Millennium Development Goal 8

The Global Partnership for Development: Time to Deliver

MDG Gap Task Force
Report 2011

UNITED NATIONS

The present report was prepared by the MDG Gap Task Force, which was created by the Secretary-General of the United Nations to improve the monitoring of MDG 8 by leveraging inter-agency coordination. More than 20 United Nations agencies are represented on the Task Force, including the World Bank and the International Monetary Fund, as well as the Organization for Economic Cooperation and Development and the World Trade Organization. The United Nations Development Programme and the Department of Economic and Social Affairs of the United Nations Secretariat acted as lead agencies in coordinating the work of the Task Force. The Task Force was co-chaired by Jomo Kwame Sundaram, Assistant Secretary-General for Economic

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Preface

Last September, when world leaders met to take stock of the progress made towards the Millennium Development Goals, they agreed that achieving the Goals was realistic and con rmed their obligation to reach them by the 2015 deadline.

Governments also rea rmed their commitments to support national e orts to meet the Goals, both through direct assistance and by creating a more enabling international economic environment for development.

To this end, Member States, together with international institutions and non-State actors in civil society and the private sector, have forged a global partnership for development. e present report assesses the current state of that partnership.

e partnership has produced important achievements, including a record volume of o cial development assistance (ODA) in 2010, increased aid to the least developed countries (LDCs) and growing South-South and other cooperation for development.

Still, there is reason for concern about the rate and scale of progress as 2015 draws near. ree examples highlight the problem.

First, even as ODA reached record levels in 2010, donor Governments intend to increase spending more slowly during 2011-2013. It is unclear how this will accord with pledges to raise aid levels to the United Nations target of 0.7 per cent of national income by 2015.

Second, despite intense negotiations at the World Trade Organization to deliver on the Doha Development Agenda, there are fears that the Round may not be successfully concluded, even a decade after it began. Governments are discussing a package of trade policy reforms for the December 2011 Ministerial Conference aimed at bene ting the LDCs. While this is a positive development, I believe more can be done.

ird, although there have been major e orts to increase access to medicines and information and communication technologies, their costs remain prohibitive in many developing countries. Both present a hindrance to development.

is fourth report of the MDG Gap Task Force challenges the international community and other stakeholders to intensify their e orts to realize the potential of the global partnership for development. ere are many initiatives, large and small, o cial and non-State, to monitor their implementation, and, as the report highlights, the United Nations system is initiating a more comprehen-

I call upon all members of the global partnership to deliver on their prom ises. Only four years remain. e stakes are high, but so are the rewards.

B Ki-moon
Secretary-General of the United Nations

Contents

Access to a ordable essential medicines

Figures

Executive summary

With only four years remaining in which to achieve the key targets of the Millennium Development Goals (MDGs), most of the world's Heads of State and Government came to the United Nations in September 2010 to take stock of progress made thus far. Despite significant setbacks owing to the 2008-2009 global economic crisis and surges in food and energy prices, it seems that the developing world as a whole will reach many of the MDGs. However, some countries and regions are not on track to reach the goals and require intensified efforts to reduce poverty and child and maternal mortality rates and to improve access to drinking water and sanitation. The objective of MDG 8 is to assist all developing countries in achieving the goals through a strengthened global partnership for international development cooperation. The present report describes how that partnership is producing significant results on many fronts, but notes that many important gaps between expectations and delivery remain. At the High-level Plenary Meeting of the General Assembly on the Millennium Development Goals (MDGs) (the "MDG summit"), which was held from 20 to 22 September 2010, Governments committed themselves to strengthening the global partnership in order to "keep the promises" to the peoples of the world, particularly the poorest among them, which they had made 10 years previously in the Millennium Declaration.

When the MDG partnership goals were conceived, the deep global financial and economic crisis of 2008-2009 and its consequences had not been anticipated. Indeed, many countries now need to devote substantial additional resources to MDG-related programmes to overcome the effects of the global recession; in some cases, as much as 1.5 per cent of their annual gross domestic product (GDP) is required. This is beyond what many countries can mobilize on their own. Stepping up international support is, therefore, essential.

To underscore the importance of the promised cooperation in realizing the MDGs by 2015, the United Nations is setting up an enhanced monitoring mechanism to provide greater accountability for delivery on the commitments to the global partnership for development among all stakeholders. To be called the Integrated Implementation Framework (IIF), the proposal is expected to be operational by the end of 2011.

At the same time, it has become increasingly recognized that, in our highly decentralized international system, greater coherence is needed among policies on aid, trade, finance, employment and the environment. With commitments made at so many international forums and meetings, it is essential that these policies and other efforts complement one another in a coherent manner and that they not work at cross purposes. As the United Nations is the global community's forum for integrated, holistic policy discussion, the General Assembly decided to begin, later in 2011, to consider how to better serve that function so as to, inter alia, best facilitate the achievement of the MDGs in all countries.

O cial development assistance

Donor countries provided a record-high $129 billion in o cial development pledge, enhance the comparability of pledges by di erent donors and improve the ability to monitor outcomes; all of which will help to improve accountability vis-à-vis the needs of recipients.

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In the realm of sovereign debt-related policy, the present report proposes that the international community:

- Institute an inter-agency technical working group on debt sustainability, which would aim at enhancing the analysis and e ectiveness of the ex ante frame works currently in place
- Ensure debt sustainability by substantially increasing the share of aid delivery to low-income countries that takes the form of grants
- Consider extending the HIPC Initiative to all low-income countries in debt distress
- Impede litigation by creditors not participating in internas an n botin1(n d)13(e)44(t)10(

spread of mobile cellular networks and upgraded technologies have begun to allow mobile broadband services to become an alternative to xed broadband

Introduction

is intended to increase the effective transparency of commitments and the ability of relevant stakeholders to hold actors accountable vis-à-vis their pledges of support. It is expected to be operational by the end of 2011.

The politics of development partnership pledges

Efforts such as the IIF, which are geared towards a closer monitoring of international cooperation pledges, are paralleled by efforts in some intergovernmental forums to make pledges more precise, as well as to indicate specific deadlines for their realization.[13] Both efforts have been made in response to disappointment at the degree to which some official commitments have been implemented in recent years. This reflects, in part, the political nature of the commitments.

Joint commitments made in negotiated documents of any multi-State forum, whether a global one, such as the United Nations, or one of limited membership, such as the G-20, are collective statements of intention made by the leaders or other representatives of sovereign authorities and are not legally binding. There is no global enforcement body in place to discipline a country that does not fulfil its commitments. The only binding commitments are those made in treaty bodies—the multilateral trade agreements of the World Trade Organization, for example. Most development cooperation commitments are, rather, promises by the executive arm of a Government to seek action to implement them through their legislatures. Indeed, partnership commitments are almost always announced publicly so that the group or individual Government leaders can build public support for the initiative and overcome potential legislative opposition.

A question of tactics thus arises. If commitments are vague, the committing authority has some negotiating room with the implementing legislature. In many countries, precise commitments usefully challenge supporters of the promise to mobilize political support, including through the media and civil society, to meet the target. Specific commitments thus put greater pressure on implementing legislatures to accede to the leader's promise, but they also risk failure if the legislature resists approval of the promised action.

The degree of precision or vagueness of a commitment entails even further political tactics when a group makes a commitment to act. Members of the group pledging to act together are implicitly also announcing how they intend to share the burden among themselves. Conceptually, the issue is the same whether the commitment involves aid, trade, debt relief or any other aspect of the global partnership for development. It may be illustrated using the case of aid.

In keeping with one option followed by some multilateral institutions, each donor's relative contribution to the funding is pre-set according to a burden-sharing formula (for instance, it may be in accord with the allocation of votes

(CEB/2011/HLCP-XXI/CRP.3/Rev.2), para. 4 (the CEB endorsed this proposal at its meeting on 2 April 2011).

