

TRADE

The main vehicle for advancing progress towards a multilateral trading system that delivers more benefits to developing countries is the Doha ‘Development’ Round of the WTO. Because progress under the Round would be reached through a ‘single undertaking’, delays in completing the Round represent a fundamental obstacle to making progress against the Target. In recent years more emphasis has also been placed on alleviating trade-capacity constraints in developing countries through ‘aid for trade’, including through the Enhanced Integrated Framework for Trade-Related Technical Assistance for the LDCs.

Target 8.A is the main trade-related target under MDG 8, and it is applicable to all developed and developing countries. Two subsidiary targets – **Targets 8.B and 8.C** – address the special needs of the least developed countries and landlocked/small island developing states respectively.

Commitment/Initiative	Target & indicators	Gap
<p>Millennium Summit New York, 2000 – MDG-8</p>	<p>Targets:</p> <p>8.A. Develop further an open, rule-based, predictable, non-discriminatory trading and financial system</p> <p>8.B. Address the special needs of the LDCs. Includes: tariff and quota free access for LDC exports etc</p> <p>8.C. Address the special needs of landlocked developing countries and small island developing states</p> <p>Indicators:</p> <p>8.6. Proportion of total developed country imports (by value and excluding arms) from developing countries and least developed countries, admitted free of duty</p> <p>8.7. Average tariffs imposed by developed countries on agricultural products and textiles and clothing from developing countries</p>	<p>Failure to conclude a multilateral trade round that delivers real and substantial benefits to developing countries¹</p> <p>No improvement towards reaching the 97 per cent commitment made in the ministerial declaration adopted in Hong Kong, China, in 2005 to grant duty-free access to developed country markets for exports from the least developed countries. In volume terms, once trade in arms and oil are excluded, duty free access was 79 per cent in 2006, the same as 10 years ago</p> <p>Preferential market access for the least developed countries is eroding</p>

¹ A summary of progress in the Round is presented below this table.

MDG Gap Task Force – Matrix of Global Commitments, ODA – August 2008

Commitment/Initiative	Target & indicators	Gap
	<p>8.8. Agricultural support estimate for OECD countries as a percentage of their gross domestic product</p> <p>8.9. Proportion of ODA provided to help build trade capacity</p>	<p>Eliminate subsidies to agricultural exports in developed countries in line with the 2005 Hong Kong, China, ministerial commitment to eliminate them by the end of 2013. Current level of support ranges from 30 to 70 per cent of the gross incomes of farmers in developed countries. In 2006 agricultural support in OECD countries was estimated at \$363 billion</p> <p>Insufficient ODA directed to productive capacity, infrastructure and trade</p> <p>Finalize the operational mechanisms of the Enhanced Integrated Framework</p>

Progress in Doha Round negotiations and the development agenda

Agriculture

The objective of the negotiations on agriculture is to substantially improve market access, phase out all forms of export subsidies, and substantially reduce other trade distorting domestic support. At the same time it has always been accepted that developing countries will require ‘special and differential treatment’ because of capacity or other market constraints. The negotiations have moved forward very slowly since the launch in Doha in 2001, and although disagreements have narrowed substantially, it remains to be seen what level of flexibility will be available to developing countries through special and differential treatment.

Market Access for Non-Agricultural Products

The aim of this part of the negotiations has been to reduce tariffs, tariff escalation and non-tariff barriers on non-agricultural products. Progress has been made on agreeing a formula that will help to reduce high tariffs and tariff escalation, but some developing countries remain concerned about revenue loss, the potential weakening of their competitiveness, and the expected erosion of their preferential access to markets. In line with the aspiration for special and differential treatment, an important issue for developing countries has been to ensure less than full reciprocity in the outcome that goes beyond merely an extended timeframe for implementation, but it remains to be seen whether this will transpire.

Services

The negotiations on services have been conducted on the basis of ‘requests’ and ‘offers’, but this has led to a slow-paced and uneven process with little progress in substance. Some developing countries have sought recognition for the liberalization of services that many initiated prior to the Round.

