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## POLICY ARENA

# MILLENNIUM DEVELOPMENT GOALS: ARE INTERNATIONAL TARGETS NOW MORE CREDIBLE?

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*The Goals must become a national reality, embraced by their main stakeholders—people and governments. They are a set of benchmarks for assessing progress and for enabling poor people to hold political leaders to account. ... They are also a commitment by national leaders, who must be held accountable for their fulfilment to their electorates*

*Human Development Report 2003 (UNDP, 2003, p.1)*

**Abstract:** The Millennium Development Goals for Education and Health stand a better chance of mobilizing resources and galvanizing action to achieve their targets than earlier global and regional attempts at development target setting. The reason for this is that many of the poor countries for which the MDGs are a particular challenge have adopted monitored poverty reduction strategies which are internationally supported and institutionalised through the Poverty Reduction Strategy Paper process, and which give prominence to MDG-consistent sector strategies in education and health. These strategies bear strengthened political commitment, and are increasingly reinforced technically by results-oriented approaches to the planning and management of public expenditure. Copyright © 2005 John Wiley & Sons, Ltd.

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## 1 INTRODUCTION

In September 2000 a Special Session of the UN General Assembly adopted the Millennium Development Goals (MDGs). The eight Goals were subdivided into 18

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targets for whose performance 48 indicators were identified. This is the most recent, and the most elaborate, of a long line of global exercises in setting targets for international development. This paper asks how effective 'voluntarist' global approaches to development have been and can be in the social sectors, what conditions may be necessary to support them if they are to have any chance of success, and whether there are any now signs of these conditions being fulfilled. It argues that the Goals for education and health, at least, have acquired a greater credibility than their antecedents because supported at the country level by practical, donor-supported, poverty reduction strategies.

## 2 ANTECEDENTS

The history of global and regional targetry is not very encouraging. The UN Development Decades of the 1960s, 1970s and 1980s proclaimed objectives that were over ambitious, and were known well before time to be unattainable (Box 1). They were thus ignored and became discredited. There was no clear and tested process for generating the desired results, and there were certainly no defined and monitorable trajectories for reaching them.

There has been more credible progress on oft-repeated international objectives at the sector or sub-sector levels, such as safe water for all and universal primary education, but realisations have also fallen short of target. The primary education objective was articulated, and committed to, in a series of regional education conferences convened by UNESCO forty years ago, in the 1960s (Box 2). It was reiterated in 1990 at Jomtien, and again, in modified, more ambitious, form at Dakar in 2000. Although enrolments rates have risen, and although the objective is achieved in many middle income countries, it remains elusive in many poor countries.

### **Box 1. Development Decades**

**First Development Decade (1961–70)** Target: developing countries should achieve a sustained rate of GNP growth of 5 per cent p.a. by 1970. Achievement: average GNP growth in the 1970s was 4 per cent p.a.

**Second Development Decade (1971–80)** Targets: developing countries should grow at 6 per cent p.a. overall, and each country should achieve 3.5 per cent p.a. per capita growth. The savings/GDP ratio should rise on average to 20 per cent by 1980. Achievement: rate of growth of GDP in low and middle income countries in 1971–1980 was about 4.8 per cent p.a., and of GDP p.c. about 2.7 per cent p.a. The savings rate was 25 per cent in 1980.

**Third Development Decade (1981–90)** Targets: developing countries should achieve 7 per cent p.a. growth over the Decade (4.5 per cent per capita). Savings/GDP should rise to 24 per cent by 1990. Agriculture and manufacturing should expand respectively by 4 per cent p.a. and 9 per cent p.a. Achievements: Average annual growth of low and middle income countries' GDP: 2.8 per cent; Agriculture: 3.3 per cent; Manufacturing: 3.3 per cent and per capita GDP 0.9 per cent. Gross capital formation and gross savings rates remained unchanged.

*Sources:* UN General Assembly Resolutions A/RES/1710 (1961), A/RES/2626 (1970) and A/RES/35/56 (1980) and *World Development Indicators* (World Bank)

**Box 2. International Education Targets for Primary Education**

**1960s Regional Conference targets.** In the 1960s UNESCO convened regional education conferences—in Karachi (1960) for Asia, in Addis Ababa (1961) for Africa, in Santiago (1962) for Latin America and in Tripoli (1966) for the Arab States. They set the target of teaching universal primary education, i.e. a 100 per cent gross enrolment rate, by 1980—or for Latin America, by 1970. Average gross enrolment rates thereafter increased, especially in Africa, through investment in primary education:

	1965	1970	1980	1990	2000
Sub-Saharan Africa	41	51	80	74	86
South Asia	68	71	77	90	98
Middle E, N Africa	—	70	87	96	95
Latin America, Caribbean	98	107	105	106	130
East Asia, Pacific	88	89	111	121	106

but the targets were only reached on average in Latin America/Caribbean and East Asia/Pacific. After 1980 enrolment rates regressed in Sub-Saharan Africa, but progressed in South Asia and the Arab countries.

**Jomtien 1990.** In 1990 UNESCO, UNICEF, UNDP and World Bank convened a major international conference at Jomtien in Thailand at which participants resolved to achieve universal primary education by 2000. This was followed by a rise in average enrolment rates in Sub-Saharan Africa, South Asia and Latin America, but the target was still only exceeded in the same two regions.

