

Human Dynamics' Response to the Consultation on "Towards a Post-2015 Development Framework"



Introduction

Human Dynamics (HD) is a leading public sector consultancy that provides training services and technical assistance on public-funded development projects, especially in the areas of good governance, regulatory affairs and economic management. We operate around the world and work on a large number of contracts issued by the European Commission on development related projects. On a day-to-day basis and within the Framework of the European External Action Service, and Europe Aid in particular, our services aim to help developing countries work towards achieving the Millennium Development Goals (MDGs).

We have responded to section A of the consultation with a general reflection on our field experience, and provided specific answers to the points raised in sections B, C and D. Our response has been framed by our experience as an implementing contractor.



Key Messages

- We believe that the MDGs have had an important role in providing a strategic narrative for the international development debate and catalysing increased international aid.
- Any new Framework should maintain the current focus on eradicating extreme global poverty.
 It is important to ensure that the MDGs remain recognised as one part of the development agenda, rather than trying to include everything thought of as 'development work.'
- The two key areas for improvement within the current Framework are to improve the levels of collaboration and co-operation between beneficiaries and donors and the need to create a clear knowledge sharing framework through which best practice can be shared. Central to this should be an increased focus on capacity building, which helps to avoid aid dependency in the future and typically results in more effective long-term impacts, as recognised by the development partners.
- We strongly believe that the future Framework must be far more inclusive and represent a
 real global partnership on development issues, rather than simply be a donor-driven agenda.
 In this sense, the negotiation process for a new Framework is vital and must be built around
 a bottom-up dialogue, including with the private sector and civil society representatives, as
 well as with governments.
- A future Framework should maintain the current MDG structure of goals, targets and indicators, but needs to revise the format of the targets for a more comprehensive, priority based system, in particular to improve their sensitivity to local contexts and to measure the impact of shared, lasting development efforts on the most vulnerable population groups.
- Our biggest concern would be that a follow-on Framework will fail to be negotiated due to substantial shifts within the global agenda. In our view, the failure to reach even a symbolic agreement would damage the international development process immeasurably, by indicating that there is a lack of resolve and desire on behalf of the international community to maintain the global fight against poverty.

A: The MDGs: Benefits and Limitations

The MDG Framework provides a coherent policy strategy and enables a results-based focus

> The MDGs have had a significant policy impact from both a donor and beneficiary perspective. In part, this is because they have helped to provide a coherent and settled strategic narrative as to the key global development priorities. This has helped create a consistent policy environment that better enables long-term planning, a key prerequisite for effective and sustainable poverty reduction efforts. Results based aid systems increases donor confidence in the effectiveness of aid and enables beneficiaries to establish a clear policy agenda inseparably linked with national policy setting, allowing them to focus on ensuring actual developmental impacts. This has seen tangible results, reflected in the progress made on some of the MDG targets, especially on the global poverty target. In particular, it has unlocked additional funding for development. We also welcome the fact that programming increasingly recognises the importance of the private sector to poverty reduction efforts, such as through initiatives supporting microfinance. A future Framework needs to be more explicit about economic growth's key role in development.

Narrow focus on target achievement, rather than the quality and sustainability of interventions

However, our key concern with the current MDGs is that the focus on target achievement can be at the expense of the quality of interventions and their long-term sustainability. At times, prioritising meeting target indicators means long-term progress can be hindered. Moreover, an overly target driven approach tends to limit flexibility on beneficiaries' behalf to adapt to emerging and new challenges, such as new migratory pressures or unforeseen economic imbalances, which could be more pressing than the MDG agenda. Target fulfilment is, in any case, always a difficult business: after all, even OECD countries regularly fail to fulfil targets, even with their advantages of institutional sophistication and higher levels of policy capacity. Any development targets need to be sensitive to developing countries' capacities. This target driven approach can also lead to ignoring the most vulnerable in society, as the easiest way to fulfil targets is to focus on so-called 'easy wins' - to the detriment of those who need help the most.

Overly donor driven agenda

We are also concerned that the MDGs focus too much on donor priorities. We often see a lack of mutual engagement between donor and beneficiary, and this is often a result of differing priorities. From an implementation perspective, there remains an over-reliance on donor guidance and a lack of effective co-operation between donor and beneficiary. We believe that effectiveness within development requires a genuine partnership with the beneficiary, including with those who actually deliver the assistance, but the MDGs has ignored the progress on aid effectiveness, especially local ownership of aid.