Rules Negotiations

Rules negotiations are aimed at improving disciplines on anti-dumping subsidies and countervailing measures, and on existing provisions relating to regional trade agreements. They also aim at the introduction of new disciplines on fisheries subsidies. Some developing countries see more strict disciplines on the use of anti-dumping and countervailing measures as a possible positive outcome of the negotiations. However, many developing countries are themselves users of these instruments and are concerned about their capacity to implement more complex rules.

Trade Related Intellectual Property Rights (TRIPS)

The TRIPS issues being addressed in the Doha Round currently relate to protecting ‘geographical indications’ for wines and spirits, and are not of immediate relevance to the poorest developing countries. However, although not part of the Doha Round, important work on public health and access to medicines has been carried out in the WTO with a particular focus on clarifying the way in which TRIPS flexibilities should be interpreted and used in respect of public health. Despite the adoption of the ‘Declaration on the TRIPS Agreement and Public Health’ in 2001, and subsequent clarification of when WTO members with insufficient manufacturing capacity can import generic medicines from other countries through ‘compulsory licensing’, this has been barely used in practice.

Trade Facilitation

While many developing countries initially resisted the launch of negotiations on trade facilitation, considerable progress has been made during the course of the negotiations. Technical support programmes have assisted developing countries in the negotiations themselves, as well as in assessing national needs and gaps. The outcome of these negotiations is likely to be beneficial to developing countries as it would provide a link between trade policy and Aid for Trade.

ESSENTIAL DRUGS

MDG-8 Target 8.E: provide access to affordable essential drugs in developing countries

Indicator 8.13 under Target 8.E seeks to measure the proportion of the population in each country with access to affordable essential drugs on a sustainable basis, although data availability is a significant problem. The ‘access’, ‘affordability’ and ‘sustainability’ components of the indicator will depend on both domestic and international factors, and yet the Target itself is formulated to capture the extent to which the pharmaceutical sector is contributing to providing access.

Commitment/Initiative	Targets & indicators	Gap
New York, Millennium Summit 2000 – MDG-8	<p>Target 8.E: In cooperation with pharmaceutical companies, provide access to affordable drugs in developing countries</p> <p>Indicators: 8.13. Proportion of the population with access to affordable essential drugs on a sustainable basis</p>	<p>Availability of medicines in the public sector is one third and in the private sector is two thirds (in countries with available information).</p> <p>Prices of generics are between 2.5 and 6.5 times higher than international reference prices</p>
UNITAID international drug purchase facility. September 2006	Target: Provide additional predictable funding to scale up access to drugs and diagnostics at low cost	No numerical targets have been set
International Finance Facility for Immunization January 2006	<p>Target: 500 million children vaccinated and at least 5 million lives to be saved by 2015. Increase annual spending to 500 million</p>	No numerical targets have been set
Advanced Market Commitments February 2007	Target: 1.5 billion dollars to create incentives to develop vaccines to treat the pneumococcal disease	Legal agreements yet to be signed

MDG Gaps Task Force – Matrix of Global Commitments – August 2008

Commitment/Initiative	Targets & indicators	Gap
<p>OECD High Level Forum on Medicines for Neglected and Emerging Infectious Disease: Noordwijk Medicines Agenda Recommendations of June 2007</p>	<p>Target: OECD countries to support developing countries-led efforts in strengthening their own health, local production and research systems.</p> <p>Indicator: Taking steps to strengthen the capability of developing countries to manage issues of intellectual property (IP), including using available flexibilities to the fullest extent, and to build sustainable networks and capacity for global research.</p>	<p>No numerical targets have been set</p>
<p>European Parliament Resolution on the TRIPS Agreement and access to medicines 12 July 2007</p>	<p>Target: EU and its Member States to take additional measures to facilitate and increase the production of pharmaceutical products by the developing countries themselves; to provide concrete financial support for [...] local production of pharmaceuticals in all developing countries, especially LDC.</p>	<p>No numerical targets have been set</p>
<p>African Union Pharmaceutical Manufacturing Plan for Africa October 2007</p>	<p>Target: to pursue, with the support of partners, the local production of generic medicines on the continent and to make full use of the flexibilities within the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) and the WTO Doha Declaration on TRIPS and Public Health.</p> <p>Indicator: consideration by African governments of legislative reforms of domestic IP statutes and regulations.</p>	<p>No numerical targets have been set</p>
<p>Recommendations by the Provisional Committee on Proposals Related to a WIPO Development Agenda (PCDA)</p>	<p>Target (inter alia): In its activities, including norm setting, WIPO should take into account the flexibilities in international IP agreements, especially those which are of interest to developing countries and LDCs (Cluster B, para. 17); To request WIPO to intensify its cooperation on IP related issues with UN agencies, according to Member States' orientation, in particular UNCTAD, UNEP, WHO, UNIDO, UNESCO and other relevant international organizations, especially WTO in order to strengthen the coordination for maximum efficiency in undertaking development programs.</p>	<p>No numerical targets have been set</p>
<p>WHO Resolution on Public Health, Innovation and Intellectual Property Adopted by resolution 61.21 at the May 2008 WHA</p>	<p>Target: for an intergovernmental working group to elaborate a draft global strategy and plan of action for essential health research concerning diseases that disproportionately affect developing countries;</p>	<p>Finalize the timeframes, progress indicators and estimated funding needs for the implementation of the global strategy</p>