13 The deadlines are especially clear in the "Multi-year Action Plan on Development"
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for making decisions on how the funds will be spent). In such cases, negotiation among donors relates to the total contribution, with each donor calculating what that will mean for its own obligation. E ectively, it is thus the least generous donor that determines the total amount to be pledged. is may be consid-ered “unfair” and it also mobilizes insu cient resources. In line with an alterna-tive option, Governments voluntarily pledge amounts which they regard to be appropriate for themselves (while accepting that burden-sharing will be uneven) in order to mobilize larger amounts. An aspirational target that only the more generous donors attain can reintroduce a burden-sharing concept into the volun-tary commitment process. It provides a way both to exert moral pressure on the less generous donors to increase their assistance e ort and to persuade domestic

countries ostensibly seek to mitigate global warming through “green protectionism”, negatively impacting developing-country exports, a concern that is likely to be the subject of discussion at Rio+20 in 2012.[19]

An example at the more detailed level involves aid donors’ promising resources to strengthen the capacity of in-country systems so as to manage aid more effectively, in line with commitments contained in the 2005 Paris Declaration on Aid Effectiveness, but then bypassing those commitments owing to the donors’ internal fiduciary regulations. If they are not utilized, these systems cannot be built up and capacity development will remain largely notional. The debate surrounding the use of country systems in the context of the aid effectiveness agenda has tended to focus on the reduction of transactions costs; in other words, if recipients can use their own systems for reporting and monitoring the use of donor funds, instead of having to meet each donor’s specific reporting requirements, it would simplify and reduce the costs of managing aid. While this has obvious value, little is said in that debate about the positive impact of using country systems on the development of country capacities and capabilities.[20]

Not all cases of policy incoherence involve ODA, but those that do are rightly the subject of discussion in donor and United Nations forums on aid and aid effectiveness (see chapter on ODA). Other issues of coherence are also addressed in multiple forums and ad hoc processes. For example, aided by an exper

Engaged”) process to the Monterrey International Conference on Financing for Development. e initiative, re ected in the General Assembly debate on global economic governance, can build on the successes and disappointments of these previous initiatives, as the world requires more strenuous e orts to forge global social, economic, nancial and environmental coherence for development.

Time to deliver

 e recent global nancial and economic crisis was an important setback in the progress made towards the MDGs, but many countries are (or are once again) on track to attaining at least some of the goals by 2015. e vast majority of low-income countries are lagging on all of the MDGs, in part because they are further removed from the goals.[24] Prospects hinge upon important but uncertain sustained, rapid, employment-generating economic growth. In addition, owing to the setbacks, many developing countries need to devote additional resources to MDG programmes to reach the goals, which in some cases could amount to as much as an additional 1.5 per cent of gross domestic product (GDP) per year.[25] Mobilizing additional domestic resources of that magnitude in such a short period is beyond the capacity of most countries.

It therefore follows that stepped-up international support from the global partnership for development is essential. is means that donor countries contemplating scal tightening need to exempt their ODA allocations from budget cuts, and, indeed, increase them, as some donors are already doing (for further discussion, see chapter on ODA below). It also means that the e orts of developing countries to increase their earnings need to be supported through the accommodating trade policies promised by donor countries, even in the face of opposition from politically powerful constituencies and broader domestic concerns about employment levels. ere are many ways to create jobs that do not come at the expense of the poorest people of the world. Trade, investment and ODA policies must similarly support the necessary ows of essential medicines to developing countries on an a ordable basis. Strong but sustainable levels of o cial and private investment, on the one hand, and domestic and foreign, on the other, are also needed, not just to expand the stock of xed capital and human resources but also to promote the new technologies embedded in new enterprises and activities. In addition, Governments need to manage their monetary, scal and sovereign debt policies carefully so as to maintain sustainability and an enabling economic environment, while the international community needs to monitor closely global progress towards the target year of 2015 and ensure that the contribution of the global partnership for development is adequate, timely and reaches all relevant communities.

24

O cial development assistance

e ful lment of all o cial development assistance commitments is crucial

United Nations, General Assembly resolution 65/1

During the September 2010 United Nations summit on accelerating progress towards the Millennium Development Goals (MDGs), donor nations rea rmed their commitments to increase o cial development assistance (ODA), many of them aiming to reach the target of 0.7 per cent of gross national income (GNI) and to extend 0.15-0.20 per cent of GNI as ODA to the least developed countries (LDCs).[1] e European Union (EU) pledged to reach the 0.7 target by 2015. Countries that had set interim ODA volume goals for 2010 also pledged to try to meet them by year's end.

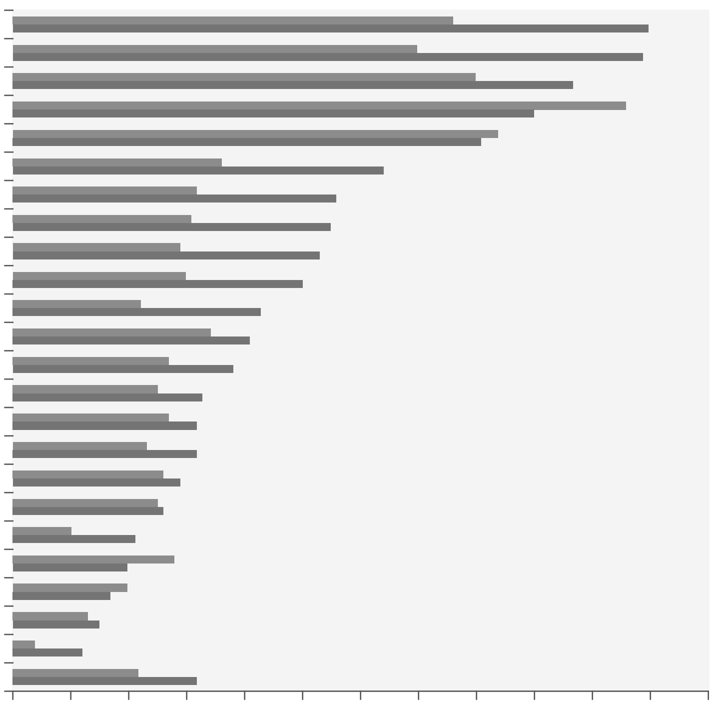
Donors have agreed to take steps to monitor their commitments better

e ODA commitments made at the summit were not new, nor were most of the pledges made to attain them. us, in addressing one of the concerns described in the introduction to the present report, namely, that the commitments in the partnership for development should be more speci c and properly monitored, the Development Assistance Committee (DAC), the principal international donors' forum, based at the Organization for Economic Cooperation and Development (OECD), adopted a Recommendation on Good Pledging Practice in April 2011. In their future pledging activities, DAC members will strive to ensure clarity, by specifying all parameters relevant to the assessment of the pledges; comparability, so that di erent donor pledges may be aggregated; realism, in the light of each donor's budgetary and economic circumstances; measurability, on the basis of accessible or supplied indicators; and accountability vis-à-vis the needs of recipients and transparency for monitoring by bene ciaries.[2]

In addition, the international development community has sought ways to improve aid e ectiveness. e Fourth High-Level Forum on Aid E ectiveness, to be held in Busan, Republic of Korea, from 29 November to 1 December 2011, will bring a number of aid stakeholders together with the donor community to take stock of recent e orts to improve the impact of aid. United Nations Member States meeting at the high-level segment of the United Nations Economic and Social Council in July 2012 will further deepen the implementation of the mandates of the United Nations Development Cooperation Forum (DCF), will make recommendations for sustained strengthening of the e ectiveness and coherence of all development e orts, will address issues relating to the quantity and quality of aid, and may hold each other accountable for delivery of their commitments on development cooperation for realizing the MDGs. Both meetings provide opportunities to strengthen the coherence of national and institutional

1 See General Assembly resolution 65/1 of 22 September 2010, para. 78 (f).

2 Organization for Economic Cooperation and Development, "DAC recommendation on good pledging practice", presented at the DAC Senior Level Meeting on 6 April 2011 (DCD/DAC (2011)12/REV1).



