

Millennium Development Goals and Tenth Plan/PRSP

Strengthening Linkages through a Needs Assessment Approach

1. Background: Millennium Development Goals

At the UN Millennium Summit in September 2000, 189 nations including Nepal adopted the Millennium Declaration, which outlines peace, security and development concerns including environment, human rights, and governance. The Declaration mainstreamed a set of interconnected and mutually reinforcing development goals – the Millennium Development Goals (MDGs) – into a global agenda.

The MDGs are centered around the following eight major goals along with 18 Targets and 48 Indicators:

1. Eradicate poverty and hunger;
2. Achieve universal primary education;
3. Promote gender equality and empower women;
4. Reduce child mortality;
5. Improve maternal health;
6. Combat HIV/AIDS, malaria and other diseases;
7. Ensure environmental sustainability;
8. Develop a global partnership for development.

Quantifiable targets and indicators are set for each of the first seven goals over a 25-year period – between 1990 and 2015. However for the eighth goal, no time bound targets and indicators have been specified. Many of the MDGs have their origins in the International Development Targets (IDTs) which were drawn up at the UN global conferences during the 1990s, but the MDGs are different from these past pledges that became broken promises because they are time-bound and measurable. The MDGs are also people-centered in the sense that putting kids in schools, having decent meals everyday, and providing better healthcare for mothers and infants is something everyone can relate to. At the same time, having the Millennium Declaration as their normative foundation, the MDGs are not simply about improving the welfare of the poor. Rather, these Goals need to be examined through the lenses of equity, peace and security. In other words, attainment of the Goals must happen by putting the poor and marginalized first, and by promoting peace and human security as the top priority.

2. Review of Nepal's Efforts to achieve MDGs

The government has taken a number of initiatives to achieve MDGs. For monitoring and reporting of MDG outcomes, the country's first MDG's Progress Report was published in 2002 through collaborative efforts of His Majesty's Government of Nepal and the UN. The Report sets baselines and numerical targets, assesses Nepal's achievements over the last decade, identifies challenges and priorities for development assistance, and points out areas for improvement in monitoring and evaluation. It concludes that all Goals are unlikely to be reached by 2015 except for the goals on child mortality and access to safe drinking water. The supportive environment is also assessed to be weak in most areas while improvements have been acknowledged in some areas.

A number of policy initiatives have been taken since 2002 to promote an enabling environment for achieving MDGs. The Poverty Reduction Strategy Paper (PRSP) /Tenth Plan has come into implementation. One of the features of PRSP is reorientation of policies and programmes towards achieving MDGs. Some MDGs that target localisation efforts are also made through linking MDG

targets with intermediate indicators of PRSP. New initiatives in education and health sectors have been taken up (see NDF pre consultation papers on education and health). Social inclusion and governance reforms are progressing, and an expenditure prioritisation framework is in place. For estimating financing requirements of MDGs, costing exercises are done in the areas of Universal Primary Education, U5 Child Mortality Rate, Maternal Mortality Rate, and Drinking Water. Monitoring framework of PRSP is set in line with MDGs, as most of the outcome/impact indicators of PRSP are drawn from the MDGs. The poverty monitoring and analysis system (PMAS) has been framed with specified indicators and information sources.

These strong positive developments are however undermined by an intensified situation of armed conflict, making the supportive environment for attaining MDGs highly vulnerable and risky. A number of reasons can be cited in this regard. First, the ongoing conflict has eroded domestic revenue base and raised the risk of resources being diverted away from allocation to MDGs related programmes. Second, the security concerns raised by external donors is preventing higher external resources to be mobilised in this area. Third, programme implementation capacity and service delivery have been impaired by conflict. Fourth, the prolonged absence of elected local representatives has constrained devolution of MDGs related programmes at the local and grass root level. And fifth, social mobilisation, community participation, and monitoring of programmes have been adversely affected by the armed conflict situation.