^{1.} Kenny, Charles and Sumner, Andy. Development: What Have the MDGs Achieved?. (2011). CGD Working Paper 278. p6



Lack of contextual sensitivity

The MDGs, nevertheless, are important as a public advocacy tool, and are capable of mobilising support for development projects. But we are concerned that the MDGs' assets as an advocacy tool –their clarity, brevity and specificity – can lead to a lack of contextual sensitivity in the implementation of projects. The focus on the MDG Framework can mean that beneficiaries and donors prioritise projects that fit in with global priorities, rather than addressing more pressing but less publicised local issues. This is partially because the MDGs have become synonymous with every development issue, despite the fact that they actually refer to a specific set of development challenges. We also believe that the absence of any focus on good governance, and particularly capacity building is detrimental to the current framework. Our experience in transition countries has convinced us that any sustainable development improvements are dependent on the creation of effective and trusted public administration systems. This is especially important in middle income countries.

Country	Project Synopsis	MDG Context	Key Conclusions
Bangladesh	Supports knowledge transfer, capacity building and best practice between 4 NGO-led primary school initiatives.	Aim to achieve universal primary education (MDG 2)	 Example of ability to maximise impact by integrating civil society projects with government led initiatives and emphasises the importance of communication and collaboration to try to avoid contradictory and mutually-defeating work.
Bangladesh	Supports the capacity of financial institutions to lend to SMEs.	Core element of poverty reduction strategy (MDG 1)	 Underscores the key role of institutionalising SME development as a core part of poverty reduction efforts, given the extremely high importance of SME-related jobs within Bangladesh.
Benin	Supported the improvement of the public finance management system to incorporate a results-based management system.	Precondition to enabling effective implementation of the country's poverty reduction strategy.	 Key to ensure coherence with existing initiatives within the beneficiary during the project design and planning phase and to ensure sufficient focus is paid to capacity development within the beneficiary. Projects need to reflect a mutual agreement on immediate development priorities. Important to ensure there is a consistent follow-up and reinforcement of projects to ensure the long-term viability of reforms – longer scale efforts required for effective implementation.
Botswana	Supported the effective management of the education sector and ensured equitable access to quality education and training.	Aim to achieve universal primary education (MDG 2) and reduce poverty (MDG 1)	 Progress in achieving the immediate MDG indicator (primary school enrolment) needs to be complemented by a greater focus on ensuring the quality of the education offered. An effective sector-wide reform programme can be designed that helps to manage the interdependencies between priorities but it needs to reflect that the biggest impact can be made by focusing on benefiting from small marginal gains rather than through sweeping change.
Georgia	Helped to optimise the health purchasing system and health insurance processes to increase access to health services.	Provides combined action on health policy targets (MDGs 4,5 and 6)	 Highlights the impact that well-designed institutions and processes can have on catalysing development impacts. The creation of an effective system for the management of the state insurer helped to optimise the provision of health services (UNDP suggests it has reached most of the MDG health policy related targets).
Peru	Supported the development of vocational training for people without formal education to improve the capabilities of the Peruvian workforce.	Core element of poverty reduction strategy (MDG 1)	 Best practice example of targeting the most vulnerable population groups and indicates the high value added of working within the needlest parts of the population. Effectiveness increased through working with decentralised authorities that provides a better awareness of the requirements and issues affecting a local area.
Russia	Supported the development of a micro-credit facility in Kabardino - Balkaria to support private sector development and job creation.	Core element of poverty reduction strategy (MDG 1)	 Providing targeted support for the private sector has the potential to generate significant poverty reduction results by helping to create and sustain jobs. The multiplier impact of this type of investment can be large and is replicable in other regions.
Turkmenistan	Supported the development of a long-term strategy for agricultural reform, and the development of a more modern, efficient and sustainable agricultural sector.	Core element of poverty reduction strategy (MDG 1)	 Need to manage beneficiary engagement, or else can prevent effective progress, either through delaying the approval of initiatives, or through the creation of logistical barriers to hinder success. Recognition of the need for patience and flexibility in attempting to ensure reform, especially around politically sensitive and contentious policy areas (i.e. private land reform). It particularly highlights the constraints complex beneficiary domestic politics can impose.