As part of the Gleneagles initiative, 15 EU members of DAC pledged to reach or maintain an aid level of at least 0.51 per cent of GNI in 2010. As can be seen in figure 2, eight of those countries met that goal, while France missed it by only 0.01 per cent of GNI. The United States had pledged to double its aid to sub-Saharan Africa between 2004 and 2010. It surpassed that goal in 2009, one year ahead of schedule. Canada kept its promise to double international assistance from 2001 levels. Australia achieved its aim to increase its aid budget to $A 4 billion. Norway surpassed its commitment to maintain ODA at 1 per cent of GNI, while Switzerland met its commitment to an ODA/GNI ratio of 0.41 per cent. Also, in 2005, Japan had promised to provide $10 billion more over the period 2004-2009, but it fell short of this commitment by $3.6 billion. However, Japan’s

African Development Bank raised their commitments by almost 11 per cent, which, when combined with internally generated funds, will provide approximately $9.5 billion in highly concessional resources for Africa during the period 2011-2013.[4] Among other examples, the Global Environment Facility was replenished in May 2010 and received a 34 per cent increase in funding (over $4 billion) for projects to be implemented between July 2010 and June 2014.[5] Total contributions to the operational activities for development of the United Nations system amounted to $22 billion in 2009, the same level in real terms as the year before. Non-core funding now represents 73 per cent of United Nations funding, and there is little coordination of this funding among donors.[6]

e near-term prospects for ODA are uncertain. If history is any guide, there are reasons for concern about the prospects for aid. Donor Governments have typically curtailed aid budgets for several years in the aftermath of a nancial crisis—a dozen years on average, according to one study.[7] However, history is not preordained to repeat itself. In today's context, many countries remain committed to aid targets. is embodies the potential for substantial increases in aid, despite present political pressures to reduce scal spending in the face of mounting public indebtedness in most donor countries. However r con mosrme 6 TD (s3 O17(a) ps3s3 1.842xa rEMC 4mes. Hi1e699 po20-4sca90 04(f)1169(0rD, 81n)15 9()d15(112(n1)-nt8(5-up) achieved during 2008-2010. Moreover, most of the projected increase is expected to come from the outlays of multilateral agencies. Bilateral ODA of DAC member countries is expected to grow by only 1.3 per cent annually.[9]

In this uncertain ODA environment, the ability of ODA-receiving-countries to plan their development programmes realistically would improve if donors were willing to commit to supporting those programmes on the basis of multi-year plans for ODA outlays. While donor Governments do not have concrete multi-year ODA budgets, they usually do have indicative plans. DAC members currently provide such information on a con dential basis to the DAC Secretariat for use in its aid intentions survey. In addition, cooperative actions, such as the

At the Fourth United Nations Conference on the Least Developed Countries, held in Istanbul in May 2011, development partners set a target for enabling half of the LDCs to meet the criteria for graduation from LDC status by 2020.[12] e ODA target for LDCs was not adjusted, but pressure to meet it was increased. Country programmable aid (CPA) for LDCs is expected to increase by $2.3 billion between 2009 and 2012, but almost all of it will be delivered in 2010 and 2011. Moreover, CPA for 13 of the 48 LDCs is projected to decrease by $847 million in the next few years, with 90 per cent of the reduction concentrated in Ethiopia and Afghanistan, which had been the largest ODA recipients in 2009 (see below).[13]

In addition, Governments that made aid pledges at Gleneagles also pledged to deliver an additional $25 billion in ODA to African countries by 2010. As shown in table 1, had this commitment been met, aid to Africa would have reached almost $64 billion, instead of the $46 billion estimated by the OECD. Measured in 2004 dollars, the base year, in which the commitments were made,

Table 2
Top ODA recipients in 2009 (millions of 2009 dollars and percentage share)

Terms and uses of aid

e DAC has developed various criteria to de ne a resource transfer as ODA. It must be either a grant (nancial support or technical assistance) or a loan to a developing country on highly concessional terms, and must be used for development purposes. By 2009, only 11 per cent of ODA from DAC was in the form of loans, with the Republic of Korea and Japan having the largest shares (54 per cent and 48 per cent, respectively). Most donors provide ODA largely in the form of grants. Over time, grants and the grant element of concessional loans have increased, especially in aid for LDCs, for which the grants plus grant element as a ratio to total ODA reached 99.3 per cent in 2008-2009. e comparable gure for ODA to all recipients was 96.1 per cent, up from 94.3 per cent in 1998-1999.[15]

e value of an aid transfer to the recipient increases not only whhc_2 1 T
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fo tbb1-5o70per cent an herm,c165j 0 0 000 scn /GS1 gs /T1_2 1Tcf-.0121D

ity and sustainability in developing countries" are fulfilled.[17] Furthermore, the international community has pledged to support LDC priorities in strength

Nations Development Programme (UNDP) and complements the Survey on Monitoring the Paris Declaration Monitoring. The results of both surveys are to be released after the present report goes to press. The DCF also explores ways in which to strengthen developing-country policy space and capacity in order to define, monitor and better "manage" for results. Indeed, this was a focus of the first preparatory symposium for the 2012 DCF, which took place in Bamako, Mali, on 5 and 6 May 2011.

Since 2010 was the agreed expiry year for the Paris commitments, international political discussion of aid effectiveness will be needed after the High-level Forum in Busan, which will be the last of a planned series of ad-hoc political meetings. The conclusions of the Busan forum should be brought to the United Nations, just as the initial Paris meeting grew out of commitments at the United Nations International Conference on Financing for Development. Ensuing discussions, such as those that will take place at the 2012 DCF, could lead to a global consensus at the United Nations on objectives and approaches for a sustained strengthening of the quality and effectiveness of development assistance—which the DCF might be charged with reviewing, drawing upon the expertise and current reporting functions of the DAC, the UNDP, the World Bank and other official and civil society partners in the international community.

Multiple modalities of development cooperation

Increasingly, ODA is being complemented by other programmes of assistance, including those provided by developing countries and economies in transition. Some of these countries inform the OECD of their assistance efforts, which were equivalent to $7 billion in 2009—although this is believed to understate grossly the total level of South-South cooperation. A study for the World Bank estimated that non-DAC official assistance was $12 billion to $15 billion in 2008.[23] A study undertaken for the DCF estimated South-South cooperation flows at $15 billion in 2008, an increase of 78 per cent in two years.[24]

source, providing $37.5 billion; this included private and voluntary organizations ($12 billion), corporations ($9 billion), religious organizations ($7 billion), foundations (almost $5 billion), volunteerism ($3 billion) and universities and colleges ($2 billion).[26]

Given the global growth and concentration of private wealth of recent decades, even greater efforts are possible. Thus, major philanthropists are encouraging other wealthy individuals to join them in increased giving for development—illustrated most famously by the visits of Bill Gates and Warren Buffett to India in 2011 and to China in 2010.[27] Indeed, it has been estimated that 1,210 individuals in the world have at least $1 billion in wealth.[28] Together, these individuals hold $4.5 trillion in wealth, a small portion of which they might devote annually to development and poverty eradication without impairing their standard of living or the prospects of continued growth of their wealth.

Even with these growing private voluntary efforts, the scope of additional expenditure needs by authorities accountable to citizens in donor and recipient countries far exceeds the amount that domestic public revenues and international official assistance has thus far mobilized, especially when account is taken of essential environmental mitigation and adaptation expenditures that are above and beyond the usual focus of official development cooperation. Ways to mobilize additional public funds to supplement the traditional mechanisms of domestic taxation and ODA are being considered internationally under the rubric of “innovative mechanisms”. Some have already been implemented, such as the air ticket levy and the International Finance Facility for Immunisation.[29] The United Nations General Assembly has taken note of the potential of innovative mechanisms to add substantial resources on a stable, predictable and

Market access (trade)

We commit ourselves to … fully supporting and further developing a universal, rules-based, open, non-discriminatory, equitable and transparent multilateral trading system

United Nations, General Assembly resolution 65/1

At the High-Level Plenary Meeting of the General Assembly on the Millennium Development Goals (MDGs) in September 2010, world leaders reiterated the important role of trade as an engine of growth and development, and acknowledged the contribution of trade to the attainment of the MDGs.[1] In November 2010, the Group of Twenty (G-20) major world economies, meeting in Seoul, Republic of Korea, reiterated the commitment made at the September MDG summit, towards ghting protectionism. ey also recognized “a critical window of opportunity”[2] in 2011 for bringing the Doha Round of multilateral trade-nego tiations towards an ambitious, comprehensive and balanced conclusion.

In spite of political statements in support of concluding the Doha Round, signi cant divergences on key issues remain among members of the _5m61or 13((16(u)-26)-23(h)10)11(r1)-

the crisis in 2008.[4] Worldwide, the crisis led to an increase of almost 28 million unemployed between 2007 and 2010, with little hope of this figure reverting to pre-crisis levels in the near term.[5] Most job losses in developing countries were in export sectors, forcing more workers into vulnerable jobs with lower pay, albeit temporarily for many, as employment has been recovering faster in developing than in developed countries. In addition, international commodity prices have been highly volatile, delivering terms-of-trade gains to exporters of fuels, minerals (both of about 5 per cent) and agricultural commodities (1 per cent) in 2010. However, exporters of manufactures experienced a small terms-of-trade loss (1 per cent), as did net food importers that do not export oil or mining products.[6] Given the volatility in commodity prices, these gains and losses can easily be reversed.