**Dakar 2000.** The Education for All conference in Dakar recognised that the failure to meet targets set at Jomtien and earlier target setting fora. It also altered the focus of the universal primary education goal away from the *capacity* of the school system—a GER of 100 per cent, indicating that the system can accommodate all children of school age, to the universality of its *coverage*. It set the goal of ensuring that ‘all children . . . have access to and complete free compulsory education of good quality’ by 2015 (UNESCO, 2003, p. 13). This is more demanding, because it implies that out-of-school and over-age children be given the opportunity to complete a course of primary education which often requires that there should be, for some years, a primary schooling capacity well in excess of the size of the primary school age cohort.

Global success is most readily to be found in the case of focused, carefully planned, and professionally executed, ‘vertical’ programmes or campaigns such as for the elimination of smallpox and polio, or for reducing the burden of disease, as provided for in the Expanded Programme of Immunization.

Social sector outcomes are not explicable solely or even mainly by governmental action. Poor outcomes are closely associated with household poverty, and in countries where headcount poverty has declined school enrolments have risen and child mortality has fallen. But progress towards social sector outcome goals does not necessarily proceed *pari passu* with income poverty reduction: it may precede it, and indeed help to accelerate income growth. Public policy can be and has been effective in improving education and health outcomes among the poor. However, experience in both education and health shows that a loss of momentum in terms of political and professional commitment and of recurrent funding at the national level can halt progress, and even lead to backsliding.

### 3 UN CONFERENCES

The genesis of the MDGs does not give strong *prima facie* grounds for optimism that global targetry will this time be any more successful than it has been on previous occasions. The targets now enshrined in the MDGs (Box 3) were first adumbrated in the closing declarations and action plans of the series of international development conferences convened by UN agencies in the course of the 1990s.<sup>1</sup> Such conferences had been held in earlier decades and had a mixed record of success. UNESCO's initiatives in the 1960s had been followed by 3 decades of progress towards the goal of UPE, albeit uneven and fitful. Regional average gross enrolment rates have progressed consistently since 1970, except in sub-Saharan Africa in the 1980s and early 1990s where they fell (Box 2); but these figures are influenced by the enrolment of over-age children, and some 115 million school-age children remain out of school (UNESCO, 2000). The WHO/UNICEF conference on Health for All held in Alma Ata in 1978 launched a drive across developing countries for accessible primary health care whose implementation has proved problematic in many places and whose results in reducing infant and child mortality have been disappointing.

The agencies involved in the 1990s were under pressure from major donors to reform, to reduce their costs, to limit their ambitions and to be more accountable. Their director-generals were concerned to reassert their institutions' claim to intellectual and professional leadership in their fields and their capability to mobilise resources for poverty reduction. The UN system was also keen to make its mark on a development agenda which was felt, with some reason, to have been too long dominated by the thinking and priorities of the Bretton Woods institutions.

#### Box 3. Millennium Development Goals in the Social Sectors

The MDGs comprise eight Goals and 18 Targets, for which there are 48 indicators. In Education and Health the Goals and corresponding Targets are:

Goal 2: Achieve Universal Primary Education	Target 3: Ensure that by 2015 children everywhere, boys and girls alike, be to complete a full course of primary schooling
Goal 3: Promote Gender Equality and Empower Women	Target 4: Eliminate gender disparity in primary and secondary education, preferably by 2005, and at all levels of education no later than by 2015
Goal 4: Reduce Child Mortality	Target 5: Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate
Goal 5: Improve Maternal Health	Target 6: Reduce by three-quarters between 1990 and 2015 the maternal mortality ratio
Goal 6: Combat HIV/AIDS, malaria and other diseases	Target 7: Have halted by 2015, and begun to reverse, the spread of HIV/AIDS
	Target 8: Have halted by 2015, and begun to reverse, the spread of malaria and other diseases

<sup>1</sup>In Jomtien (1990) for Education, in New York for Children (1990), in Rio de Janeiro for the Environment (1992), in Cairo for Population (1994), in Beijing for Women's issues (1995), in Copenhagen for Social Development (1995), and in Rome on Food (1996).

#### 4 TARGETS

The MDGs will be most helpful in achieving poverty reduction if they are well chosen in the sense of being:

- familiar to the main actors and stakeholders;
- unambiguous;
- readily monitored; and
- 'SMART'<sup>2</sup>—as commonly required of targets set in business and public administration.

It is not obvious, however, that these characteristics are fully satisfied by all the MDG targets in the social sectors.

The processes used to determine the targets set in the conferences' concluding declarations were more political than scientific—as is inevitable in a membership organisations such as the UN agencies where decisions are reached by negotiated consensus. Targets were set without knowledge of the loss of momentum in the improvement of social indicators which has subsequently become apparent, and to which the 2003 Human Development Report draws attention. Targets were at best based on extrapolations of past achievements made by agency secretariats; they were not based on any country-by-country assessment of feasibility.