The on-going conflict has had a severe impact on meeting MDGs. For instance, the Target 1 of halving poverty aims to reduce the percentage of population below national poverty line from 42 per cent (based on the 1996 data) to 21 per cent in 2015, whereas the current status is estimated to be 38 per cent. In order to bring it down to 21 per cent, the economic growth rate must accelerate its pace significantly compared with the past achievement. Without peace, this can not be achieved. Even the drinking water target, which is thought to be "probably reachable" by 2015, poses difficulties associated with uneven distribution in terms of geography and disadvantaged groups, as well as challenges in ensuring the quality of drinking water. Some MDG targets like child mortality and universal primary education have, however, a stronger supportive environment than thought before in terms of meeting the 2015 goals. An situation of peace, democracy and good governance would enhance this supportive environment.

HMG/N is committed to achieving the MDGs by putting the right policies in place, improving efficiency and effectiveness of the interventions that contribute to reaching the Goals, and pursuing aggressively the required policy and institutional reforms. The Poverty Reduction Strategy (PRS) should serve as a medium-term roadmap to get to the longer-term goals set out by the MDGs, and thus needs to be fully aligned with the MDGs and backed up by resources. All development activities must be strategically geared towards attainment of the Goals, which calls for enhanced co-ordination and harmonisation among development actors. This, in turn, requires a comprehensive development framework that puts each piece of the puzzle in the right place and identifies missing pieces as well. Therefore HMG/N proposes to develop a broad business plan, details of which are outlined below.

3. MDG Need Assessment and Poverty Reduction Strategy

Calls to strengthen MDG/PRSP linkages have come from many quarters, recommending that PRSPs, where they are in operation, should be prepared within the framework of longer-term plans to achieve the MDGs. In part, this stems from the recognition that the first generation of PRSPs did not address a range of development issues critical for poverty reduction and the achievement of the MDGs (such as food security, employment generation, gender equality, and HIV/AIDS).

Weak and/or absent linkages between the MDGs and PRSP have also been noted by several developing countries. Given the urgency to harmonise and align donor policies, instruments and resources with national planning processes and priorities, developing countries are looking for ways to "operationalise" the MDGs in the context of the PRSP.

HMG/N has initiated preparation of a broad action plan to integrate the MDGs with the PRSP. This action plan will set sectoral targets and link such targets to policy actions and resource allocations. The government proposes to use this plan as its strategy to reduce poverty and promote human development. Such a plan would provide a roadmap for development, it will also enhance efficiency in resource planning and management and bring about donor harmonisation.

One approach to cohering and strengthening links between the MDGs and the Tenth Plan/PRSP is provided by the MDG Needs Assessment methodology (see Millennium Project, "MDGs Needs Assessments", Draft Working Paper, January 2004). The MDGs Needs Assessment has the following objectives:

- ?? To identify a set of **integrated interventions** (broadly defined as provisions of goods, services, and infrastructure) that will enable a country to meet the MDGs over the medium to long-term through to 2015. Achieving the Goals in any country will require simultaneous investments and progress across all areas. For example, universal primary education and gender equality in schools cannot be achieved without addressing issues of access to water and sanitation and corresponding impacts on young girls. Nor can harnessing water resources be planned independently of the agricultural sector, which links closely to the MDGs for hunger and the environment.
- ?? To adopt a **long-term approach** in order to identify the necessary infrastructure, human, and financial resources required to support a scale-up of interventions through to 2015, and to think through how these resources (and absorptive capacity) can be built up over time.
- ?? To develop a **transparent approach to MDG planning** that countries and organisations can use and adapt for their own long-term planning towards achieving the MDGs.
- ?? To outline a **financing strategy** for achieving the MDGs in a particular country, including an assessment of resources that can be mobilised domestically by governments and households. The methodology assumes that domestic resource mobilisation will increase significantly. Donors will have to finance the remaining costs that cannot be covered through domestic resource mobilisation alone.

Such a Needs Assessment can guide the formulation of national planning documents including the PRSP. Based on a long-term needs assessment, countries can identify the trajectory they now need to follow in order to meet the Goals. This trajectory can then form the basis for making the PRSP and Medium Term Expenditure Framework (MTEF) consistent with achieving the Goals.