MDG Gaps Task Force – Matrix of Global Commitments – August 2008

Commitment/Initiative	Targets & indicators	Gap
<p>G 8 Heiligendamm Declaration on Growth and Responsibility in Africa June 2007</p>	<p>Target: G 8 to work with</p> <ul style="list-style-type: none"> - intergovernmental organizations to respond constructively to requests by African developing countries without manufacturing capacities with regard to the use of the flexibilities referenced in the WTO Doha Declaration on TRIPS and Public Health, while respecting WTO obligations; - the pharmaceutical industry to consider supporting local production of HIV/AIDS pharmaceuticals by voluntary licenses and laboratory capacities that meet international standards and strengthen regulatory, certification and training institutes. 	<p>No numerical targets have been set.</p>

EXTERNAL DEBT

MDG-8 Target 8.D: Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term

To deal ‘comprehensively’ with the debt problems of developing countries requires not just considering debt relief for *old* debts that are deemed unsustainable, but that actions are also taken to prevent the build up of unsustainable debt in the future. Debts may be deemed ‘unsustainable’ either in terms of financial viability to repay or in terms of foregone investments in health, education or other areas of human development towards the achievement of the MDGs.¹ Also, the subset of countries listed under the Target is *all* ‘developing countries’, which is larger than the list of countries for the HIPC and MDRI debt relief instruments.² By contrast, Indicators 8.10 and 8.11 under Target 8.D relate only to this smaller HIPC subset.

Commitment/Initiative	Target & Indicators	Gap
Millennium Summit New York, 2000 – MDG-8	<p>8.D Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long run</p> <p>8.B ... enhanced programme of debt relief for heavily indebted poor countries (HIPC) and cancellation of official bilateral debt ... for countries committed to poverty reduction</p> <p>Indicators:</p> <p>8.10. Total number of countries that have reached their HIPC decision points and number that have reached their completion points (cumulative)</p> <p>8.11. Debt relief committed under HIPC initiative</p> <p>8.12. Debt service as a percentage of exports of goods and services</p>	<p>The debt problems of developing countries are not being dealt with comprehensively, although some progress has been made for countries eligible for HIPC and MDRI.</p> <p>The HIPC Initiative has been complemented by the Multilateral Debt Relief Initiative. However, 18 countries have yet to reach HIPC completion point (10 countries between decision point and completion point; and eight others potentially eligible)</p> <p>Middle and low-income countries suffering from debt distress, but not eligible for the HIPC initiative, have no access to debt relief or to orderly sovereign debt workouts.</p>

¹ The latter approach is described in “In Larger Freedom: Towards Development, Security and Human Rights for All”, UN Secretary General, 2005: <http://www.un.org/largerfreedom/contents.htm>

² ‘Developing countries’ in this context could be taken as countries classified by the World Bank as low and middle-income

