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## Sixty-sixth session

Item 119 of the preliminary list\*

### Follow-up to the outcome of the Millennium Summit

## **Accelerating progress towards the Millennium Development Goals: options for sustained and inclusive growth and issues for advancing the United Nations development agenda beyond 2015**

### **Annual report of the Secretary-General**

#### *Summary*

The present report discusses recent progress made towards achievement of the Millennium Development Goals and outstanding challenges en route to 2015. At the request of Member States, it explores successful experiences in fostering sustained and inclusive economic growth as part of strategies to achieve the Millennium Development Goals. It further stresses the need to step up efforts to meet commitments in strengthening the global partnership for development (Goal 8) and properly follow up on agreements at the 2010 High-level Plenary Meeting of the General Assembly on the Millennium Development Goals. As the 2015 deadline is approaching, the time has also come to look at the future of the international development agenda; this report provides suggestions on key considerations for a new agenda and appropriate consultation processes.

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\* A/66/50.

## **I. Introduction**

1. More than 10 years since world leaders established goals and targets to greatly reduce extreme poverty, hunger, illiteracy and disease, the Millennium Declaration<sup>1</sup> and the Millennium Development Goals framework for accountability derived from it have inspired development efforts and helped set priorities and focus interventions. In the outcome document of the High-level Plenary Meeting of the General Assembly on the Millennium Development Goals,<sup>2</sup> entitled “Keeping the promise: united to achieve the Millennium Development Goals”, Member States requested the Secretary-General to report on progress in the implementation of the Millennium Development Goals and to make recommendations for further steps to advance the United Nations development agenda beyond 2015. Further, in its resolution 65/10, the General Assembly requested the Secretary-General to include an analysis of and policy recommendations on sustained, inclusive and equitable economic growth for accelerating poverty eradication and achievement of the Millennium Development Goals in his annual report on progress in the implementation of the Millennium Development Goals until 2015.

2. This report responds to those requests and initiates a series of analytical annual reports on Millennium Development Goal-related achievements, including recommendations to advance the United Nations development agenda beyond 2015.

## **II. Progress in achieving the Millennium Development Goals<sup>3</sup>**

### **A. Progress achieved**

3. Significant progress has been made in a number of areas, owing to sustained per capita income growth in some developing countries and targeted policy efforts in critical areas, including expansion of programmes to deliver services and other resources directly to those most in need.

4. The world as a whole is still on track to reach the poverty-reduction target, despite setbacks during the 2008-20091278 Ta Td[kon tar)]k t-yng th)apita i(-)7(ncom,6 T-6(most0.eon trb3231

recent progress in increasing enrolment and completion rates in primary education has been disappointing. The net enrolment ratio increased by just seven percentage points since 1999, reaching 89 per cent in 2009.

6. The global target for reducing child mortality could also be within reach. Achieving it will require stepping up efforts in a number of regions, especially in South Asia, sub-Saharan Africa and Oceania. Worldwide, deaths among children under the age of five declined from 12.4 million in 1990 to 8.1 million in 2009, or



services is critical to improve the living standards of a growing urban population, as well as the adoption of policies to create better employment opportunities in urban and rural areas.

15. Many lack opportunities to acquire decent jobs. The lack of productive and decent jobs has been the main cause for insufficient poverty reduction in many parts of the world and the still rising numbers of working poor. Even before the crisis in 2007, some 624 million workers, especially in rural areas — 24 per cent of all workers in the world — lived with their families in extreme poverty. Between 2007 and 2009, that number was estimated to have increased by 122 million, including 57 million in South Asia and 24 million in sub-Saharan Africa. More youth are poor or underemployed than ever before: some 152 million young people work, but live in households that earn less than \$1.25 per day. Millions of young people are trapped in temporary and involuntary part-time or casual work that offers few benefits and limited prospects for advancement in life. Young women often face additional barriers.

16. Lack of employment opportunities has been a source of civil and armed conflict in many countries, undermining progress towards achieving the Millennium Development Goals. To date, no conflict-prone low-income country has achieved a single Millennium Development Goal. Children born in conflict-affected countries are two times more likely to be malnourished, and also two times more likely to die before reaching the age of five.<sup>5</sup> More than 40 per cent of all children worldwide who are not enrolled in primary school — 28 million — live in poor countries affected by conflict. On average, a country that experienced major violence during the period 1981-2005 has a poverty rate 21 percentage points higher than a country without such violence. The average cost of civil war is equivalent to more than 30 years of gross domestic product (GDP) growth for a medium-size developing country, and trade levels after major civil violence generally take 20 years to recover.