In the field of education the global targets set at Jomtien in 1990, and reformulated at the Education for All Forum in Dakar in 2000 (cf. Box 2), were rather better founded than some others on abundant, but not very accurate, data on educational performance, and on systematic scientific assessments based thereon of the resources and reforms needed to achieve better results. The main analytical features of country-level performance had, by the time of Dakar, been described and countries classified according to whether the focus of their future endeavours should be on mobilising additional resources for educational expenditure, or on altering resource allocation priorities or raising the efficiency of resource usage.<sup>3</sup>

The Education for All targets articulated at Dakar were, following the practice at Jomtien, wider in scope than the MDGs, covering pre-school and adult education, as well as universal primary education. This should not, and in reality does not for reasons elaborated below seem to, detract in resource allocation from the priority given in the MDGs to primary education. What is more worrying is the ambiguity about the meaning of the MDG target on primary education itself. The target requires that all children should have the opportunity to complete their primary education. But there is no unambiguous definition of what a 100 percent primary completion rate means (Box 4); and the completion rate does not feature among the 18 indicators identified for progress monitoring in preparation for the Forum.<sup>4</sup>

Furthermore, the indicator prescribed in the MDGs to measure progress towards the goal that all children should complete their primary schooling is the net enrolment rate (NER), which corresponds roughly with the first UNESCO definition. However, NER

<sup>2</sup>A target is SMART if it is Specific, Measurable, Achievable, Relevant and Time-bound.

<sup>3</sup>E.g. by Colclough and Lewin (1993).

<sup>4</sup>Statistical preparation for the Forum was decided at a conference in Amman in 1996. It was decided to monitor 18 indicators, covering the 6 Jomtien target dimensions. Of these 13 relate to primary education: gross and net intake rates; gross and net enrolment rates; expenditure on primary education as shares of GNP, public education expenditure and (per pupil) per capita GNP; percentage of qualified teachers; pupil/teacher ratios; repetition rates; survival to Grade 5 rates; pupil competence at Grade 4; and coefficients of efficiency (UNESCO, 2000).



**Box 4. Meaning and measurement of the primary school completion goal**

UNESCO's EFA Global Monitoring Report 2002 offers four possible interpretations of EFA's primary completion goal (UNESCO, 2002. See also Colclough, this volume):

- all children in the relevant age cohort should be enrolled in and complete the final year of primary schooling by 2015—implying universal Grade 1 enrolment by 2009
- all eligible children should be enrolled by 2015, and should eventually complete, though with some repetition
- there should be gross enrolment of at least 100 per cent by 2015—i.e. the traditional capacity goal
- opportunity for all children to enrol in Grade 1 by 2015, with the perspective of completing subsequently

Bruns *et al.* (2003) estimates the primary completion rate (PCR) by comparing the number of children enrolled in the final year of primary education (net of repeaters) with numbers in the final year age group. This may exaggerate the true PCR because it includes over-age children enrolled in final year classes, and takes no account of drop-outs from these classes. Estimates of cohort sizes are also prone to inaccuracy (UNESCO, 2000; Rose, 2003).

information is not available for some countries. As a concept it is also too restrictive, because it excludes over-age pupils of which there are currently large numbers in primary schools. Over-age children, especially girls, are less likely to complete their primary education than normal-age children; nevertheless, completion beyond the prescribed age is still completion, and should count towards the target.

Another source of ambiguity about current global targetry concerns the status of the MDGs themselves. Most of the MDGs call for reductions in indicators of poverty by a percentage—one-half for income poverty, two-thirds for infant and child mortality etc. Some targets—though not the education ones—can be met, globally, by good performance on the part of a few large countries like China, India and Brazil. This is the case with the income poverty target. Short-cuts of this kind were, however, not intended. On the other hand, it was not expected, either, that all countries, irrespective of their starting positions and starting momenta, should strive to reach the targets on time. It was implicitly understood by parties to the special Millennium session of the UN General Assembly where the MDGs were adopted that countries facing the greatest difficulties in implementation would fall short of the global targets at the prescribed time limit (2015). It was intended that they would have picked up momentum, and would be on course to reach the targets shortly thereafter. Nevertheless, the MDGs left these (self-selecting) countries without a time-bound commitment.

## 5 COMMITMENT

Definitional ambiguity tends to have adverse effects on the commitment of governments to translate the targets into the goals and objectives of national policy. Some evidence of wavering commitment may be inferred from UNESCO's first Global Monitoring Report on Education for All. Countries participating in the Dakar Forum of 2000 committed themselves to produce, and to circulate to other UNESCO member states, their national

plans of action for achieving the EFA targets—including universal primary education. Two years later, however, fewer National Action Plans than expected had been completed (UNESCO, 2002, ch. 1).

However, what *prima facie* looks like weak government commitment may in practice reflect a combination of, on the one hand, persistent institutional weaknesses in school inspection and in the monitoring and reporting of education sector performance, and, on the other hand, the fact that the governments of many poor countries were simultaneously grappling with other frameworks for policy commitment that competed for their time and attention. Chief among these has been the Poverty Reduction Strategy Paper (PRSP) process initiated in 1999 in connection with the programme for conditional debt write-off for Highly Indebted Poor Countries (HIPC).

In a few cases lethargic follow-up to commitments in Dakar may reflect local political and institutional resistance to the pro-primary thrust to policy underlying the Dakar targets. However, this has not been general. Not only was universal primary education a long-standing target towards which many governments had already been working for many years (see previous section) but the Dakar conference itself was preceded by initiatives taken in the 1990s in a number of countries such as Malawi, Uganda and Tanzania to abolish primary school fees, which dramatically raised gross primary enrolments.

