensions of ownership, capacity and policy environments have to be consciously brought together. Aligning them is key to transformative growth and poverty reduction. Bold reforms are unlikely to succeed if there is little national ownership, or if societies are not open to change. The poor, not just the rich, have to become stakeholders in change and progress.

UNDP can help by sharpening its focus on ownership, by developing a policy that ensures that national ownership is explicitly emphasized in all its development initiatives. It can take the lead in promoting broad coalitions that favour national efforts to improve the conditions of the poor. The more than 450 national and regional Human Development Reports have proven to be powerful advocacy tools. Yet more needs to be done. Advocacy has to lead to action. As the PRSP evaluation underscores, UNDP can play a larger, more effective role in bringing the UN System together at the country level to help ensure that the pro-poor dimensions of PRSPs are fully brought out.¹

But as much as countries have responsibility for their policies and commitment to development, their development efforts may have little chance of success if developed country partners are not willing to make the necessary investments by increasing official development assistance, adopting enlightened policies on trade and empowering institutions such as the United Nations to deliver on their mandates. Performance criteria have to be applied to both developed and developing countries, and to national and inter-

national institutions. Ensuring an adequate resource base is key. It is curious that despite an upturn of overall levels of official development assistance, the resources available for UN agencies remain broadly stagnant. Mandates need to be resourced.

The Report argues that higher standards should be applied in judging performance. UNDP's performance (and that of other partners) has to go beyond narrowly defined performance criteria of project success or failure. It is not enough for international institutions to argue that they are doing better, making a claim on taxpayer monies, when clearly a country or a sector is not. The Millennium Development Goals (MDGs) make this even more imperative.

If the last two years, 2001 and 2002, can charitably be seen as the start-up phase, with more than 40 MDG Reports now prepared, it is equally clear that now is the time for the MDG campaign to kick into high gear. A buildup of global and national concern is required so that there is widespread acceptance that business-as-usual approaches and strategies cannot deliver on the Millennium Development Goals. Barring a few countries, based on present and projected trends, the reality is that most countries are unlikely to deliver on the promise.

Kicking off the campaign requires some key elements:

1. *A sharp upscaling of the campaign*—recognizing that the real work starts after the MDG Reports have been produced. The debates on size, length and format of the campaign have obscured the debate that matters most—on its added value and how to make a real difference at the country level.² To make this happen, the UN System, led by the Secretary General and the UNDP Administrator, has to place even greater emphasis on coordinating the activities of different UN agencies.
2. *Having partnerships become active and country-focused.* For partnerships to be developmentally effective, a much stronger commitment is required—from going beyond the tracking of Millennium Development Goals and producing reports towards real and widely engaged

dialogues that produce change in national policies—and in the ways that development business is practiced. This requires a strong commitment to pro-poor policies and strategies. For PRSP countries, PRSPs have to emerge as the “action plan” for meeting the Millennium Development Goals. In light of Cancun, at the next meeting of the World Trade Organization developed countries have to do their part for development effectiveness by setting the stage for trade and related policies to support the aspirations of the developing world.

CHANGING THE WAY WE DO BUSINESS

There is growing interest from donors to rethink the way they provide aid to developing countries. The last high-level OECD–DAC meeting (April 22–23, 2003) took up this challenge of reducing transaction costs.

Direct transfers to budgets and performance-based incentives, such as those implied by eligibility criteria for the U.S. Millennium Challenge Account and the World Bank’s Low-Income Countries under Stress programme, are efforts to change the way the aid and development business is practiced. Chapter 4 argues for making Millennium Development Goals the default test for country performance. This presents the challenge of localizing the goals and argues for coherent, comprehensive strategies by partners to support national efforts.

Because national systems of budgeting and accountability vary, much more flexibility may be needed in channeling aid so that it reinforces ownership and national institutions—and makes for greater transparency and accountability. This interface

between donors and the recipient country requires mechanisms that provide for a shared accountability framework that brings together both donors and recipients. In some ways the PRSPs promise this. Some 66 developing countries are in the PRSP category. But as the UNDP evaluation points out, extra measures and stronger UN/UNDP engagements, drawing on the UN System’s pro-poor policy expertise, civil society engagement experience and the like, can play a key role in helping the PRSPs deliver on their promise.

For non-PRSP countries there is a compelling need for the UN and UNDP to help these countries move the aid and development dialogue forward. In some cases this may require building on the UNDP-supported Round Table mechanisms. In others, such as the recent reforms by India, it will mean making the donor-recipient dialogue more manageable.

The UN Resident Coordinators, given their considerable convening power as a neutral partner, are in a unique position to support such mechanisms. For them to do so, the UN country system needs to be substantially upgraded and professionalized.

There is a compelling case to support the recommendation in the MDG Report evaluation for monitoring the partnerships implied in the Millennium Commitments.³ This could be done in a variety of ways. Agency-specific performance evaluations could look at broader outcomes and then assess the agency (and, more broadly, country) contribution. UNDP could take this a step farther and add a note to its country evaluations, taking stock of the measures by the international community to strengthen development effectiveness for that country.

**PARTNERSHIPS
MATTER:
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