… but developing countries, especially LDCs, remain vulnerable

Many developing countries are highly vulnerable to the gyrations in international commodity prices as they are heavily reliant on a few commodities for their export earnings. The least developed countries (LDCs) show a particularly high concentration of exports in a few commodities, and their dependence on them has increased during the last decade. The average export concentration index for LDCs increased from 0.23 in 1995 to 0.54 in 2008[7]—well above that of other groups of developing countries. LDCs are thus particularly vulnerable to external shocks.

LDCs fell further behind in world trade as their share of world exports fell to less than 1 per cent in 2009. However, LDCs did increase trade with other developing countries, especially with dynamic economies in Eastern Asia. The share of LDC exports to developing countries increased to 49 per cent in 2009, up from 45 per cent in 2006.

Trade finance

Low-income countries continue to face difficulties in accessing trade finance

Following the outbreak of the financial crisis and the tightening of credit markets, trade finance dried up, thereby impacting developing-country trade. In response, at its 2009 Summit in London, the G-20 committed itself to mobilizing $250 billion for trade financing within two years.[8] In the first year after the initiative, additional trade financing of $170 billion was mobilized, mainly through export credit agencies.[9] Expert discussions convened by the WTO have revealed that the trade finance market has improved considerably since the second quarter of 2009. Yet, low-income countries in particular, especially those in sub-Saharan Africa, continue to face difficulties in accessing trade finance at an affordable cost.

4 United Nations, "World economic situation and prospects as of mid-2011" (E/2011/113).

5 International Labour Organization, Global Employment Trends 2011: The Challenge of a Jobs Recovery (Geneva: UNCTAD, 2011).

6 World Economic Situation and Prospects 2011 (United Nations publication, Sales No. E.11.II.C.2), pp. 49-51.

7 The measure of export concentration reported here is the Herfindahl-Hirshmann Index of export product concentration defined on a scale from 0 to 1. A value of 1 represents complete concentration in just one product, while a value approaching 0 would mean complete diversification across products (see United Nations Conference on Trade and Development (UNCTAD), The Least Developed Country Report 2010: Towards a New International Development Architecture for the LDCs (Geneva, 2010)).

8 See "G-20 London Summit Leaders' Statement", available from http://www.g20.org/documents/final-communique.pdf.

9 Marc Auboin, "The G20 mandate on fixing trade finance for low-income nations", VOX, 25 November 2010, available from http://www.voxeu.org/index.php?q=node/5844.

Tighter restrictions on labour mobility

Facilitating the movement of people to work across borders is an important

Di erences among WTO members regarding tari reductions in industrial products—classi ed as non-agricultural market access (NAMA)—are the most immediate cause of the impasse. e insistence by some WTO members to bring down the tari s of emerging countries to the level of developed countries in a number of sectors of export interest to the latter contradicts the mandate of the Doha negotiations. at mandate asked only for reduction or, as appropriate, elimination of tari s, in particular on products of export interest to developing countries.

Furthermore, only limited progress has been made in the negotiations on agriculture. One concern is the scope of allowed “ exibilities” in meeting obligations to reduce trade barriers on sensitive products identi ed by the developed countries. Another is the need to ensure a signi cant reduction of domestic subsidies in developed countries, thereby eliminating space to continue high levels of support to agriculture; this would include cotton, an important s0.041 Tw -1(i)-12(8(b)26(s)-3(k)-4(42(g)-13

Market access indicators

Signi cant impediments to market access for LDC products persist

A signi cant share of the value of exports from developing countries is now imported free of customs duties in developed markets. Progress in increasing the duty-free share has been much slower for LDCs than for other developing countries. For LDCs, this share, which was initially above average but which has seen little improvement since 2004, has converged towards the average for all developing countries, at about 80 per cent of exports, excluding arms and oil (gure 1). With 20 per cent of exports still facing tari barriers, signi cant impediments to developing-country export growth remain.

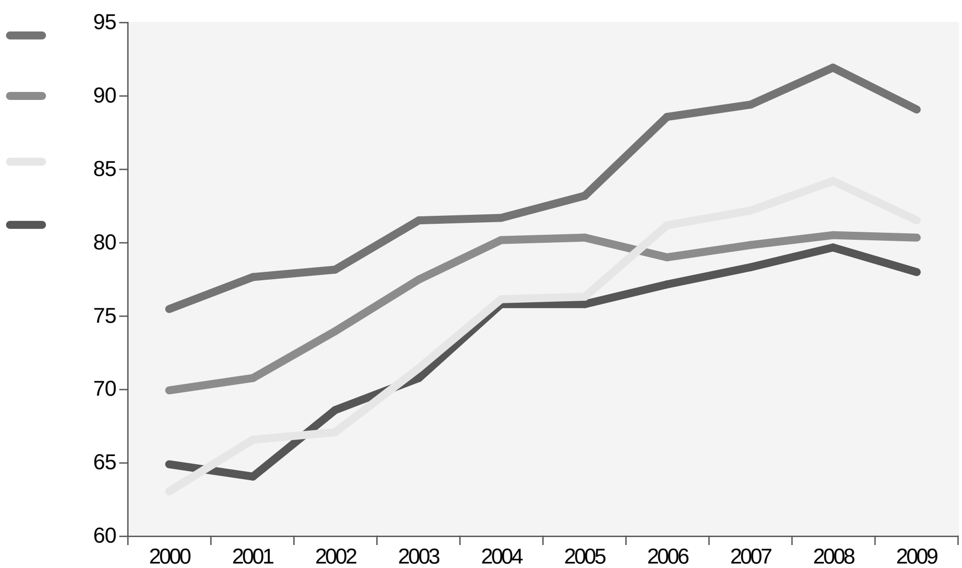
Tari barriers and tari preferences

Tari s imposed on developing-country exports have continued on a decelerating downward trend (gure 2). e recent progress has been the result of several initiatives, such as the full incorporation by the European Union (EU) of rice and sugar under the Everything But Arms initiative.

Tari s on LDC exports have changed little since 2005

Sub-Saharan African countries bene t from low average tari s for their exports. In 2009, these stood at 4.5 per cent for agriculture, 1.6 per cent for clothing and 2.9 per cent for textiles. In contrast, higher tari s were paid on imports from Eastern Asia than on those from other regions. e average tari on imports from Eastern Asia was 11 per cent for both agricultural products and clothing and 6 per cent for other textiles. e average tari on agricultural products imported from LDCs was 1 per cent in 2009; it was slightly above 6 per cent on clothing and was 3 per cent on textiles. e average tari s levied on LDC exports of clothing and textiles have not changed since 2005, thus showing no overall improvement in this market access indicator.

Figure 1
Proportion of developed-country imports from developing countries admitted free of duty, by value, 2000-2009 (percentage)



To a signi cant degree, these trends re ect the overall liberalization of world trade as more and more products are now routinely imported duty-free under most favoured nation (MFN) treatment. Under the Information Technology Agreement (ITA), MFN duty-free treatment includes not only raw products, but also manufactures such as electronic equipment. Indeed, in 2009, no duties were paid on 78 per cent of developing-country exports to industrial countries (excluding oil and arms); of these, 59 per cent were the result of MFN treatment and 19 per cent were as a consequence of "true" preferential treatment[21] in 2009.

In the case of the LDCs, no duties were paid on 80 per cent of their exports to industrial countries, 27 per cent of which fell under MFN treatment and 53 per cent under true preferential access (a level unchanged since 2006). Not only are tari preferences di erentiated by country group but product coverage of tari preferences is also uneven. For example, only 11 per cent of Eastern Asian exports receive true preferential treatment. is is mainly due to the exclusion of textiles and clothing from some preferential schemes, particularly for exports to the United States of America. However, the low share is also the result of bilateral and regional trade agreements from which they are excluded.nnl1(r)y(e)-1(4(31(a(i)-148(”)601(ra0r))-9)9(e)

Table 1
Tariff peaks and escalation in high-income OECD countries, 1996, 2000 and 2005-2010[a] (percentage)

Source:

	1996	2000	2005	2006	2007	2008	2009	2010
Tariff peaks[b]								
All goods	10.4	9.2	9.5	9.5	9.3	9.0	8.9	8.8
Agricultural	35.4	33.4	37.6	37.6	37.4	37.5	36.5	34.6
Non-agricultural	4.0	3.1	2.2	2.3	2.2	2.2	2.2	2.2
Tariff escalation[c]								
All goods	1.1	1.0	0.1	0.2	0.1	0.1	0.1	0.1
Agricultural	13.4	12.6	10.7	10.7	11.2	11.8	11.2	9.8
Non-agricultural	2.4	2.1	1.6	1.6	1.3	1.4	1.4	1.2

Agriculture subsidies in OECD countries

Governments tend to support domestic producers through tariffs and subsidies. Subsidies are not necessarily provided with the intention of trade protection, but in practice they have the same effect as they give a competitive edge to domestic producers. Agricultural support measures by OECD countries are a prime example of such implicit trade protectionism.