MDG Gap Task Force – Matrix of Global Commitments – August 2008

Commitment/Initiative	Target & Indicators	Gap
<p>HIPC 1996, enhanced in 1999</p>	<p>Target: Reduce external debt of poorest countries to sustainable level</p>	<p>In 2006, 10 countries spent more on debt service than on public education and 52 countries paid more in debt service than in public health.</p> <p>In 11 out of 13 HIPCs with available information debt service ratios deteriorated (source: IEG Evaluation Update of the HIPC Initiative)</p> <p>The HIPC Initiative and the MDRI have reduced substantially the debt burdens of the 23 post-completion-point HIPCs. However, only 9 of them are classified as “low risk” of debt distress, showing that many remain vulnerable.</p> <p>Some creditors have not fully delivered their share of HIPC relief</p>
<p>G8 Gleneagles, July 2005</p> <p>MDRI 2006</p>	<p>Target: Cancel 100% of outstanding debts to HIPC countries reaching completion point through the Multilateral Debt Relief Initiative (MDRI)</p> <p>IMF, International Development Association and African Development Fund to cancel of 100% of debt claims on HIPC countries reaching completion point. In 2007 the Inter-American Development Bank provided similar debt relief to HIPC countries in Latin America</p>	<p>18 countries have yet to reach HIPC completion point, thus have not benefited from the MDRI</p>

OFFICIAL DEVELOPMENT ASSISTANCE (ODA)

Target 8.B contains a commitment to “more generous ODA for countries committed to poverty reduction”. While the context of this specific commitment is enhancing support to the least developed countries (LDCs), subsequent commitments on aid quantity have been geographically broader in coverage, as have commitments on improving the quality and effectiveness of aid. The Millennium Declaration called on industrialized countries “to grant more generous development assistance, especially to countries that are genuinely making an effort to apply their resources to poverty reduction”. This was reaffirmed at the 2002 Monterrey Conference on Financing for Development and the World Summit on Sustainable Development when world leaders pledged to “make concrete efforts towards the target of 0.7 per cent” of their GNI as aid, and also called on recipient and donor countries as well as international institutions to make aid more effective. At their 2002 Summit, the G8 leaders stated that “no country genuinely committed to poverty reduction, good governance and economic reform will be denied the chance to achieve the Millennium Development Goals through lack of finance”. And in 2005, G8 summit leaders noted the various commitments to increase aid to developing countries by \$50bn a year by 2010 and committed, with other donors, that at least \$25bn a year of the increase will go to Africa. To address the quality of ODA, the [2005 Paris Declaration on Aid Effectiveness](#) formalized the actions that donor countries would take to improve the effectiveness of aid, emphasizing national ownership of development priorities, harmonization and alignment of donor activities, predictable and untied aid, programme based approaches, improved procurement and financial management systems, results oriented frameworks, and mutual accountability.

Commitment/Initiative	Target & indicators	Gap
Millennium Summit New York, 2000 – MDG-8	<p>Target 8.B: “... and more generous ODA for countries committed to poverty reduction.”</p> <p>Indicators:</p> <p>8.1. Net ODA, total and to the least developed countries, as % of OECD/DAC donors’ GNI</p> <p>8.2. Proportion of total bilateral, sector allocable ODA of OECD/DAC donors to basic social services.</p> <p>8.3. Proportion of bilateral ODA of OECD/DAC donors that is untied</p> <p>8.4. ODA received in landlocked developing countries as a proportion of their GNI</p> <p>8.5. ODA received in small island developing States as a proportion of their GNI</p>	No numerical targets set in MDG 8