B: Feasibility of a future Framework

6. In your view, in what way, if at all, could a future Framework have an impact at global level in terms of global governance, consensus building, co-operation etc?

We are clear that any future Framework will be much stronger if it is concluded at a global level. However, we are doubtful over whether any future agreement will significantly improve levels of global co-operation, given the new global power structure and emerging imbalances. We have serious concerns, indeed, whether it is even feasible to expect any genuine global framework to emerge from the negotiating process, implying that it might be necessary to rely on an increasingly regional approach to development, rather than a comprehensive global framework. It is obvious that achieving ambitious global governance projects is harder than it has been since the Cold War, as the failure of global initiatives such as the Copenhagen Climate Negotiations shows.

We are concerned that the increasing politicisation of aid that we witness on a day-to-day basis will prevent practical co-operation, particularly if any future Framework is too ambitious in its scope. We regularly see the difficulty in maintaining donor-beneficiary co-operation and coordination on a bilateral level, given the very different perspectives on immediate development priorities. On a multilateral level, this type of co-operation will be even harder to manage. An added challenge is that the new sources of investment and non-traditional donor aid tend to be less tied to the effectiveness of development projects than historical major donors' aid. This gives beneficiaries more leeway to be less co-operative and this added independence of action is likely to make forging global compromises harder. Additionally, we often see that effective implementation of development projects is frequently dependent on the level of political motivation from both the donor and beneficiary. It is noticeable that there is sometimes a sense of donors choosing to fund projects without any essential interest in its success with respect to their pledged impact in view of development targets. Indeed, one of the lessons of this has been that development work more generally would benefit from a more robust and simpler system of donor coordination to reduce competing projects and better create a platform for joint-up development work. Therefore, given the importance of the level of relationship between different stakeholders in the development process, it seems unlikely that any new agreement will lead to more effective global co-operation within development projects.

However, even if in the long-term there are minimal benefits in terms of global co-operation to be expected from a new agreement, the failure to conclude a Framework would be damaging to global development co-operation prospects. Despite the rightful criticism of how the existing MDG Framework was negotiated, it retains significant global legitimacy that lends the international development agenda more broadly a sense of purposefulness. The failure to replace the Framework would be symbolically devastating (even if practically the impacts might be smaller) insofar as it would suggest a loss of resolve in attempting to combat global poverty.

7. To what extent is a global development Framework necessary or useful to improve accountability with regard to poverty reduction policies in developing countries?

One of the core strengths of the existing Framework is that as it provides a settled vision for development, public accountability has improved (although it is time to retire the phrase

"Millennium" goals, given the lack of relevance of the "Millennium"). The ability for populations and civil society to be able point to a global consensus view on the immutable and immediate development priorities makes it harder for governments not to try to fulfil these developments targets. In this sense, there are clear accountability benefits from the creation of a new Framework.

However, there are two key caveats to the extent to which a Framework helps promote accountability. The first is that an overly prescriptive Framework does not necessarily recognise local needs and can hide essential development issues. For instance, the current focus on HIV/ AIDS, TB and malaria in MDG 6 can mean that chronic health issues - predicted by the WHO to be a larger killer in the developing world than these diseases by 2030 - can be neglected. Secondly, while the MDGs frequently provide the effective strategic Framework for development goals, it is often hard to prove causality between poverty reduction efforts and progress on the MDGs.3 We cannot assume - and there is insufficient evidence available - that it was the MDG targets that caused poverty reduction, rather than other factors (such as economic liberalisation). Indeed, statistical analysis suggests that progress on the MDGs does not correlate with international development indexes.

8. What could be the advantages and disadvantages of a global development Framework for your organisation, including how effectively you work with partners?

> A new global development Framework's major advantages would come from providing:

- a. A clearly defined roadmap to understand the strategic priorities within the development sphere, which can then be used as inputs to projects to ensure that we are targeting those areas defined as most in need of aid.
- b. The foundations of a more balanced, co-operative relationship with beneficiaries, assuming that a new Framework is drafted so as to take into consideration fully their particular concerns and priorities. If the beneficiary is central to the Framework process and can assume a clear (or at least shared) leadership position, then this could help ensure that they work positively and collaboratively on project achievement.
- c. An opportunity to ensure a more coherent policy towards development, including emphasising the need to ensure policy complementarity, which would avoid policy mismatches and duplications. This would create an environment conducive to successful project implementation and highlights again the need to improve donor co-operation..
- d. The ability to integrate new and non-traditional aid providers into the global international development policy Framework. This could reduce competition, suspicion and mistrust between donors and development partners and help create a more coherent aid environment, rather than one that directs resources away from on-the-ground needs.