Agricultural subsidies in developed countries have a strong adverse impact on developing-country trade

Support to producers in the agriculture sectors of the OECD countries increased as a percentage of farm receipts in 2009, but fell back below 2008 levels in 2010 (table 2). The increase in 2009 constituted a break in the modest but steady downward trend seen since 1986.[27] OECD Secretariat reports that "the most distorting forms of support … still dominate in the majority of OECD countries".[28] Such support has a strong adverse impact on the production and trade of developing countries, including the LDCs. The support measures counteract the potential welfare gains brought about by enhanced ODA from OECD donor countries and are inconsistent with efforts to enhance the trade capacities of developing countries in agriculture, including through Aid for Trade.

Other non-tariff measures

Non-tariff measures and domestic constraints limit market access, especially for LDCs

With lower tariff barriers, non-tariff measures (NTMs) have become more important as forms of protectionism affecting developing-country exports. Customs and administrative procedures, technical measures, domestic regulations, rules of origin, and export subsidies (whether or not WTO-compatible) limit market access for developing countries, especially LDCs.

Non-tariff measures also affect trade in services, although such barriers are complex and difficult to quantify. They relate to investment and complex behind-the-border regulations that tend to differ by sector. While trade liberalization in

27 Organization for Economic Cooperation and Development (OECD), Agricultural Policies in OECD Countries and Emerging Economies, 2011 (Paris, forthcoming).
28 OECD, Agricultural Policies in OECD Countries: At a Glance, 2010 (Paris), p. 5.

ures and creates the risk that developing countries' technological capacity and demand structures might not be taken into account when setting international standards.[33] Transparency, and e ective participation of developing countries in standard-setting, as well as adequate technical and nancial support to adopt and meet technical measures, including environmental standards, remain critical.

e ITC survey results further highlight the importance of inadequate administrative procedures and weak export facilitation as obstacles to developing-country trade. For instance, a study shows that "in Burkina Faso, more than 50 per cent of the 74 companies interviewed experienced trade barriers linked to domestic challenges. Similar preliminary results were found among-other surveyed countries. Other obstacles not directly linked to NTMs related-to transportation, the business environment and security".[34]

Indeed, LDC exporters face higher domestic costs of logistics and of handling transactions. Delays in processing paper work and high administrative fees commitments to LDCs and other low-income countries represented 49 per cent of total Aid for Trade in 2009. Viet Nam was the largest recipient, followed by India.

e OECD and WTO are leading a review of country experiences in utiliz ing Aid for Trade, which is to be discussed at the ird Global Review, to be held on 18 and 19 July 2011 in Geneva. National development strategies are pivotal in du to 1 December 2011, and subsequently, into discussions in the United Nations Development Cooperation Forum in 2012 (see chapter on ODA). e G-20 has pledged to sustain support for Aid for Trade beyond 2011 at a level equal to at least $32.5 billion per year, the average provided during 2006-2008.[36] e e ec-tive use of this support depends heavily on the broader policy framework (which includes recipient country national development strategies) for strengthening productive capacity and fostering economic diversi cation, including through trade.

Policy recommendations

Actions at the national and international levels required to ensure improvement in the market access of developing countries include the following:

- Intensifying e orts to conclude a balanced, comprehensive, ambitious and development-oriented Doha Round of trade negotiations
- Increasing support for the development of trade capacities in developing countries, especially for LDCs, through Aid for Trade and the Enhanced Integrated Framework, while ensuring that this support is aligned with national development strategies
- Putting in place and strengthening, where appropriate, trade nance and trade facilitation programmes to ensure LDC and other low-income country access to trade nance at a ordable costs; providing support to improve border management and logistics
- Removing trade-restrictive measures adopted in response to the crisis and refraining from introducing new ones, in particular those that have negative e ects on the commercial interests of developing countries, especially those of LDCs
- Ensuring, through the multilateral trade framework and by no later than the end of 2011, concrete measures in favour of LDCs, including:
  - Full implementation, by developed countries and developing countries in a position to do so, of the DFQF on a lasting basis for all products and for all LDCs, with simple, transparent and predictable rules of origin
  - An ambitious, expeditious and speci c agreement to ove(e)-ome impediments in cotton trade, in particular through the elimination of export subsidies and trade-distorting domestic suppo(e)-t to cotton p(e)-oduction in developed countries
  - Preferential market access for LDCs in service sectors and modes of export interest under a WTO waiver
-

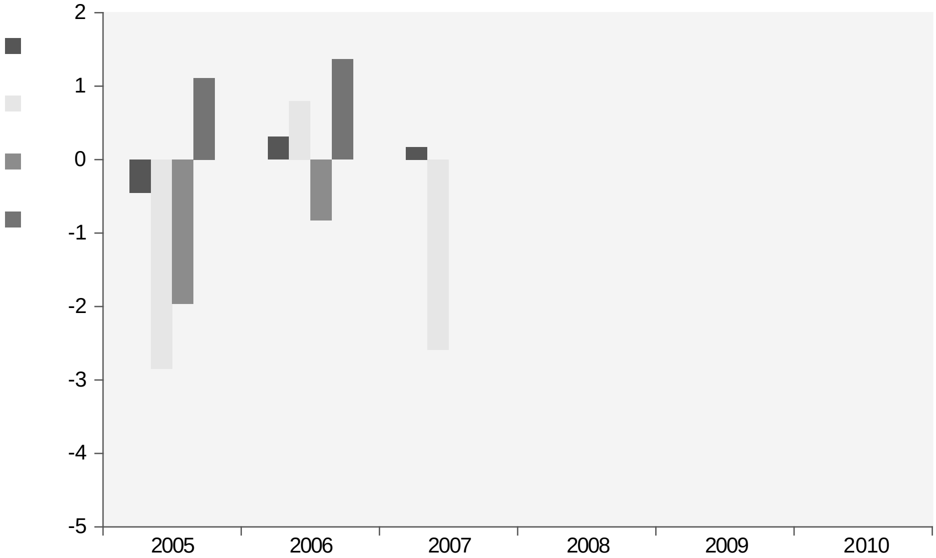
Debt sustainability

> We commit ourselves to … assisting developing countries in ensuring long-term debt sustainability through coordinated policies aimed at fostering debt nancing, debt relief and debt restructuring, as appropriate
>
> United Nations, General Assembly resolution 65/1

External borrowing plays a crucial role in supplementing domestic savings to nance desirable development investments (including essential infrastructure), Outstanding external debt of emerging and other developing economies increased 8 per cent in 2010.[2] Despite this increase, the global economic recovery has helped reduce the average ratio of external debt to gross domestic product (GDP) from 24 to 22 per cent. Multilateral lending continued its countercyclical surge in 2010. e International Monetary Fund (IMF) has made loan commitments totalling more than $250 billion since mid-2008. In scal 2010, the World Bank committed to lending $44 billion in non-concessional resources, up from the previous record high of $33 billion in 2009. Concessional ows from the Bank's International Development Association (IDA) in scal 2010 reached $14.5 billion, a 3.5 per cent increase over 2009. Concessional funds from multilateral development banks such as IDA are constrained by the xed envelope of resources at their disposal. To accelerate their response to the crisis, however, they have boosted ows to the poorest countries by frontloading available resources.[3]

In part as a result of the surge in borrowing from multilateral lenders, along with increased lending by private sector and emerging market creditors, as well as owing to earlier debt reduction operations for a number of low- and middle-income countries, the share of credits from members of the Paris Club in total debt has become rather small. For (e)2(r d)1(eb)10(t r)3(e)-1(-27(s a r)3(e)-17(

e key indicator of debt sustainability monitored as part of the MDG 8 e current account of the balance of payments is an indicator of external nancing needs, as it must be covered by some combination of net foreign borrowing, net direct and equity investment in ows, and use of reserves. In this threshold. Between 1999 and 2010, the debt service-to-export ratio of the 36 post-decision-point countries as a group fell from 18 per cent to 3 per cent, while the present value of external debt relative to GDP declined from 114 per cent to 19ent, the four interim HIPCs, two (the Comoros and Guinea) are classi ed as being in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restructuring, since the IMF is a preferred creditor, on the one hand, and a broker between debtors and creditors, on the other.