## 6 GROUNDS FOR GUARDED OPTIMISM

Previous sections of this paper have pointed to the at best qualified success of previous exercises in international target setting, and to definitional shortcomings in the Education MDG. The remainder of the paper will show, nevertheless, that there are grounds for optimism about the scope for progress this time, because there are mechanisms at work which are favourable to movement towards the stated objectives.

Vandermoortele (2003) suggests that international targets can be attainable if, in addition to the conditions of measurability, monitoring, achievability and familiarity to actors already mentioned, (i) intermediate targets are specified, as well as final outcomes, (ii) steps to achieve them are backed by effective leadership and (iii) there is adequate financing. The following sections will describe developments—the PRSP process, the growing practice of performance based expenditure planning and management, improved measurement and monitoring of progress and rising commitments of external financing—which indicate that, more than hitherto, these conditions are being met.

## 7 PRSPs

The PRSP process, inspired, on the one hand, by the national poverty reduction strategy documents produced in Uganda and Tanzania in the late 1990s,<sup>5</sup> and on the other by the World Bank's Comprehensive Development Framework (CDF) approach to development support, was originally applied only to countries in the HIPC programme. It was later extended to cover all countries eligible to use IDA (but not IBRD) resources.

<sup>5</sup>Uganda's first Poverty Eradication Action Plan was published in 1997. Its successor was later accepted by the Bretton Woods institutions and the donors as an interim PRSP. Tanzania elaborated its National Poverty Eradication Strategy also in 1997, which later evolved into its interim PRSP whose preparation began in 1999.

The process involved a bargain in which:

- donor organizations apply Comprehensive Development Framework principles,<sup>6</sup> harmonise and streamline their procedures, 'align' their assistance with national poverty reduction strategies, and make their conditionality less intrusive and prescriptive; and
- recipient countries commit themselves to national poverty reduction strategies laid out in documents, on which there is extensive domestic public consultation before they are finalised, and which are then subject to critical review by the staff and boards of the Bretton Woods institutions.

By April 2004 53 countries were engaged in the PRSP process, 48 having completed interim PRSPs, and 37 countries having completed full PRSPs. Domestic consultation and consensus building are required before the Bretton Woods institutions recommend donor acceptance of full PRSPs.

The PRSP process is widely considered to represent a real paradigm shift in development partnership (Booth and Lucas, 2002)—one which is succeeding in putting pressure on donors as well as recipients to alter their approaches, practices and procedures. It has turned the spotlight, domestically and internationally, on poor developing countries' policies and strategies for poverty reduction, away from an overweening preoccupation with the details of structural and institutional reforms. It has forged a higher level of consensus between development partners on country-level strategies and priorities. It has spawned a major upgrading in a number of countries of their statistical and performance monitoring capabilities. And it is requiring donor organizations to justify the content and manner of their support in terms of their consistency with the PRSP.

In his synthesis of country studies on the theme of whether PRSPs are making a difference to government's policy and practice, Booth (2003) finds evidence that, in some countries at least, PRSPs have engendered an appreciable increase of awareness and commitment within public administrations and among policy makers of poverty reduction policies and objectives. The political profile of poverty reduction has been effectively increased, in part through the consultative processes involved in preparing full PRSPs, reinforced in some countries by NGO monitoring and pressure, and because cabinets have debated and adopted the final drafts. PRSPs are at their most powerful in inspiring and mobilising official action in countries where there are reforms in budget management which reinforce the primacy in policy and resource allocation of the Ministry of Finance, which emphasise performance and results, and which crystallise these in Medium Term Expenditure Frameworks (MTEFs) (Booth, 2003).

Murphy (this volume) describes a 'very real partnership' between government and donors operating in Uganda's education sector, built around that country's PRSP process, comprising political commitment, administrative and professional endeavour, domestic and external financing and frequent joint monitoring.

In Kenya and Benin the PRSP and MTEF processes have been mutually and beneficially reinforcing. The PRSPs of Malawi and Mali, on the other hand, hold out less promise of benefit because of the weakness of these countries' budget processes. Budget credibility is one important factor. Where budgets lack credibility because of uncertainty about resource

<sup>6</sup>The principles of the Comprehensive Development Framework are that external financiers should respect their partner countries' initiative and local ownership of development policies and programmes, and that their approach to partnership should be 'holistic' and results-focused.



availability, poor resource planning, delayed releases and lack of political commitment expenditure to ostensible policy priorities programme managers' and service providers' commitment to deliver results is undermined, and the consequence is patchy and poor quality service. Policy coherence is also vital. When, in 1998–99 Ghana launched separate MTEF and PRSP exercises headed by different ministries in which somewhat varying objectives were entertained, the result was to weaken the credibility of both initiatives. Since 2002 Ghana has revived these initiatives, but this time coherently, and without institutional rivalry.

Needless to say, most PRSPs do not take as their explicit starting point the need to reach MDG targets on time—or earlier or later. They are driven by shorter term domestic agendas and current aid relationships and, for the most part, they incorporate existing sector objectives and strategies, often already under implementation with external donor support in the form of sector-wide programmes. The duration of a PRSP is generally three years and, at least as far as the action plans outlined in the documents are concerned, the planning horizon is limited to the medium term.