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Commitment/Initiative	Target & indicators	Gap
<p>Declaration and Programme of Action for the LDCs for the Decade 2001-2010 (2001) (also known as the Brussels Plan of Action)</p>	<p>(a) Donor countries providing more than 0.20 per cent of their GNI as ODA to LDCs: continue to do so and increase their efforts; (b) Other donor countries which have met the 0.15 per cent target: undertake to reach 0.20 per cent expeditiously; (c) All other donor countries which have committed themselves to the 0.15 per cent target: reaffirm their commitment and undertake either to achieve the target within the next five years or to make their best efforts to accelerate their endeavours to reach the target.</p>	<p>In 2006 ODA to LDCs was 0.09 of DAC donors' GNI. The total annual flow to LDCs would have to increase on average by \$8.8 billion (at July 2008 exchange rates) between 2008 and 2010 to reach the target.</p> <p>Only 8 countries provide at least 0.15 of their GNI to LDCs</p>
<p>Monterrey Consensus on Financing for Development, Monterrey 2002.</p>	<p>Target: To make concrete efforts towards the target of 0.7 per cent of GNI as ODA to developing countries and 0.15 – 0.20 per cent of GNI of developed countries to least developed countries.</p>	<p>Aid resources were 0.28 per cent of the combined gross national income (GNI) of the 22 DAC member countries in 2007. The average effort of DAC members was 0.45 per cent</p> <p>Only 5 countries have met the target</p>
<p>Paris Declaration on Aid Effectiveness, 2005</p>	<p>Target: Ownership, alignment of aid, harmonization, management for results and mutual accountability</p> <p>Indicators: 12 targets, 15 indicators</p> <p>For baseline results see page 53 of www.oecd.org/dataoecd/58/28/39112140.pdf</p>	<p>While progress has been made as measured by the 2006 and 2008 Surveys on Monitoring the Paris Declaration, the pace needs to step up a gear if the 2010 targets are to be met.</p>
<p>G8 Gleneagles, July 2005</p>	<p>Target: “On the basis of donor commitments ... the OECD estimates that ODA from the G8 and other donors to all developing countries will increase by around \$50 billion a year by 2010, compared to 2004.”</p> <p>“The commitments of the G8 and other donors will lead to an increase in ODA to Africa of \$25 billion a year by 2010.”</p>	<p>Donors need to allocate an additional \$6.4 billion a year at constant 2005 prices to Africa between 2008 and 2010 (or \$7.3 billion per year at July 2008 exchange rates)</p>

MDG Gap Task Force – Matrix of Global Commitments, ODA – August 2008

Commitment/Initiative	Target & indicators	Gap
European Union: 2002 Barcelona commitments and 2005 commitments	<p>Target: For EU15 (“old” members), individual ODA target of 0.51% by 2010 and collectively 0.7% by 2015</p> <p>For EU 10 (“new” members), individual target of 0.17% by 2010 and collectively 0.33% by 2015</p>	EU 15 achieved 0.40% in 2007; 3 countries were below 0.36% target set for 2006; 5 countries had already passed 0.51% target for 2010.

ACCESS TO TECHNOLOGY

MDG-8 Target 8.F: In cooperation with the private sector, make available the benefits of new technologies, especially information and communications

Indicators 8.14, 8.15 and 8.16 under Target 8.F provide a measure of penetration of new technology in developing countries, but they do not allow monitoring of global efforts to improve availability of information and communications technology, including the contribution of the private sector.

The lack of a numerical target restricts the possibility of monitoring the MDG commitment on technology. Defining a numerical target on information and communications technology is difficult given the fast pace of technological innovation in this sector and the number of supplementary goods and services, mainly software applications, required to gain proper access. Consequently, the issue is how to define a numerical target that captures the specific characteristics of the sector and helps to answer the following question: are countries on track to meet the target of improving access to information and telecommunications technology?

Commitment/Initiative	Target & indicators	Gap
New York, Millennium Summit 2000 – MDG-8	<p>Target 8.F: In cooperation with the private sector, make available the benefits of new technologies, especially information and communications</p> <p>Indicators: 8.14. Telephone lines per 100 population 8.15. Cellular subscribers per 100 population 8.16. Internet users per 100 population</p>	<p>No numerical targets prevents proper monitoring of global commitments</p> <p>Lack of indicators to monitor the contribution of the private sector</p>
Partnership on Measuring ICT for Development	<p>Indicators:¹ i271pop Mobile population coverage i992 Broadband subscribers per 100 population</p>	<p>Access to broadband services in developing countries is restricted and very expensive</p>

¹ These indicators are part of the core list of ICT indicators developed by the Partnership on Measuring ICT for Development and endorsed by the UN Statistical Commission in 2007.

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Commitment/Initiative	Target & indicators	Gap
World Summit on the Information Society	<p>WSIS target</p> <p>Indicators:</p> <p>A8: Internet access tariffs (20 hours per month), in US\$, and as a percentage of per capita income</p> <p>A9 Mobile cellular tariffs (100 minutes of use per month), in US\$, and as a percentage of per capita income</p>	<p>Cost of internet access in low income countries is unaffordable</p> <p>Access to internet services is further hampered by lack of electricity in many poor (mainly rural) areas</p>