Private debt restructuring is conventionally undertaken through ad hoc groups, such as the London Club, for commercial bank debt, or sometimes by bondholder committees, formed for bond debt at the time of insolvency. In bond

Access to a ordable essential medicines

> We commit ourselves to … improving access to medicines … [and] the production of a ordable, safe, e ective and good quality medicines
>
> –United Nations General Assembly resolution 65/1

Essential medicines are a crucial ingredient for ghting disease; thus, having access to them on a ordable terms, though an insu cient requirement in itself, is essential for achieving the health-related Millennium Development Goals (MDGs) and attending to other health needs of developing countries. e analy sis in this chapter stresses the critical importance of providing access to essen tial medicines for both chronic and communicable diseases. Medicines must be accessible to the population in acceptable quantities, dosages and quality, and at a ordable prices. Unfortunately, this is not the case in most developing countries, and only modest progress has been made in this regard over the past decade.

in 2008.[6] Multilateral organizations remain the largest donors, but the greatest increase in recent years has come from private, non-profit donors. Aid for health is crucial, especially in low-income countries where about 15 per cent of health expenditures come from external sources.

In quite a number of developing countries, limited access to medicines used for chronic conditions also results from policy decisions that impede widespread provisioning throughout the public sector (as such conditions may be perceived to be less critical), as well as from technical and resource-related barriers to adapting the health system to the changing epidemiological profile of their populations. The quality of the medicines is often also a problem. For example, a recent survey in Rwanda showed that 20 per cent of hypertension medicines purchased in the market were substandard, while 80 per cent were of insufficient stability.[7] The number of cases of the sale of counterfeit medicines for chronic diseases is also increasing through, for example, unregulated Internet sales.

Finally, challenges remain with regard to the development of evidence-based clinical guidelines for non-communicable diseases, including diagnostic standards and international agreement on criteria for when medicinal treatment should begin. Potential conflicts of interest between the industry, patient organizations, professional associations, health insurances and public sector organizations must be carefully identified and managed when developing such guidelines.

Paediatric medicines

Access to medicines for children is another area of concern. A study of key paediatric medicines in 14 African countries found their availability at primary health care clinics to be poor (ranging from 28 to 48 per cent).[8] Availability at retail or private pharmacies tended to be better (between 38 and 63 per cent), but still insufficient.

Barriers to the availability of medicines for children arise from factors on both the supply and demand sides. On the supply side, there are disincentives for manufacturers to produce paediatric formulations. Clinical research of children's medicine is often difficult and costly, and paediatric medicine markets are often small and fragmented owing to the need for weight-specific strengths. Demand-side issues are less well understood, but it has been suggested that barriers to the uptake of paediatric formulations at the country level include the lack of awareness of their existence by facility staff, regulatory barriers and reluctance to use new dosage forms such as dispersible tablets, as well as inadequate standard treatment guidelines and retraining of health-care staff and caregivers.[9]

6 Rachel Nugent and Andrea B. Feigl, "Where have all the donors gone? Scarce donor funding for non-communicable diseases", Center for Global Development Working Paper, No. 228 (Washington, D.C.: Center for Global Development, November 2010).

7 Marc Twagirumukiza and others, "Influence of tropical climate conditions on the quality of antihypertensive drugs from Rwandan pharmacies", The American Journal of Tropical Medicine and Hygiene, vol. 81, No. 5 (November), pp. 776-781.

8 Jane Robertson and others, "What essential medicines for children are on the shelf?", Bulletin of the World Health Organization, vol. 87, No. 3 (March), pp. 231-237.

9 Brenda Waning and others, "The global pediatric antiretroviral market: analyses of product availability and utilization reveal challenges for development of pediatric formulations and HIV/AIDS treatment in children", BMC Pediatrics, vol. 10, No. 74 (October).

if private providers were to switch from originator brands to the lowest-priced generic equivalents.[15] Similar gains are also possible among public health- provid borrowing or to selling assets to pay for health care. Furthermore, ensuring that health insurance systems provide widespread coverage of essential medicines may help mitigate the impoverishing e ects of medicine purchases.[17] Public coverage may also discourage inappropriate self-medication through, for example, the use of dated or substandard medicines or partial doses.[18]

Global initiatives to improve access to essential medicines

In addition to the above-mentioned broad strategic measures, a number of steps have been taken to reduce the costs and increase the availability of essen- tial medicines. Further steps may be proposed in September 2011, when the United Nations General Assembly holds its rst high-level meeting on non-communicable diseases (NCDs). e summit will bring together Heads of State and Government and public health experts to address the threat that NCDs (chronic diseases) pose to large po cg(n)-14(mT)-7(a)-3tions Gn Sl9(o)18(w18(t-a)-2 aisc ssed, a nritioal Alentf She aummit will be ph9(o)18(wt)5(o li-13(i)10(p)10(r)3(o)9 af-1(u)11(r pw-1(-)-15(i)-8c)-11(h)medicinesne-ete suimit wcol-14(mT)-(d p)-32(l)15 ab-5(e)-7(t)-29(t)-1er Hbal -7(a)-256ncet w14een the ap-5(o)10(v)-13(i)1(c)-430my aeehesN-19(sI-15(aT)34aA-241sI-150(Dba-56o)-14(o)-17(i)v-17(i)78(t)-16(i)7(o)-17

e index also measures the e orts of companies to build local capabilities. One example is that of Novo Nordisk, which is working with local ministries of health to reduce supply chain mark-ups that frequently have a signi cant impact on the ultimate price paid by consumers.[26] Another example is Sano -aventis, which is working closely with local regulatory agencies in clinical development and product registration.

e index has also identi ed some areas for improvement. Although most companies price their products with some consideration for the varying economic situations among countries, relatively few currently attempt to tailor pricing to re ect purchasing power disparities within countries. In addition, when companies engage in more equitable pricing practices, the impact on customers or the rm remains unknown or undisclosed. In addition, stakeholders feel there is currently insu cient disclosure of information in key areas such as marketing and promotional activities, lobbying policies and practices, and intellectual property and competition policies, all of which could have an impact on access to and rational use of medicines.

Innovation and intellectual property

e World Trade Organization (WTO) Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) was adopted in 1994. It requires WTO member States to make patents available for new and inventive pharmaceutical products and processes and to provide a patent term of at least 20 years. However, least developed countries currently enjoy an extended transition period, exempting them from the obligation to protect and enforce rights related to patents and undisclosed information until 1 January 2016.[31] e TRIPS Agreement also speci es that protection and enforcement of intellectual property rights should promote technological innovation, as well as the transfer and dissemination of technology, to the mutual advantage of producers and users of such technology and in a manner conducive to social and economic welfare.[32]

e Agreement contains provisions which enable Governments to take requires prior negotiations with the patent holder before recourse to compulsory licensing, but in the case of public, non-commercial use and in situations where there is anti-competitive behaviour or where there is a national emergency or other extreme urgency, States can waive this requirement.[36] The patent holder must be notified and must receive adequate remuneration based on the economic value of the licence. The United Nations Development Programme (UNDP) and WHO have published guidelines on how this remuneration may be calculated.[37] Some recent examples of compulsory licensing and Government-use licences for essential medicines, including ARVs, are summarized in table 2 below.