Nevertheless, the policy aspirations expressed and outcomes sought in PRSPs extend well beyond the medium term. It is not surprising that, in the social sectors at least, the outcomes sought are usually consistent with the MDGs for three reasons: first, the historical roots and high international profile of the goals; second, developing country governments' long-standing and ostensible commitment to them; and third, the growing involvement of donors, with their recently renewed insistence that their aid should demonstrably reduce poverty, in the underlying sector programmes, notably in education and health, which were building blocks for PRSPs. It is thus no coincidence that most strategies give priority to primary education, girls' education, tackling communicable diseases and the causes of infant, child and maternal mortality etc.

These are the reasons for the resounding endorsement given to the PRSP process in the UNDP's Human Development Report (HDR) of 2003. The new HDR goes as far as proposing to develop the process into a new Millennium Development Compact, formalising the elements of the implicit bargain mentioned above. The authors of the HDR see PRSPs as major process milestone on the road to the MDGs:

There is a broad consensus on the need for a single framework to coordinate development efforts, based on country owned development strategies and investment programmes. For low income countries this framework occurs through PRSPs . . . . PRSPs, in taking on the challenge of the MDGs in a more systematic way, need to start asking what it will take to achieve them, and to assess the resource gaps and policy reforms that need to be addressed (UNDP, 2003, p. 5).

In saying this, the Report reflects the practical activity of several years in which UNDP has come to cooperate closely on the ground in a process with which it was not associated at the outset, but whose logic it now accepts with few reservations.

The thesis of the Report is that, to escape from poverty, poor countries must reach 'certain critical threshold levels of health, education, infrastructure and governance that will permit them to achieve take-off to sustained growth' (UNDP, 2003, p. 18). The Report extends the core poverty reduction agenda outward from basic education and health to support for small farmers and small-scale enterprise, infrastructure development and democratic governance, and emphasises the need for additional resources in support of programmes in these areas.

## 8 NATIONAL STRATEGIES: THE 'MISSING MIDDLE' AND OTHER IMPEDIMENTS

Poverty reduction strategies focus, understandably, at the strategic level of policy making and intended development outcomes. This is a necessary signal of commitment for audiences both domestic and international. It sets benchmarks of development and poverty reduction achievement, and criteria against which to judge the effectiveness of policies and of implementation. However, it is also a weakness in strategies' ability to promote MDG-conducive or MDG-consistent results because PRSPs are only spottily specific about the activities and processes whereby policy will seek to bring about outcomes. There can be a 'missing middle' of outputs and intermediate outcomes which are for the most part not defined.

Like many donor country strategies, most PRSPs (Uganda is a partial exception) have a 'missing middle'. They do not spell out how the expected activities can be expected to result in the achievement of the identified goal (Booth and Lucas, 2002, p. 14).

The terms 'output' and 'intermediate outcome', in this context, refer respectively to the proximate results of public service activities (roads maintained, pupils enrolled, patients' treatment episodes in clinics etc.), and to the achievement of those policy objectives which are wholly or largely under the control of public authorities and service providers (roads in satisfactory condition, proportion of children served by nearby schools etc.). Ultimate outcomes corresponding to policy objectives, such as rising primary school completion rates and falling mortality rates, on the other hand, usually depend not only on factors under the authorities' direct control but also on influences which wholly or largely escape their control, and which for planning purposes have to be considered as random variables whose direction and magnitude can only be forecast with an often considerable margin of error.

The missing middle problem in PRSPs is least severe in the social sectors in those countries which have developed comprehensive sector-wide activity and results planning as a basis for integrating donor resources into sector development programmes. However, other problems arise, in these and other countries, in translating aspirations and plans into realities. Among these are 'demand-side'—or client characteristic—constraints, and the accountability of public administrations.

Cross-country empirical evidence on the determinants of education and health outcomes make it quite clear that household circumstances are a more powerful and more consistently significant influence than public service provision. Household income, assets, location and activity type go a long way to explaining primary enrolment and completion rates and rates of child mortality. The education of parents plays a significant role in determining their children's school attendance and under-five mortality rates. Households suffering ill health and single parent households are less likely to send their children to school. Some of the evidence on these 'demand-side' factors is surveyed by Roberts (2003a). UNESCO (2003) and Colclough *et al.* (2003) show how, following careful diagnosis and adaptation to the specific needs of local communities, 'supply-side' provision can mitigate gender bias and other demand-side restraints on the uptake of primary education by the poor. Without sensitivity to poor clients' needs public provision may remain inefficient and ineffective in terms of its proclaimed objectives.

Planning for ultimate outcomes, therefore, is in part a game against nature, which can never be won with certainty. For now, the game is still being played with poor intelligence. PRSPs identify few policy instruments for promoting outcome goals other than sector strategies fuelled by public expenditure. At best, they point out that it will be necessary to

reinforce cross-sectoral cooperation and measures to diminish the disadvantage of poor people and backward areas.