A review of the Tenth Plan/PRSP for Nepal (2002-07) indicates that links between the MDGs and PRSP need to be particularly strengthened in three areas: target setting for poverty reduction; pro-poor policy content and prioritisation; and resource requirements for meeting poverty reduction targets.

In what follows, this paper examines how the Needs Assessment Approach can strengthen linkages between the MDGs and the Tenth Plan/PRSP in each of these three areas.

4. Linking MDG Targets with Tenth Plan/PRSP Targets

Time-bound target setting is important for the national planning process. Indeed, setting targets has made a difference in the past, for instance in combating small pox and polio, and in campaigns for increased access to safe water and iodised salt. Further, the approach adopted by

evidence based planning efforts requires that policies and resources be linked to achievement of specific targets.

However, longer-term MDG targets are not necessarily the same as the medium term poverty targets presented in the Tenth Plan/PRSP for a number of reasons. First, MDGs are minimum goals with their targets set globally and PRSP can set targets beyond that. For instance, Nepal's Tenth Plan/PRSP sets a target for the reduction of absolute income poverty from 38 per cent in 2002 to 30 per cent by 2007 and to 10 per cent by 2017. However, the MDG target is to reduce income poverty to 21 per cent by 2015. Clearly, with respect to Goal One, the MDG target is significantly less ambitious than the PRSP one. Indeed, when setting targets, a balance between ambition and realism is needed: overly ambitious targets are unlikely to trigger action; non-challenging targets are unlikely to mobilise resources.

Second, comparing the MDG and PRSP targets for Nepal one can argue that several MDG targets are not fully reflected in the PRSP--one example being that the PRSP does not contain a time bound target for reduction on hunger or for girl enrolment in primary education or for TB, malaria control and HIV/AIDS. This is a realised fact and improvements have to be made in the PRSP process over the years in terms of setting time bound targets and linking inputs and processes with the expected outcomes.

Third, MDG targets need to be localised in terms of setting national targets, as some of the targets could go beyond the minimum targets globally set, and as some of the targets might need modification as per country condition. This is one task which could not be done during the preparation of PRSP. One more difficulty in aligning MDG with PRSP targets has to do with data paucity, data differences by sources, and lack of data at a fairly disaggregated level. Inadequate data results in setting of different benchmarks for the same targets and has implications for policy focus and resource requirements.

Since the MDG Needs Assessment is concerned with setting targets (in the medium and long term) for all of the Goals, such an approach can:

- ?? Allow the Tenth Plan/PRSP to incorporate a more comprehensive set of poverty reduction targets;
- ?? Set targets that are country-specific, realistic and feasible;
- ?? Establish consistency between the long-term MDGs and the medium term PRSP targets; and
- ?? Assist in the formulation of a long-term framework of interventions needed to achieve these targets.

The strength of MDGs, unlike many other UN declarations, is that the targets have been objectively set and they are time bound; quantitative indicators have been developed; and most targets are monitorable. Its application to PRSP would better ensure the time bound expected outcome from poverty reduction strategy and investments made in poverty reduction programmes.

5. Cohering Policies needed for MDG Achievement with PRSP Policy Content

If the Tenth Plan/PRSP is to be focused around the achievement of the MDGs, then it is important that the policy content and policy priorities in the PRSP are consistent with ones needed to achieve the MDGs. Several recent evaluations of the policy content of PRSPs have shown concerns on the pro-poor orientation of policies contained therein. It is argued that the concept and also content of pro-poor policies are not sharply focussed. Although PRSP might not meet the high expectation of a *perfect* strategy of poverty reduction, it is none the less a widely received document by the development actors and partners. In the mean time, as PRSP is a dynamic process, refocusing and raising sharpness in the pro-poor orientation of the programmes based on experiences and outcomes are equally important. It is agreed that growth is pro-poor, if

it uses the assets that the poor own, if it favours the sectors where the poor work and if it occurs in areas where the poor live. These obvious points are to be decoded into detailed reforms to make policies pro-poor in practice.