The case of India illustrates how intellectual property policy can be used to increase access to affordable HIV medicines in developing countries. By taking advantage of the transition period, India was able to delay the introduction of patent protection for pharmaceutical products until 2005, allowing its generic manufacturers to provide ARVs at substantially lower costs than branded medicines. The Indian pharmaceutical industry is highly export oriented and, by utilizing the transition period, became a major supplier of generic medicine and low-cost ARVs to developing countries.[38] However, a recent study of the impact of the TRIPS Agreement found that Indian pharmaceutical exports will decrease as India has been prevented from producing new generic versions of ARVs and other new patented medicines, thus depriving developing countries of their major source of affordable generic medicines.[39]

The Medicines Patent Pool

The Medicines Patent Pool, established with the support of UNITAID in July 2010, aims to improve the health of people living with HIV/AIDS in developing countries by increasing access to more appropriate and affordable HIV treatments.[40] It does so by negotiating voluntary licences from patent holders of HIV medicines so as to increase generic competition that would drive prices down. In September 2010, the United States National Institutes of Health gave the pool its first licence; currently, the pool negotiates with additional patent holders for key antiretroviral drugs.[41] If successful, the pool could contribute to increased generic competition, reduced prices and simplified treatment regiments, as well

36 See WTO, TRIPS Agreement, Part IIs h4. 5(t)-,Ia3(e)1iul64(e(i) 3)5030nts.

as new treatment formulations—for children, for example. e Medicines Patent Pool relies on the goodwill of pharmaceutical companies to license their patents to the pool voluntarily.

Pooled procurement

Group purchasing or pooled procurement by a number of individual developing countries may help pharmaceutical companies to justify bringing products to market commercially. Recent examples of e orts to seed regional pooled procurements are the Rockefeller Foundation's Charting a Fairer Course for Intellectual Property Rights programme in sub-Saharan Africa; UNDP and WHO assistance to the East African Community (EAC); and the Southern African Development Community's (SADC) adoption of a Pharmaceutical Business Plan,[43] which will harmonize a range of drug regulatory issues ranging from treatment regimens, treatment protocols, medicines regulation and intellectual property policy and legislation among the SADC member States. Also, the International

African Network for Drugs and Diagnostics Innovation

The African Network for Drugs and Diagnostics Innovation (ANDI) was initiated by the WHO Special Programme for Research and Training in Tropical Diseases (TDR) in 2008[44] and formally launched in October 2010 in Nairobi, Kenya.[45] ANDI seeks to create a sustainable platform for health-related innovation in Africa[46] by increasing collaboration among African institutions and fostering public-private partnerships within Africa.

Local production of essential medicines

There are some indications that safe and effective medicines can be produced in low- and middle-income countries. The political will to develop local production in Africa seems to exist and the first enterprises that have met WHO prequalification criteria have emerged. The Global Strategy and Plan of Action on Public Health, Innovation and Intellectual Property (GSPOA) calls for increased investment in research and development, as well as in the production of essential medicines. This strategy is to be coordinated by the beneficiary countries.[47] This marks a political consensus that low- and middle-income countries now have to translate into national policies, strategies and activities.[48] Developing local production capacity has been prioritized in several regional and subregional e importance of developing local production of pharmaceuticals has also been recognized as a priority at the national level by, for instance, Botswana, Ghana, Kenya and the United Republic of Tanzania.[52] Among the 37 African countries that have some pharmaceutical manufacturing capacity, the largest share of local production belongs to South Africa, followed by Nigeria.[53]

With the exception of South Africa, local production in sub-Saharan Africa is currently limited to manufacturing nal formulations, which include analgesics, simple antibiotics and vitamins. Only a few local producers have managed to satisfy WHO pre-quali cation requirements that allow them to compete under procurement schemes of medicines funded by international donors to ght AIDS, tuberculosis and malaria. However, Kenyan producers have managed to achieve certi cation under the Pharmaceutical Inspection Co-operation Scheme (PICS).[54]

Cooperation in local production seems to have been taking place from the earliest stages. e Southern African Generic Medicines Association (SAGMA)[55]

Access to new technologies

> We commit ourselves to … promoting the strategic role
> of science and technology, including information technology
> and innovation in areas relevant for the achievement of the MDGs
>
> United Nations, General Assembly resolution 65/1

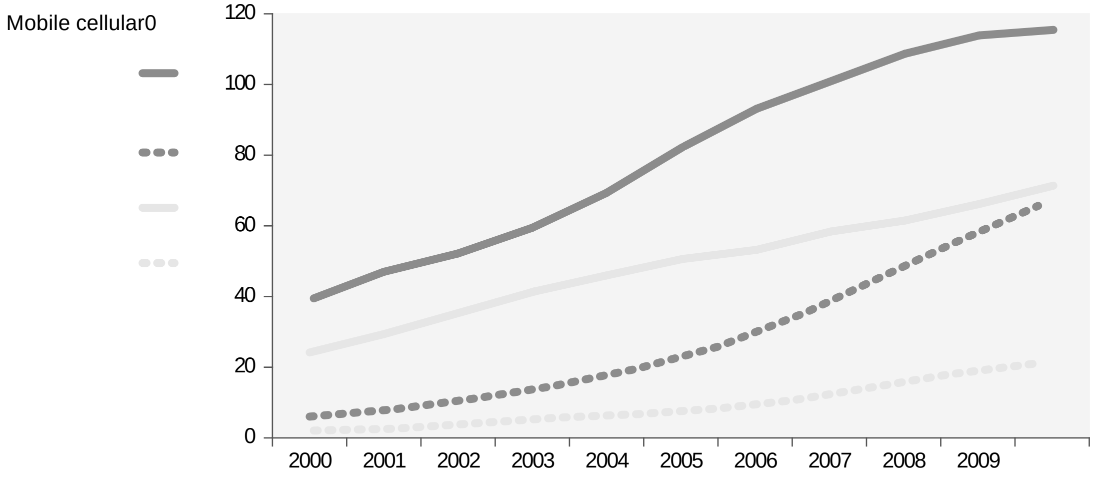
Countries can raise income levels by increasing labour productivity; one way of achieving this is through the use of more advanced technologies. e development of relevant technology in developing countries and the transfer of advanced technology on appropriate terms from developed economies are thus at the heart of long-run development. Accordingly, target 8.F of the Millennium Development Goals (MDGs) calls upon the international community, in cooperation with the private sector, to make the bene ts of new technologies available to developing countries.

While the full range of technologies is important to development, the present report discusses three areas in which signi cant global technological advances have been made and where sharing those technologies with and among developing countries has been on the international policy agenda: information and communication technologies (ICT), addressing climate change and coping with the potential impact of the rising incidence of disasters.

Access to ICT services

e ICT revolution continues and is spreading in developing countries. ere were close to 5.3 billion mobile cellular subscriptions in the world as a whole by end-2010 (up from 4.6 billion in 2009) and the number of Internet users surpassed the 2 billion mark. By contrast, the number of xed telephone lines decreased by about 1.5 per cent as more people are opting to use only mobile cellular networks or bundled Internet and voice services.[1] In developing countries, where xed-line telephone services have been undersupplied and of poor quality in many locations, the spread of mobile cellular service continues to be rapid, having grown by an estimated 17 per cent between 2009 and 2010. In 2000, developing countries accounted for only about 40 per cent of global subscriptions to mobile services, but by 2010 their share had increased to 73 per cent. Between 2008 and 2009, mobile cellular penetration in developing countries surpassed the 50 per cent mark, and by end-2010, it had reached an estimated 68 per 100 inhabitants (gure 1).

Although the number of subscriptions has increased, Oceania and sub-Saharan Africa are still lagging behind other regions. At the end of 2009, both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band access remained at the end of 2010, with an estimated penetration rate of 24.6 per cent in developed countries and only 4.4 per cent in developing countries (see figure 4 for regional data in 2009). Fixed broadband subscriptions in the developing world are heavily concentrated in a few countries, with China accounting for about half of the total. The number of fixed broadband subscriptions is still negligible in the poorest regions of the world. Although by 2010 almost all LDCs had deployed fixed broadband commercially, the service typically remains prohibitively expensive.[3] This continues to be the case, despite the fact that prices for ICT services, particularly fixed broadband services, have continued to fall drastically. The average price for a fixed broadband service globally dropped 52 per cent between 2008 and 2010, while customers paid, on average, 22 per cent less for mobile cellular services in 2010.[4] While ICT services are becoming more affordable, disparities still persist among regions. Prices for fixed broadband Internet services are particularly high in Africa. In a number of countries in the region, a monthly subscription for a fixed broadband connection costs more than the average citizen earns in a month (figure 5).