The likelihood of winning the game can certainly be improved with skill, imagination and care on the part of policy makers, planners, managers and service providers. For example, if poverty and other parental circumstances are found, empirically, to be the predominant causes of low school enrolment and attendance rates, enrolment and attendance rates may be raised more cost effectively by lowering the financial burden and opportunity cost for parents of sending children to school than by conventional measures to make schools more accessible and efficient. Malawi, Uganda and more recently Kenya have abolished fees and compulsory uniforms for primary schooling, leading to dramatic increases in rates of enrolment. Parental bursary schemes have been successful in a number of countries, notably in Brazil and Mexico. They have also been introduced on a local scale in some African countries, such as Ghana, Malawi and Tanzania, where they have had some success in overcoming poor parents' reluctance to allow older girls to complete their primary schooling and attend secondary school (Colclough *et al.*, 2003).

Reducing the cost to poor parents of sending their children to school, making schools more accessible, and raising the quality, gender-sensitivity and value to clients of education are all known to be effective in raising enrolment rates and attendance. There are likely to be higher costs, though these may be offset by internal efficiency gains and closer attention to cost control.

There can never be certainty about hitting outcome targets, but probabilities can be raised through the participatory preparation and careful planning of sector strategies, and their meticulous, efficient and accountable implementation. Accountability, including accountability on the part of service providers and programme managers for achieving results, remains a systemic weakness in many countries. Where rent-seeking and clientelistic attitudes and practices in the public services are rife, members of the public entertain low expectations about the availability and quality of these services, and there is diversion of public expenditures from their ostensible purposes. Expenditure accounting and performance recording are tardy and inaccurate, and diagnostic evaluation is neglected.

Thus, poverty reduction strategies need not only statements of policy and objective but, to be useful, must also choose (i) effective stratagems and instruments and (ii) specific and efficacious approaches to implementation that can be readily translated into monitorable action plans producing defined outputs and intermediate outcomes. The plans must be operational in the sense that their results are attainable and are entrusted to programme managers and service providers who are committed to them and within whose competence and grasp they lie. In other words, the missing middle must be filled with a scaffold of agents' plans and budgets for PRSP objectives to become practical politics.

These points are not lost on the governments of developing countries, including low income countries. The next section shows that an increasing number of poor countries are adopting results-oriented budgeting with a view to improving the accountability of their public services and to supplying at least parts of the missing machinery.

## 9 ERECTING THE SCAFFOLDING: RESULTS-ORIENTED EXPENDITURE MANAGEMENT

The process of erecting an operational scaffolding beneath PRSP objectives is now underway in an increasing number of low income countries in the form of initiatives for

what is variously referred to as 'programme budgeting', 'performance budgeting', 'output budgeting' or 'results-oriented expenditure management' (Roberts, 2003b). For many years the ministries of finance of some developing countries have required spending ministries and agencies to specify the results they expect to achieve with the expenditure budgets they are bidding for, and also to justify their budget bids with reference to results already achieved. In so doing they have begun to construct frameworks of results accountability.

Singapore and Malaysia embarked on this route in the 1980s, even before equivalent practices became commonplace in OECD countries. In Latin America, Chile has been a leading exemplar of results-based budgeting, and Bolivia has been trying to implement a system of personal and agency responsibility plans since 1990 (Marcel, 1998; Montes, 2003). South Africa is taking systematic steps to introduce responsibility for performance into the budget process (Andrews, 2002). In Eastern Africa, Tanzania and Uganda have recently brought in quite similar systems of budget-linked performance accountability alongside their medium term expenditure framework approaches to fiscal planning. Ghana has proceeded along similar lines, though hitherto with less success because macroeconomic instability undermined early endeavours at medium term fiscal and expenditure planning (Foster and Zormelo, 2002). A number of Francophone countries—Benin, Burkina Faso, Mali etc.—have introduced programme budgeting in parallel with their traditional functional/agency-based budgeting systems with a view to translating their PRSP objectives into purposeful operational practice (Mesplé-Somps *et al.*, 2003, Raffinot *et al.*, 2003).<sup>7</sup>

Results-based budgeting requires the institution of both top-down and bottom-up processes. To succeed it must be consultative: the objectives and targets of policy must be realistic and developed in consultation with programme managers and service providers at all levels, who must know their roles and agree to play them. But the consultative process should not result in the capture of the agenda by service providers, nor in the subversion of national poverty reduction objectives by sectional interests. Some low income developing countries, even those whose administrative culture is centralising and where results-based budgeting is not yet fully operational, have been quick to institute at least embryonic consultative processes involving a wide spectrum of professional staff (Roberts, 2003b).

In some cases these innovations have accompanied PRSPs, but mostly they antedate the PRSP process. Results-oriented expenditure management is an art, not a science. There are now many examples of practice, but there are no engineering blueprints of guaranteed effectiveness. All systems in practice evolve quite rapidly, becoming more sophisticated as familiarity and capacity increase. As practised in those low income countries which have persisted with them, the systems are participative, involving more consultation and communication with line managers and service providers than was ever the case previously. In Uganda and Tanzania they are the means whereby district and sub-district-level authorities, to which responsibility for many public services including education has been decentralised, are invited to focus their attentions on national PRSP objectives and the roles that district-level public services should play in fulfilling them. These systems are at their best when they build on pre-existing sector strategies, such as are now common in the fields of education and health, which usually comprise results frameworks linking sectoral objectives to service-level inputs, activities and outputs.