^{2.} Bloom et al. The Global Economic Burden of Non-Communicable Diseases. (2012). Harvard School of Public Health, Working Paper No 87. p7.

^{3.} Kenny, Charles and Sumner, Andy. Development: What Have the MDGs Achieved? (2011). CGD Working Paper 278. p11. Kenny and Sumner offer a convincing statistical analysis to make the point that it is unclear whether the MDGs caused genuine policy changes in developing countries, not least by looking at the difference in rate of progress of improvement against the MDGs targets pre- and post- Declaration.



e. Recognition of the importance of best practice sharing in order to share expertise and knowledge and facilitate the spread of development best practices. This type of work both has a catalytic impact on increasing the results of development activity, but is also a sustainable investment, insofar as it helps to improve local capacity and sufficiency to manage their development agenda at least cost possible.

Our biggest concerns would be that:

- a. A global Framework could be overly prescriptive and lack sufficient flexibility and adaptability to be an effective tool to local development. If it is a too formulaic document, it would limit our ability to adapt to on-the-ground requirements.
- a. A failure to create a sufficiently inclusive and broad-based negotiating process would exacerbate existing donor-beneficiary tension, and would result in a much more challenging relationship with project beneficiaries.

C: The potential scope of a future agenda

9. In your view, what should be the primary purpose of a future Framework?

We believe the primary purpose of a future development Framework should be to establish an ambitious vision and roadmap on how to eradicate poverty, especially in the poorest and most fragile states, while stabilising progress in middle-income countries. This vision needs to take into account the interconnected and complex new and emerging development challenges, especially regarding issues of economic development, inequality, sustainability, security and good governance. It should be outcome oriented, but needs to set out the essential enablers and principles to guide the effective implementation of this vision. It needs to make clear that action on these issues can only be achieved through a genuine global partnership, including both traditional and new development actors, especially the private sector, which can complement and share the responsibilities for development policy implementation. It is also vital that it is understood that a new Framework represents one aspect of the development agenda, rather than as an all-encompassing solution to every item within the international development.

10. In your view, should its scope be global, relevant for all countries?

One of the core strengths of the MDG remains its value as a common global vision on development. As such, any new Framework needs to be part of a global consensus. Yet, being global in scope does not mean that it needs to attempt to address every development need for every state comprehensively. What is important is that the MDGs are seen as reflecting a global commitment to the eradication of poverty. The symbolism of being able to call upon a global legitimacy translates into real benefits when it comes to projects to implement the MDG goals.

We believe that a global scope in this context should mean that it provides an agenda that will help beneficiary countries; continue to mobilise support in traditional donors; and incorporate new and emerging donors into global development structures. We are also aware, however, that attempting to create a Framework that tries to integrate every global development need will most likely be counter-productive, as it will be so generic as to provide no real guidance.

11. To what extent should a future Framework focus on the poorest and most fragile countries, or also address development objectives relevant in other countries?

A future Framework does not need to make the choice between the poorest countries or more developed states. The Framework should look instead to eradicate extreme poverty - and the reality is that a majority of the world's poorest will live in middle income countries (MICs), despite the rapid economic growth these countries are experiencing.4 The policy challenge to combat poverty in MICs will be different than in lower income countries - notably, it will require a greater focus on dealing with chronic inequality - but the Framework does not need to differentiate between the poorest countries and other countries when establishing goals and targets. A new Framework cannot focus on those challenges specific to MICs, but it should not discriminate against those who require aid just because their country has become richer.