17. Humanitarian crises and conflicts continue to uproot millions of people across

for health improvements and for enhancing family incomes through better job opportunities for women. Despite visible progress, gender parity in primary and secondary education — a target to be met by 2015 — is still out of reach in sub-Saharan Africa, North Africa, West and South Asia, and Oceania. Poverty, in turn, puts girls at a disadvantage, as girls from poor households are less likely to attend school than boys from the same household group.

20. Progress in increasing the share of women holding paid jobs outside the agriculture sector has been sluggish. Worldwide, the share of women in non-agricultural paid employment increased only slightly, from 35 per cent in 1990 to 40 per cent in 2009. In West Asia and North Africa shares are lower and progress has been less. Progress has slowed further because of the global economic crisis, while employment opportunities for women have lagged behind those for men during the recovery. In addition, in most developing countries, women are more likely to have poorly paid, insecure jobs in the informal sector.

21. Women's participation in political decision-making is slowly increasing. Worldwide, the percentage of parliamentary seats held by women increased from 11.6 per cent in 1995 to 19.3 per cent in 2011, leave mo9ldrand -6(b5 t)-way-7(o 19.go )-drandsturn

25. The world has missed the 2010 target for biodiversity conservation. Some success in slowing biodiversity depletion has been achieved, but loss of biodiversity continues. Despite the Nagoya Protocol on Access and Benefit Sharing of Genetic Resources, adopted as a major tool to promote sustainable development, nearly 17,000 species of plants and animals are known to be threatened with extinction. Based on current trends, loss of species will continue throughout this century, with increasing risk of dramatic threats to ecosystems. The irreversible loss of biodiversity, including in agriculture, will hamper efforts to meet other Millennium Development Goals, especially those related to poverty, hunger and health.

26. Emissions of carbon dioxide (CO<sub>2</sub>) have continued to increase. Emissions in





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several other East Asian economies have also seen dramatic reductions of poverty along similar lines since the 1980s. Earlier, Japan and the Republic of Korea achieved rapid and sustained growth and poverty reduction, building on broad-based development strategies. Sustained growth has also made possible the cumulative investments necessary for achieving the other Millennium Development Goals.

32. Sustained economic growth needs to be based on an equitable distribution of opportunities. In the East Asian experience, an equitable distribution of physical and human capital provided the basis for more broadly shared economic growth. Land and agrarian reforms were central to achieving more equitable distribution of land and agricultural production opportunities at the start of the economic take-off of many of the countries in the region. Universal education and health-care systems helped spread improvements in human development.

33. More equitable growth facilitates faster progress towards achieving the education and health-related Millennium Development Goals. Poor families may not be able to send their children to school if they cannot afford the complementary expenses and/or young sons and daughters may need to work to supplement family earnings or to contribute to unpaid household care work such as fetching water or firewood. Similarly, health outcomes of children and mothers depend not only on health-care quality, but also on nutrition. Quality of life often depends on family income. In some countries, Governments have reduced inequality through social protection policies, such as cash transfer programmes and subsidized pension



gains.<sup>13</sup> Integrating agricultural and environmental policies into broader rural development policies ensures that forests and other ecosystems continue to sustain farming systems (see below). Post-harvest activities focusing on the transformation, the preservation and the preparation of agricultural production for intermediate or final consumption are a major source of manufacturing employment and income in developing countries. In this regard, policies should also promote the development and transfer of relevant technologies, vocational training and entrepreneurship.

#### **Adoption and diffusion of green technologies and sustainable national resource management strategies**

39. Developing countries will need to seek new ways to ensure sustainable environmental management, economic growth and social progress. Delinking economic growth and environmental degradation can be achieved through improved efficiency and sustainability in use of resources and production processes, and reduction of resource utilization, pollution and waste. Relatively simple measures, like recycling and reuse, energy saving bulbs, conversion of waste into manure, biodiversity and ecosystem protection, and water-saving irrigation methods, among many other initiatives, will contribute to growth while protecting the environment. Minimizing land degradation, rehabilitating degraded areas and optimizing land use is crucial for sustainable land management. The Rio principle of “common but differentiated responsibility” needs to be upheld in international cooperation for transitioning towards greener and sustainable economic production processes.