<sup>7</sup>Burkina Faso and Mali have so far not been able to extend programme budgeting beyond planning into implementation.



## 10 POVERTY MONITORING AND DELIVERY, NATIONAL AND GLOBAL

The Achilles' Heel of programme budgeting and results-oriented expenditure management in many countries, especially low income ones, lies in monitoring, evaluation and performance management. In the past there has been little domestic demand for systematic information about the performance of public services. Performance information has often been routinely gathered, notably on education and health, because donors have requested it and paid for management information systems to collect it, and because of international reporting requirements to UNESCO, WHO and other international organisations. But there has been inadequate attention to the quality and timeliness of the information collected, and it has been under-used for the purposes of performance evaluation and assessment, resource planning and performance management. The increasing volume of results from surveys of household budgets, demography and health, and beneficiary incidence, from beneficiaries' assessments of services, and from academic analyses thereof, is inadequately used by line ministries for policy purposes.

It remains the case today that, countries which are taking results frameworks seriously at the stages of *ex ante* resource planning and budgeting are still ill-equipped to analyse performance data and to draw conclusions from it about why some service providers perform worse than others, and what action is appropriate to bring poor performance up to an acceptable standard.

The situation is however evolving in a positive direction. Within ministries and in local government administrations, performance league tables are starting to be compiled for use in budget resource allocations, and service providers have increasingly to answer to user groups like parent-teacher associations. This has yielded some benefit in terms of service providers' financial accountability and professional assiduity. Providers also take comfort from local political support for their case for higher budgetary allocations and more timely release of funds. In Bolivia beneficiary participation has been institutionalised in law. Parliaments and civil society are beginning to take heed of and to exploit the growing wealth of information available to hold governments better to account. Beneficiary groups are becoming increasingly aware of their entitlements and vocal in their complaints about service inadequacies. The admittedly still thin fabric of horizontal accountability is thickening, and stakeholders have been emboldened by the PRSP process of participative consultation and debate.

Results-oriented expenditure management—with its predominant focus on input allocation and use, activity levels and outputs—is one element in the machinery of delivery. Another important element which dovetails with it is the machinery of poverty monitoring set up by the PRSP process itself with the intention of providing credible and comprehensive reports on progress on the poverty indicators and performance targets specified in PRSPs. The PRSP process calls for countries to produce annual monitoring reports, and to reflect their analyses of the data gathered in the triennial updates of their PRSPs.

Structures for PRSP monitoring vary from country to country, but the process is being taken seriously because countries are on their mettle to show the international community that, given the opportunity and the initiative, they can reduce poverty. In Tanzania the government has set up a central secretariat to service the PRSP process whose most effective component so far deals with poverty monitoring (Box 5).

Capacity for poverty and performance monitoring is widely recognized as insufficient, and in need of reinforcement. There are numerous initiatives to assist—at the sector level



**Box 5. Poverty monitoring in Tanzania**

Tanzania's Poverty Monitoring Master Plan has created a Poverty Monitoring System to track changes in poverty indicators. The system is supervised by a Steering Committee where stakeholders from central and sectoral ministries, research institutes, civil society and development partners are represented. An inter-ministerial Technical Committee and supporting Poverty Monitoring Secretariat, report to the Technical Committee, and implement its decisions. Within the Secretariat there are four Technical Working Groups, covering: Censuses and Surveys, Routine Data Systems, Research and Analysis, and Dissemination and Advocacy. Chairmanship of the working groups lies with the National Bureau of Statistics for censuses and survey, the Office of the President for data systems and research, and with the Office of the Vice-President for dissemination.

The Poverty Monitoring System produces an annual report on Poverty and Human Development and ad hoc briefing papers, and it keeps up to date a socio-economic data base.

The Research and Analysis working group is fully operational and has been largely responsible for the first annual Poverty and Human Development report. The Routine Data working group, on the other hand, which is responsible for upgrading line ministries' management information, is not yet fully operational and experiences difficulties mobilising data in the format required for PRS monitoring.

*Source: Rønsholt et al. (2003)*

in order better to implement sector strategies and plans, at the national level to make PRSP monitoring effective, and at the global level to track progress towards the MDGs. The PARIS 21 initiative sponsored by the OECD, the World Bank and the UNDP was launched in 1998 to create the conditions at the country level that would permit the effective tracking of progress towards what were then the International Development Targets, and which have subsequently, in modified form, become the MDGs. PARIS 21 has a wide-ranging programme of activities designed to strengthen the capacity of national statistical organisations to enable them to deliver higher quality, more abundant and more timely data—from surveys and from governmental management information systems.

The production of better and more timely data is not just a question of capacity. Demand for this data, and feedback from users is also of vital importance. An example of the power of demand is the great improvement in the timeliness in the supply of education statistics to UNESCO's statistical office occasioned by the Education for All Forum in Dakar. The intensification and institutionalisation of performance monitoring against PRSP targets is bringing additional and more immediate pressure for the production of credible data. A number of countries have established dedicated monitoring and evaluation secretariats, usually within the office of the president or the ministry of finance. Rønsholt *et al.* (2003, ch. 6) describe the architecture of poverty and service delivery monitoring arrangements in Tanzania, where over-arching responsibility is entrusted to the office of the vice-president. Equivalent functions in Uganda come under the ministry of finance, planning and economic development, whose practice which has instituted output budgeting and lays strong emphasis on performance accountability (Williamson, 2003).