12. How could a new development agenda involve new actors, including the private sector and emerging donors?

We firmly believe that any effective Framework must be more inclusive than the MDGs. In order to work best work with the private sector, any new Framework must point out two things: firstly, that in many cases the private sector can and will be more effective in implementing development projects because of their economic interest in achieving results on-time. The private sector can be a more efficient and effective agent for change and its involvement in development must stop being taboo. Secondly, the key lesson of the current MDGs has been that economic growth has led to the most effective poverty reduction efforts (e.g., in China). Any Framework must see the development of a healthy and effective private sector as central to the development process. The private sector needs to ensure that it is acting responsibly in countries where it operates and a strengthened CSR and ethical framework needs to be agreed. Yet this responsibility is balanced by the need to ensure that markets are properly and fairly regulated by states, without undue and unnecessary interference in the market. Many of the biggest development impacts that the private sector has achieved comes through its innovation, in particular through exciting progress happening in the communications and technology fields.

We believe that is vital to make negotiating a new Framework a bottom-up consultation. While this will be more challenging than having dominant states setting the agenda, it might incentivise emerging donors to engage in the global development process. However, full engagement is unlikely, due to these actors' propensity to tie development aid to investment decisions.

13. How could a future Framework support improved policy coherence for development (PCD), at global, EU and country levels?

The Framework's role in supporting improved PCD is two-fold. Firstly, it must set the agenda for poverty eradication so that other policy decisions can be made in the context of the global development debate. It needs to set out a clear vision for development - and ensure that it is a vision that emerging development actors agree with. This will help ensure that the increased competition being witnessed in aid provision, where donors fund rival programmes, can be limited. Secondly, it must recognise that modern development needs are complex and interdependent. The Framework should emphasise the links between goals, so that policy is not pursued in a

^{4.} Melamed, Claire. After 2015: Contexts, politics and processes for a post-2015 global agreement on development. ODI, 2012, pp 24-26



vacuum but rather seen as mutually supportive and catalytic.⁵ This must be complemented by ensuring that agreements on aid effectiveness – including the 2005 Paris Declaration and the 2008 Accra Agenda – are actually implemented in the new Framework.⁶

14. How could a new Framework improve development financing?

We believe that a new Framework should not open a specific debate on development financing. We would look for the momentum that comes from a new agreement to help to mobilise funds from donors, much as current MDGs did. We are nevertheless concerned that a new Framework may place too much focus on public-private co-financing initiatives. These initiatives typically lack transparency⁷ and, for donors, can lead to a lack of control and accountability. While donors can be tempted by the option of leveraging their initial commitment through matching private sector investments, there is often no substantial impact in terms of unlocking more resources.⁸ In any case, increasingly the most important financial contribution to development will come from countries own resources and in particular their tax revenues.⁹ In that sense, we believe that the biggest positive impact that could be made is by focusing on capacity building programmes to help increase the efficacy of domestic tax collection.

D: Potential shape of a future Framework

15. What do you consider to be the "top 3" most important features or elements which should be included in or ensured by any future development agenda?

We are convinced that any effective new development Framework must:

a. Focus on capacity building to address development needs

Development needs to be understood as a partnership between equals, rather than in terms of a one-way donor-beneficiary relationship. Capacity building efforts empowers beneficiaries to take ownership of their own development agenda and also helps ensure development work is sustainable by preventing the emergence of aid dependency.

In this sense, we welcome the recent report by the UK Parliament calling for focus being placed on strengthening development countries' tax systems. ¹⁰ We have had great success working on this type fiscal policy development and increased of revenue collection project. Such projects are sustainable and helps transfer ownership to beneficiaries to guarantee they are responsible for their development agendas. The challenge is in ensuring that this type of work leads to change, with the impact dependent on the beneficiaries' absorption capacity and the ability of the aid provider.

^{5.} Good examples of this type of integrated thinking can be seen in Controlling Scarcity: Managing energy, water and land for inclusive sustainable growth. (2011). European Report on Development.

^{6.} Especially given the finding at the High Level Forum in Busan that only 1 of 13 aid effectiveness commitments has been met – see OECD, Aid Effectiveness 2005–10: Progress in implementing the Paris Declaration. (2011) OECD Publishing.

^{7.} Homkes, Rebecca. Analysing the Role of Public-Private Partnerships in Global Governance: Institutional Dynamics, variation and effects. (2011). PhD Thesis, London School of Economics. p163-4.

^{8.} Hale, T. and Mauzerall, D. Thinking globally and acting locally; Can the Johannesburg partnerships coordinate action on sustainable development? (2004) Journal of Environment and Development 13 (3), p 235.