40. Boosting the productive capacity of small farmers needs to incorporate environmentally sustainable and climate-resilient technology and improved natural resource management. There are vast win-win opportunities to increase farmers’ productivity and incomes, reduce malnutrition, restore fragile environments, and help mitigate climate change. Governments and international knowledge-sharing networks need to facilitate the widespread dissemination, adaptation and adoption of technology and innovations to increase the productivity, profitability, resilience and climate change mitigation potential of rural production systems. Successful localized productivity-enhancing innovations can be built upon. Such innovations have improved pest and weed management, water efficiency and biodiversity. The policy challenge is to identify and support the adaptation and scaling-up of such local agricultural innovation, including in poor and food-insecure countries and regions. Agro-ecological conditions vary widely across regions, implying that agricultural technologies and practices need to be adapted to local conditions. An extensive menu of technologies and sustainable practices in agriculture is available, providing options for a radical shift towards sustainable food security. These include traditional knowledge and farming practices such as low-tillage farming, crop rotation, inter-planting, green manure utilization, water harvesting and water-efficient cropping. Furthermore, new high-yielding and pest- and disease-resistant

<sup>13</sup> Recent estimates suggest that if women had the same access to productive resources as men, they could increase farm yields by 20-30 per cent, raising total agricultural output by 2.5-4.0 per cent, which, in turn, could reduce the number of hungry people in the world by 12 to 17 per cent; see Food and Agriculture Organization of the United Nations, *The State of Food and Agriculture: Women in Agriculture, Closing the Gender Gap for Development* (Rome, 2011).



44. Good governance and maintenance of the rule of law at the national and international levels are also essential. General Assembly resolution 65/1 further acknowledged the importance of transparency and accountability. Member States committed to curtail illicit financial flows at all levels by enhancing disclosure and transparency in financial information, and were urged to consider ratifying and to implement the United Nations Convention against Corruption.<sup>16</sup> Strengthening national and multinational efforts to fight corruption is crucial, including technical assistance and other support to enhance developing countries' capacities. Financial flows for tax evasion purposes often utilize the same channels as drug proceeds and terrorism financing, both of which are already subject to cooperative monitoring and interdiction. Countries must cooperate and assist one another in collecting taxes due, which will help mobilize needed resources to finance inclusive development strategies.

#### **IV. Delivering on the global partnership for development**

45. The Millennium Development Goals agenda promises a stronger global partnership for development (Goal 8). At the High-level Plenary Meeting of the General Assembly on the Millennium Development Goals in 2010, Heads of State and Government reviewed progress made, especially relevant following the setbacks experienced in many countries owing to the 2008-2009 global economic crisis and associated food and energy price spikes, and subsequent commitments to increase ODA, ensure a fairer global trading system, provide debt relief to the poorest countries, and ensure affordable access to essential medicines and new technologies to achieve the other Millennium Development Goals.

46. ODA was increased to a record \$129 billion, but continues to fall short of commitments. In 2010, aid delivery was \$21 billion less than what should have been delivered in 2010, according to pledges at the 2005 Group of Eight Summit at Gleneagles. Only small portions of such delivery gaps can be attributed to lower-than-expected national incomes owing to the global economic crisis. The MDG Gap Task Force, created by the Secretary-General, has suggested ways for more effective delivery of ODA, including multi-year commitments for programmable assistance in a way that is fully aligned with national development strategies for inclusive growth.

47. Failure to complete a development-oriented Doha Round is the largest gap in delivery on commitments to establish a fairer trading system. Getting the negotiations out of the current impasse is critical. Even though the Doha Round is yet to be concluded, the importance of a multilateral trading system was highlighted during the global economic crisis, when Governments were restrained in resorting to protectionist measures, as they would violate agreed rules. Protectionist measures introduced following the economic crisis particularly affected exports of the least developed countries,<sup>17</sup> but many were reversed rather quickly. The grave risks of not concluding the Round expeditiously, including likely impacts on achievement of the Millennium Development Goals, have been recognized and articulated. From

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<sup>16</sup> Ratification status of the United Nations Convention against Corruption available at <http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>.

<sup>17</sup> United Nations, "The Global Partnership for Development: Time to Deliver", MDG Gap Task Force Report 2011 (New York) (forthcoming).

recent discussions in the World Trade Organization, it is clear that members remain committed to concluding the Doha Round in accordance with its mandate. There is also agreement that a new approach that goes beyond “business as usual” is needed; an idea gaining ground is that of an “early harvest” of certain issues — focusing on the specific needs of least developed countries — to be delivered by the eighth World Trade Organization Ministerial Conference in December 2011. The package would need to include progress in providing full duty-free, quota-free market access to least developed countries. But, in order for developing countries to gain from enhanced market access, the Aid for Trade initiative needs to further support the development of their production and trading capacities to achieve inclusive growth. In the face of recurrent food price increases and food insecurity, support to increase

awareness and use of public health-related trade-related aspects of intellectual property rights flexibilities, supported by improved availability of patent information to facilitate their use and initiatives like the Medicine Patent Pools, would stimulate innovation and increase production of more affordable medicines.