The global spread of mobile cellular networks and the shift from 2G to 3G platforms has allowed mobile broadband services to become an alternative to fixed broadband Internet access. While data on the number of people who use only mobile broadband networks to access the Internet are currently not available, the number of potential users is increasing rapidly. Indeed, the number of mobile subscriptions with access to broadband networks overtook the number of fixed broadband subscriptions in 2008 and exceeded 1 billion by early 2011, according to ITU estimates. While mobile broadband penetration levels in developing countries remain relatively low (at an estimated 5 per cent in 2010), high speed mobile technologies and networks will have a potentially big impact on Internet uptake, especially when services become more affordable (figure 6).

Enhancing the development impact of ICT

Discussions of ICT for development traditionally focus on upgrading-technology and spreading access to physical ICT infrastructure. Although access to a sufficient range of ICT networks and services is necessary, this condition alone does not provide adequate availability of services. Attention also needs to be given to how information is being provided to ensure that users will actually benefit from it. For example, in many contexts, it is critical that information be made available in local languages. Furthermore, an effective regulatory environment is important to facilitate access, uptake and use of newer technologies by Government entities, the private sector and citizens alike. Traditional barriers to ICT,

Privatization and liberalization of ICT

Transparent competition policies are critical. Most ICT services are currently provided through private enterprises. Privatization of State-owned providers has slowed in recent years, in part because of the global economic downturn, which has reduced the number of interested investors and the availability of investment funds. According to the information received in the responses to the most recent ITU annual telecommunication/ICT regulatory survey in 126 countries, State-owned operators are now partly or fully in the hands of private sector owners, with only 34 per cent of those operators remaining fully State-owned. Additional players have entered the market through foreign investment. While more than three quarters of countries worldwide have limited or no restrictions on foreign investment in their national telecommunications/ICT markets, 10 per cent still restrict investment to a minority interest.

Considerable efforts have also been made to foster competition in ICT markets over the past decade. Establishing a separate ICT regulator was one of the main elements of the reform process. By the end of 2010, separate regulators had been established in more than 80 per cent of countries worldwide.[5] In addition, more than 93 per cent of countries allow competition in the provision of Internet services, up from 86 per cent in 2000. Basic fixed telephone services are subject to competition in 81 per cent of countries worldwide. e vast majority of countries (95 per cent) are allowing competition in the market for 3G mobile broadband services.

National broadband strategies

Ensuring widespread deployment of broadband is complex and multifaceted. Many countries have adopted national broadband plans or policies to this end. In 2010, 70 countries had such a plan and another 35 were about to adopt one.[6] Most plans consider broadband to be an important factor in improving economic, social and human development and in supporting environmental protection policies. Over 40 countries now include broadband in their universal service/universal access de nitions. Some countries have even made broadband access a legal right.

Mobile broadband coverage can, among other things, enable the provision of e-health services. An example is the use of low-cost video-conferencing solutions over a communications network. In Bangladesh, for example, this has allowed a health team operating on a oating hospital to seek medical second opinions via teleconsultation. rough the same communication means, local and international specialists were able to support surgical and medical treatment for people in rural communities. Other examples of e-health services include remote health monitoring and real-time telemedicine consultations, video relay services for the hearing impaired and delivery of time-sensitive medical services and content.

Many new ICT innovations build on the potential of mobile phones and communications to connect remote and underserved populations. Even though some of these mobile innovations use simple Short Message Service (SMS) technology, advanced backbone broadband infrastructures are needed for the delivery of such services. Innovative SMS applications have been used to identify counterfeit drugs in Ghana by texting a serial number to verify whether a drug is genuine; to help farmers check market prices so as to enhance revenue by better timing their harvests; to collect clinical information through mobile phones for the purpose of detecting disease outbreaks in India; to increase literacy among adolescent girls in rural areas of Pakistan; and to access mobile nancial services in Kenya, the Philippines and South Africa.

The role of technologies for e-government

ICT can improve public services and support achievement of the MDGs

 e more intensive use of ICT in Government can also play a crucial role in advancing national and local development objectives and in supporting the achievement of the MDGs by improving the quality of public administration. In many countries, online and mobile applications have signi cantly enhanced transparency, e ciency and the reach of Government operations and services, health care and health information, education and training, employment, job creation, business, agriculture, transport, protection of the environment and management of natural resources, disaster prevention, cultural activities and the eradication of poverty and other agreed development goals.

6 Ibid.

A review of the World Summit on the Information Society (WSIS) e-government targets shows that the majority of the United Nations Member States have embraced electronic service delivery since the second phase of WSIS in Tunis in November 2005. One survey indicates that 189 of the 192 United on their own, given both their financial and technological limitations. It was thus encouraging that, on 11 December 2010, at the sixteenth session of the Conference of Parties (COP) to the United Nations Framework Convention on Climate Change (UNFCCC) in Cancun, Mexico, Parties to the Convention took a key step towards forming a consensus on a global goal by agreeing on national actions and plans to reduce greenhouse gas emissions and assist developing countries in addressing climate change and on support mechanisms to achieve these goals.

In particular, a Technology Mechanism, under the guidance of and accountable to the COP, was established to facilitate enhanced action on technology development and transfer in support of mitigation and adaptation. The mechanism consists of two components: a Technology Executive Committee (TEC) and a Climate Technology Centre and Network (CTCN). The Technology Mechanism is expected to be fully operational in 2012. The TEC will focus on policy and will promote the development and transfer of technology by way of the following functions: (i) providing an overview of technology needs and an analysis of policy and technical issues; (ii) considering and recommending actions that accelerate action on mitigation and adaptation; (iii) recommending guidance on policies and programme priorities; (iv) promoting and facilitating collaboration among Governments, the private sector, civil society and academic and research communities; (v) recommending actions to address the barriers to technology development and transfer in order to enable enhanced action on mitigation and adaptation; (vi) seeking cooperation with relevant initiatives, including activities under and outside the Convention; and (vii) catalysing the development and use of technology road maps at the international, regional and national levels through cooperation among relevant stakeholders.

The objective of the CTCN is to mobilize and enhance global clean technology capabilities, provide direct assistance to developing countries and facili tion (which is under the guidance of and accountable to the COP), and put in place a design process to be completed in 2011. Furthermore, they established

analysis—and vice versa—and when satellite-based early-warning systems are adapted to local conditions and practices.

The relevance of ICT for disaster preparedness and response was demonstrated following the earthquake in Haiti in January 2010. Using SMS and Global Positioning System (GPS) technologies, volunteers were able to direct rescue teams to survivors trapped under fallen buildings. Similar approaches were used for rapid assessment of the damages, leading to accelerated recovery efforts. This effort was constrained by the fact that the system was set up during the crisis, but in recent months, new networks have been established in advance to make life-saving response efforts more effective.

Despite many gains in developing, codifying and sharing know-how for disaster risk reduction, significant gaps remain. For example, many countries have not collected reliable data on historic disaster losses, save for those concerning major disasters. Owing to this data-collection gap, Governments cannot effectively determine risk levels. Initiatives such as the global "Making Cities Resilient" campaign, launched by the ISDR in May 2010, need to be strengthened. They help bring disaster reduction knowledge to local governments—those most often responsible for managing disaster risks. However, given competing priorities, application of external know-how to the local context can be hindered by the cost of adaptation and investment. Disaster reduction programmes must become part of national development strategies in order to ensure that they are accorded the proper attention.[21]

Continued assessment of knowledge and practices in disaster risk reduction, as well as modalities for ensuring effective exchange of experiences, are also needed. A good example is the forthcoming Intergovernmental Panel on Climate Change's special report, "Managing the Risks of Extreme Events and Disasters to Advance Climate Change Adaptation", which will examine the most effective ways in which to link disaster risk reduction knowledge with climate change adaptation. The report will guide Governments' action in scaling up efforts to reduce climate-related disaster risks as part of adaptation and development planning.

Policy recommendations

To improve access to new technologies for development, the international community should take the following actions:

- Promote research and development collaboration among private, non-profit and official actors across national boundaries in order to enhance technology development and transfer to developing countries
- Strengthen global monitoring of ICT development and identify and track

Policy recommendations (*continued*)

- Ensure that the fast-start and long-term finance commitments for climate change mitigation and adaptation are delivered to developing countries on schedule
- Support national Governments' e-health and e-education initiatives and other public sector services in collaboration with the private sector through exchanges of experience and additional financial support
- Strengthen national and local capacities to reduce natural hazard risks through the continued assessment of knowledge and practices, and support the UNISDR in its efforts to ensure an effective international exchange of experiences, in particular among countries with similar levels of development.

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