^{9.} European Commission, Improving EU support to developing countries in mobilising Financing for Development. (2012). European Commission

International Development Committee. Fourth Report Tax in Developing Countries: Increasing Resources for Development. (2012). HMSO.

b. Create a knowledge sharing framework

There needs to be a mechanism to promote the sharing of best practice and operational experience. While it is important to be aware of the specificity of local development needs, this does not mean that lessons and benchmarks cannot be shared between developing countries. The challenges countries face share broad similarities and it would be impactful while saving scare resources if we exchange experiences and knowledge.

c. Focus on ensuring the development of genuinely collaborative work practices

The biggest constraint we have experienced in our work has been a lack of co-operation by beneficiaries. It is therefore key that the new Framework represents an agenda that beneficiaries are willing to engage with and in which they have a genuine stake. Any future Framework that is not seen as a global mutually agreed agenda will not be able to provide effective support to international development efforts.

16. What do you consider to be the "top 3" features or elements which must be avoided in any future development agenda?

We are convinced that any effective new development Framework must avoid:

a. Being over-prescriptive

There is a difficult balance to be struck between a new Framework being specific enough to have meaning but retaining flexibility to respond to local needs. A Framework must avoid centralising countries' specific and varying development needs in pursuit of a global agenda. Above all, a Framework must give sufficient policy flexibility to local countries to respond to their own pressing needs and requirements - there is no one size fits all development approach.

b. Failing to reach a consensus

The biggest failure for any future development agenda would be to fail to reach a global consensus agreement. This would represent a massive blow to the image of international development aid, and would be seen to suggest that the world has given up on the development agenda. Such a result would lose the important momentum that has been supported by the existing MDGs.

c. Preventing "silo" thinking

It is key that any new Framework recognises the interconnections and linkages between different items on the development agenda. The most effective development policies are those that respond to multiple needs; it must be clear, therefore, within the Framework that development policies should seek to take advantage of the linkages between goals and targets.



17. Should it be based on goals, targets and indicators? If any, should goals have an outcome or sector focus? Please give reasons for your answer.

While we have raised concerns about the current targets in the MDGs, we still believe that an effective Framework requires goals, targets and indicators measuring the desired development outcomes. This is because the MDGs' success in driving the development debate is in part because they are specific and actionable goals, which can be followed through on. ¹¹ Clear targets have also helped ensure that the MDGs can increase levels of accountability in poverty reduction strategies by providing specific benchmarks that cannot be hidden from. However, it must be clear that the targets set in the Framework are global and aggregate, and the responsibility should be given to each state to set its own suitable targets within the global Framework.

Given the lack of clarity over whether the existing targets apply at a global or national level, and the lack of sensitivity in measuring the impact on vulnerable populations such as minorities, refinement is needed. There needs to be national discretion so as to allow states to make the targets relevant to their situation. A more nuanced approach to target and indicator setting means that a better picture of the results being achieved can be gained, ¹² although it is clear that this type of programme will require a strengthening of global data and statistical standards. In particular, these targets will need to take into account inequality within countries. ¹³

18. How should implementation of the new Framework be resourced?

We believe that existing commitments made by states must be fulfilled and strongly support a reiteration of the 0.7% GDP target on the behalf of donor countries. However, our concern is that ambitious proposals to secure development financing through, for example, a Financial Transaction Tax will divert attention from the practical development agenda to an ultimately fruitless debate about specific taxation proposals. We are not necessarily opposed to taxes in support of development; we do doubt the likelihood of successfully agreeing this type of mechanism. We also urge the Framework to take advantage of the practical experience of transition countries like those in the Balkans and Eastern Europe, whose recent policy experiences have lessons that could support developing countries in specific areas, especially in terms of economic development and capacity building programmes.

^{11.} Carin, Barry and Bates-Earner, Nicole. Post-2015 Goals, Targets and Indicators. (2012). Centre for Global Governance Innovation. p.26

^{12.} See, for examples of how this system could be conceived, Fukuda-Parr, Sakiko and Joshua Greenstein. How should MDG Implementation be measured: Faster Progress or Meeting Targets? (2010). Working Paper 63, International Policy Centre for Inclusive Growth.

^{13.} Vandemoortele, Jan. Taking the MDGs Beyond 2015: Hasten Slowly. DSA/EADI/Action Aid Policy Forum. June 2009. pp 6-9.