Further, pro-poor policies imply that social and economic indicators for poor people improve more rapidly than those for the rest of society. It is not sufficient that the indicators for the poor improve for the policy framework to be called pro-poor; they have to improve at a faster pace than for the non-poor because absolute poverty always has a relative dimension. Therefore, before being called pro-poor, the policy framework needs a thorough examination and reorientation, if necessary.

The Tenth Plan/PRSP of Nepal correctly stresses the primary role of agriculture as a key to broad based and pro-poor growth – since this is the sector in which the majority of the poor work and earn a living. To increase agricultural production and productivity, the Plan provisions for improved irrigation facilities, uninterrupted supplies of chemical fertilisers and expansion of rural credit, along with rural roads as per the interventions recommended by Agricultural Perspective Plan (APP). Higher resource allocations would also help achieve a target growth rate of 4.1 per cent in agriculture. In short, growth strategies for agriculture are to modernise, diversify and commercialise crop and livestock production by expanding the use of technology, and increasing farmers' access to modern agricultural inputs and credit.

From an MDG perspective, it would seem that pro-poor policies in agriculture would need to identify actions needed to reduce hunger and ensure food security. From a food security perspective, policy actions would be needed to increase (a) food availability, (b) food access and affordability, and (c) food quality. Although emphasis on food availability is critical in Nepal, the PRSP has to pay more attention to food access and to food quality issues as well.

As noted earlier, pro-poor policies imply that indicators for the poor improve faster than for the rest of the population. This in turn implies that policies to reduce inequalities should receive as much attention as growth oriented policies. In other words, equity matters for the MDGs. Equity in terms of access to resources, opportunities and basic social services is central to poverty reduction. High degrees of inequality are not only harmful to the poor, but also inhibit economic growth. Equity can be successfully addressed through land reform and enhanced access to institutional credit for the poor. Pro-poor macro policies are critical in attaining equity while promoting growth.

Making progress on MDGs does not necessarily imply that the poor have made strides or benefited from such progress. The aggregate performance indicators, as set under the MDGs, might mask the differences or inequalities within gender, caste, ethnicity and geographic regions. The MDGs are primarily meant to help improve the situation of poor people, not only that of better-off and privileged people. Unfortunately, the poor have benefited proportionately little from "average" progress, as evidenced by widening disparities in terms of education, health and nutrition.

The Tenth Plan/PRSP addresses both structural and social inequalities in the country. Inequalities are along urban/rural lines, along geographical zones, across ethnic groups, and gender lines. It is well known that poverty is more widespread in rural areas (over 90% of the poor live in rural areas). Furthermore, among rural areas, Mid-West and Far-West Nepal are the greatly impoverished. These areas were the poorest in 1984/85 and remained such in 1995/96. Data also indicates that the distribution of income has become increasingly unequal across the country between the years of 1984/85 and 1995/96. Indeed, HDI indicators also show significant urban/rural and geographical variations in human poverty that duplicate the income poverty differentials noted above.

The Tenth Plan/PRSP takes note of the degree of inequality in the country and policies to address equity are focussed essentially on broad-based economic growth, increasing the poor's

access to social services through effective decentralisation and inclusion in targeted programmes, such as food-for-work programmes, or income-generating, skill-development programmes.

Although enhancing social service delivery, social safety-nets, and social provisioning for vulnerable groups and communities are highly essential, such interventions may not be sufficient to overcome the severity, depth and rising incidence of inequalities in the country. Further, targeted programmes as contained in the PRSP cannot be effective substitutes for macro-level distribution policies that address the issue both of asset distribution and of employment policies conducive to poverty reduction. Such macro level policies of (re) distribution will have to be further addressed by the future PRSP.

