

Improving Governance & Promoting Growth to Achieve the Goals



Why Now

Two-thirds of the way towards the deadline for achieving the Millennium Development Goals (MDGs), great progress has been made on some of the goals. As a region, sub-Saharan Africa remains farthest from meeting and surpassing the targets, but an emerging set of African countries are demonstrating to the rest of the continent that stability, good governance, strong economic management and political will can fuel development and prosperity.

Africa today is at a crossroads. Down one path is instability caused or exacerbated by drought, extremism and poverty. Down the second path is a prospering Africa, integrated into the global economy and driven by a strong partnership with other nations and a passionate, engaged new generation of young people. African youth are eager to be heard and are active in supporting their continent's development.

What

Successful poverty alleviation and economic development flow from several critical factors that, when designed and executed effectively, reinforce each other. Previous compacts on global development have focused on targeted interventions to respond to crises and alleviate suffering. Efforts have lagged, however, to promote the broad spectrum of conditions for a long-term path out of poverty and towards prosperity, such as good governance, increased private capital and investments in local capacity to fight poverty. These are conditions where ultimately donor assistance is no longer needed.

Any plan agreed at the UN Summit in September should include a focus on all pieces of the development puzzle through a strategy

that are pushing new ideas and bringing new energy to old ones.

The September 2010 United Nations MDG Summit is a moment to review progress, revitalize successful efforts and investments that have delivered results, and correct the course in areas that remain neglected or where progress has stalled. Perhaps most importantly, the Summit must reinvigorate the overall drive to reach the MDGs and create opportunities that will carry Africa's next generation beyond the MDGs and towards long-term development and prosperity.

The Summit should produce a new set of commitments based on mutual accountability and a partnership between donors and the developing world that links efforts into a cohesive development strategy to 2015 and beyond.

IMPROVED GOVERNANCE

Sustainable development depends on good governance. Without predictable and transparent leadership that is accountable to its citizens, business will not thrive, civil society cannot flourish and resources for development—both domestic and external—are less likely to be used effectively. At the UN Summit, all member states should embrace a governance-based approach to development that includes the following efforts:

- In better-governed countries that have demonstrated their commitment to development, transparency and fighting corruption, donors should provide the flexible support needed to build lasting infrastructure and systems, as well as focused investment promotion policies and trade incentives. In countries with governance challenges (especially fragile and post-conflict states), donors should invest in social sector interventions and provide development assistance that supports efforts to increase transparency, accountability and strengthen civil society.

that couples policies to improve governance and spur sustainable and equitable growth to increased investments in proven and vital mechanisms to achieve the Millennium Development Goals. All must be held to account in this partnership, and every commitment—from rich and poor countries—must be transparent and results-oriented.

A renewed strategy to meet the MDGs should also place women at the center. As leaders in their families and communities, women are already driving change in countries across the world, but still face a disproportionate burden of extreme poverty and disease. To accelerate progress and ensure long-term success, any plan to meet the MDGs should invest in the untapped potential of women.

- All governments should support transparency and anti-corruption initiatives such as the Extractive Industries Transparency Initiative (EITI), the Natural Resource Charter, the UN Convention Against Corruption, and efforts to recover stolen assets, such as StAR.
- African governments should make and honor commitments to better mobilize and use domestic resources for development purposes.
- Assistance, both technical and financial, should be pledged to support stronger civil society and judicial and legislative branches in developing countries that strengthens checks and balances on the executive.
- Development assistance should be results-based and be paired with strong accountability measures. The implementation of this demands an increased focus on collecting good development statistics that can determine the effectiveness of investments.

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SUSTAINABLE, EQUITABLE ECONOMIC GROWTH

Long-term, sustainable economic growth and prosperity require private sector investment and efficient trade within the country, the region and the rest of the world. Functioning markets and job creation are the true engines of long term growth and self sufficiency that will lead to an escape from poverty. Increased trade exports can be coupled with and spurred by support from wealthy governments that address supply-side constraints like infrastructure and customs support. Efforts that promote long-term economic growth include:

- Harnessing the potential of public and private sector investments in agricultural productivity and agribusiness to boost rural economic growth and poverty reduction.

- Financing support to institutions like the African Development Bank that support the growth of regional economic corridors through regional infrastructure investments.
- Increased support for small and medium sized enterprises.
- Ensure growth empowers the poor by extending access to financial services with a focus on women.
- Utilizing the Summit as a platform to increase awareness of investment opportunities in Africa and incentivize investment in the continent including investments which harness the potential of renewable energy sources.

INCREASED SMARTAID TO MEET THE MILLENNIUM DEVELOPMENT GOALS

Addressing extreme inequality and protecting basic human dignities—health, education and adequate nutrition—are core objectives of all development efforts and still require targeted investments. Healthy, educated populations are a critical driver of a nation's long-term prosperity. Increased and effective development assistance remains critical and, when programmed effectively, has yielded impressive results in fighting disease, educating young people, boosting agricultural productivity, helping African countries to increase trade and attract investment, and empowering African citizens to fight corruption and hold their own governments accountable. Commitments to increase resources for development should include the following:

- Critical financing mechanisms for health, agriculture and education to accelerate progress towards the MDGs. The Global Fund, for example, will need \$17–20 billion for 2011 to 2013 to maintain successful programs and meet demand for new ones. The Global Alliance for Vaccines and Immunizations (GAVI) will need an additional \$4.3 billion between 2010 and 2015. Donors should commit to increasing resources for these effective mechanisms as part of a broader effort to strengthen health systems and reduce maternal and child mortality. In addition, donors should follow-through on their commitments to the L'Aquila Food Security Initiative, Feed the Future, the Comprehensive Africa Agriculture Development Programme (CAADP), ensure that they are fully financed and put forward a comprehensive strategy that goes beyond existing commitments to achieve long-term agricultural development. Finally,

progress on improving primary school enrollment, quality and completion relies on increased resources and reform and replenishment of the Education for All-Fast Track Initiative.

- Developing countries should commit and be held accountable to using domestic resources towards poverty reduction. This should include meeting Abuja and Maputo targets for spending on development priorities.
- Donors with development assistance commitments beyond 2010 (such as the EU states' target commitment to reach .7% ODA/GNI by 2015 or earlier) should reiterate their commitments and clarify how much is dedicated for sub-Saharan Africa; countries that do not have targets beyond 2010 should set ones that are ambitious and include a target for sub-Saharan Africa.
- In line with ONE's TRACK principles for enhanced accountability, all donor commitments should be **Transparent**, **Results-oriented**, clear about the degree of **Additionality** and **Conditionality**, and audited by an independent mechanism to ensure that promises are being **Kept**.
- To ensure that their development assistance delivers maximum results, donors should commit to accelerating efforts to follow through on the Paris Declaration on Aid Effectiveness and Accra Agenda for Action by developing action plans and setting clear targets and timetables to improve transparency, predictability, use national systems and untie their aid.