50. The Millennium Development Goals framework needs to be broadened to include affordable access to technologies for sustainable development. Development of relevant technology in developing countries and transfer of advanced technology from developed economies are essential for long-run development. Significant progress has been made in the global sharing of information and communications technologies (ICTs) and of technologies for addressing climate change and coping with its impacts, including technologies for reducing disaster risk. Access to ICTs has continued to grow globally. In developing countries, the spread of mobile cellular subscriptions continues to be particularly rapid, growing by 17 per cent between 2009 and 2010, reaching 68 per cent of the population. Internet use has also continued to grow, but still lags far behind particularly in least developed countries, partly because ICT services are still prohibitively expensive for the majority of the population in those countries. The Millennium Development Goals framework mainly focuses on ICTs. The urgency of responding to climate change and growing food insecurity is also raising concerns about the conditions to accelerate technology transfer for mitigation of and adaptation to climate change, and to increase agricultural productivity and improve market access for small rural producers. The new Climate Technology Mechanism, which will become operational in 2012, provides a starting point for urgently needed enlarged international cooperation. Finance is generally considered to be the major obstacle to the development and adaptation of green technologies.<sup>18</sup> Hence, for the Climate Technology Mechanism to work, it will be equally important to ensure timely delivery on international commitments for climate financing.

## **V. United Nations development agenda post-2015**

51. The Millennium Development Goal summit requested the Secretary-General to make recommendations in his annual reports, as appropriate, for further steps to advance the United Nations development agenda beyond 2015. Accordingly, this section examines possible directions for the way forward.

### **A. The relevance of the Millennium Development Goals framework**

52. The Millennium Development Goals will still be relevant after 2015. The year 2015 is the deadline the international community set for a range of Millennium Development Goal-related targets, but even if those targets are all met, more progress is still needed to meet the goals. The target for 2015 is to halve extreme

that the Millennium Development Goals framework has helped to raise global consciousness about poverty, and to focus the attention of policymakers and the public. Its ability to attract political attention and spur action has been a cornerstone of its success. Being relatively simple to communicate, the Millennium Development Goals have galvanized unprecedented support from Governments, civil society, trade unions, foundations and academia. They have succeeded in rallying the development community around a common set of goals. Today, the Millennium Development Goals are at the heart of many developing countries' national strategies and provide a framework for donor support. The monitoring framework embedded in the structure of the Millennium Development Goals, where goals are linked to concrete targets and well-identified indicators, has also helped build accountability and improve governance.

54. Yet, these strengths have not guaranteed sufficient progress on all fronts, while inequalities between and within countries remain. While the framework has arguably helped strengthen the global partnership for development (Goal 8), significant shortfalls in delivery on international commitments to support achievement of the Millennium Development Goals remain. Thus, consideration of a new development agenda beyond 2015 would need to start with a thorough, broad-









14 June 2011 which was devoted in part to a discussion of a post-2015 development framework.

70. The Economic and Social Council and its subsidiary bodies have taken the lead in following up on several major United Nations summits and conferences. They are hence well positioned to serve as important forums for intergovernmental discussions on a post-2015 framework. In this regard, the biennial Development Cooperation Forum provides a platform for multi-stakeholder discussions on trends in development cooperation. The upcoming three annual ministerial reviews will also shed light on important cross-cutting and emerging issues of the United Nations development agenda. During the annual ministerial review's national voluntary presentations, Member States will be able to share experiences and lessons learned.

71. The United Nations can help nurture relations with key development stakeholders. It can do so by building on well-established outreach mechanisms such as the Millennium Campaign and the Millennium Development Goals Advocacy Group. The work of the Global Compact, including the Global Compact Leaders Summit, provides another opportunity to encourage private sector participation.

72. There are a series of important international events scheduled between now and 2015 that could contribute to the post-2015 framework. The upcoming United Nations Conference on Sustainable Development ("Rio plus 20") and the International Conference on Nutrition (ICN plus 20) provide important opportunities to rethink sustainable development by bringing together economic, social and environmental facets. Member States also requested the President of the General Assembly to hold a special event to follow-up efforts made towards achieving the Millennium Development Goals, to be held in 2013 during the sixty-eighth session of the General Assembly. The question of advancing the United Nations development agenda beyond 2015 could also be addressed during that event.

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