At the apex of the global architecture for monitoring progress towards the MDGs there the highly effective, collaborative, effort on the part of the UNDP and the World Bank. This produces annually updated estimates of where developing countries as a whole, and

in regional and income level groupings, and individually, stand in relation to the (linear) trajectory which they must follow in order to be on target for meeting the goals on time. These reports are only possible, and only credible, in so far as countries report reasonably accurate data on their performance and achievements. This global monitoring and reporting programme constitutes another, high profile, source of demand for accurate, timely and complete data.

## 11 DONOR COMMITMENT

A further difference between previous aspirational development targets and the MDGs lies in the depth of donor commitment. The Development Decades were the children of UN General Assembly resolutions greeted more with weary assent than with enthusiasm by donor countries. The MDGs, on the other hand, have as their immediate precursors the OECD-DAC's International Development Targets which were the fruit of deliberation and conviction on the part of the donor countries, and which were subsequently adopted as operational objectives by the World Bank.

In their Rome Declaration on Harmonisation of 25 February 2003 DAC members dedicated their assistance explicitly both to helping to achieve the MDGs and to support for partner countries' PRSPs. They stated that their deliberations were

an important international effort to harmonise the operational policies, procedures and practices of our institutions with those of partner country systems [which] were intended to improve the effectiveness of development assistance and thereby contribute to meeting the MDGs.

And they committed themselves, *inter alia*, to:

ensuring that development assistance is delivered in accordance with partner country priorities, including poverty reduction strategies and similar approaches... (OECD, 2003, pp. 10–12).

The Declaration also cross-referenced donors' commitments to harmonise assistance in support of global and national targets to the Monterrey Consensus of March 2002 at which the EC, the US and other donors pledged additional assistance amounting, by the later 2000s, to over \$12 billion p.a. The OECD estimates that, if all donor pledges and announcements, made at Monterrey and subsequently, are actually implemented, net ODA flows should rise from \$58 billion in 2002 to \$79 billion in 2006 (at 2002 prices and exchange rates) (OECD 2004, Table 3.2). This additional assistance, which will increase aid disbursements beyond the real terms levels of the early 1990s, will arrive late in the day for realising the MDGs by 2015—given normal time lags between commitment and disbursement. But, when it comes it will underwrite higher expenditures needed to achieve global and national poverty reduction goals.

## 12 CONCLUSION

This paper argues that, major difficulties notwithstanding, the social sector MDGs are making and will continue to make a positive contribution to reducing poverty by: (i) raising the national and international profile and prominence of countries' poverty

reduction performance; (ii) strengthening their resolve and commitment to persevere with policies and expenditure programmes conducive to poverty reduction in the social sectors; and (iii) improving the availability and relevance of data for monitoring and planning purposes.

There have been notable examples in the past of policies—to raise primary enrolment rates and immunisation rates—which have achieved dramatic improvements in intermediate outcomes in the social sectors. Many of these initiatives have subsequently faltered for lack of resources and commitment. The new context for international cooperation described in this paper materially improves the likelihood that these formerly missing elements will now be provided. Incentive structures have been adjusted and clarified. For poor countries' leaderships, success in reducing poverty and in improving social sector outcomes brings its own political rewards—larger and more sustained inflows into their budgets of donors' assistance, and the gratitude and endorsement of the domestic electorate.

The arguments for scepticism have weight. Past exercises in global development targetry have been unsuccessful. The MDGs mean relatively little to practical politicians and administrators at the country level. Developing countries do not have instruments of guaranteed effectiveness for pursuing their policies and strategies. For some, generally poorly performing countries, PRSPs have been largely presentational devices required for the purposes of gaining access to donors' resources. As the HDR reminds us in its pages of detailed graphical representation, the low income developing countries are not at present on course for achieving the social sector MDGs.

However, there are elements in the present situation which were not present before. Foremost among these is the PRSP process. PRSPs go a long way, in practice if not by deliberate design, to translate MDG priorities into domestic national and sector strategies. Standing alone they might well not be able to deliver results because of the 'missing middle' problem. But this is now being bridged in a growing number of countries by the processes of results-oriented expenditure management which train the spotlight on the processes leading to producing the outputs which support PRSP objectives. At the same time another spotlight is being shone on poor countries as they strive to reduce poverty, viz intensive poverty and performance monitoring at the national and global levels. These domestic efforts are supported and reinforced by the donors' commitment to increase their assistance and to focus it on facilitating national systems for delivering poverty reduction goals.

In this sense the elements of what the HDR 2003 calls a Millennium Development Compact are already moving into place. There is no guarantee that they will deliver results, and *a fortiori* that they will deliver results on time. There will be institutionalised resistance and bureaucratic inertia to overcome and, in some cases, the essential political commitment may evaporate. However, in aggregate, prospects for decisive movement towards poverty reduction targets have been materially improved by the PRSP process and by the complementary, though still incipient, reforms in budgetary practice, accountability and programme design outlined in this paper.

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