In short, MDGs, human development initiatives, and poverty reduction strategies are reinforcing to each other and thus the policies and programmes of the Tenth Plan/PRSP are consistent with the MDGs. To achieve MDG commitments, human poverty reduction must drive the policy framework. Future refinements and improvements in the PRS have to address this reality. In essence:

- ?? PRSP policy orientation, content and priorities must coincide to a greater with MDGs. This holds true especially for pro-poor growth and macroeconomic policies.
- ?? Distribution policies and equity concerns are to be emphasised in the PRS along with addressing them in terms of micro-level, targeted interventions. From the MDG perspective, bypassing the poor will stymie progress.
- ?? Policy priorities in the PRS process need to overcome the syndromes of structural adjustment. Their orientation and content have to be adjusted in the spirit of attaining the MDGs, while policy priorities of MDGs may be altogether different.

The MDG Needs Assessment can help in identifying actions and interventions needed to reach the Goals by bringing to the table a more comprehensive set of poverty reduction targets. Such an assessment can also help to identify a pro-poor policy framework. It should be noted though that the policy content and priorities can only be drawn from the context of a detailed national planning process. This is because many different policies can conceivably deliver on a specific intervention and national stakeholders can only decide the policy choices and accompanying trade-offs.

6. Cohering MDG Financing with Medium Term Expenditure Framework (MTEF) Resources and Priorities

However well-intentioned and pro-poor the policy framework is, its outcome will depend on how the PRSP policies are implemented and on whether there are sufficient resources available for implementing such a policy framework.

In Nepal, in order to implement the Tenth Plan/PRSP, a Medium Term Expenditure Framework (MTEF) has been developed. The MTEF is based on a series of macroeconomic assumptions/constraints that influence and help determine the extent of government resources available in the medium term. Key projects, programmes and activities considered essential for achieving the Tenth Plan poverty reduction goals and their resource requirements for the next three years have been identified, cost estimated, and prioritised in terms of allocation in the annual budget

In fact, the function of the MTEF is precisely to estimate government resources over the medium term, to allocate such resource to sectors identified as (poverty reducing) priority sectors and to ensure that poverty reduction priority activities within these sectors are protected in case of resource shortfalls.

The MTEF highlights a set of macroeconomic constraints (domestic revenue, fiscal deficit, and domestic borrowings) that in turn determine government resources. Clearly, the volume of resources available will be insufficient to meet the Tenth Plan/PRSP targets and additional resources are to be mobilised (see PRSP paper presented in the NDF pre-consultation). The MTEF also shows how medium term government resources are being allocated to priority sectors and within these sectors, the proportion of expenditure allotted to priority activities (Table 1).

The second MTEF indicates that the share of key poverty reducing sectors of the total budget is fairly significant (72 per cent in 2003/04). Education, Health, Roads and Electricity sectors have the largest budget shares. Agriculture and Irrigation have received low budgetary allocation mainly because of capacity and resource constraints including donor support.

Preparation of the MTEF has highlighted two concerns: need for improvement in unit cost estimates and need for pro-poor orientation of programmes and projects. It is well known that unit costs can and do vary significantly for similar activities between rural and urban areas and between regions. Notwithstanding this, the information currently available within most sectors is not robust. Improvements are required especially in the major sectors such as agriculture, health, education and electricity where some acceptable or standard basis of costing needs to be developed and applied.

Table 1 Share of Prioritised Expenditure in Key Poverty Reduction Sectors (%)

	Budgeted 2003/04	Forecast 2004/05	<i>Forecast 2005/06</i>
Key PR Sectors			
Agriculture and Co-operative			
Sector share of total budget	3.7	3.9	3.8
P1 % of total sector budget	67.8	66.1	67.3
Irrigation			
Sector share of total budget	3.3	2.9	3.1
P1 % of total sector budget	74.7	74.1	79.6
Forest and Soil Conservation			
Sector share of total budget	2.9	2.4	2.3
P1 % of total sector budget	21.0	22.1	22.4
Roads			
Sector share of total budget	7.8	6.9	6.6
P1 % of total sector budget	59.7	66.4	66.3
Electricity Development**			
Sector share of total budget	8.5	8.2	7.2
P1 % of total sector budget	2.6	2.7	3.7
Education			
Sector share of total budget	23.3	20.7	20.4
P1 % of total sector budget	18.8	21.6	24.1
Health			
Sector share of total budget	7.5	6.9	7.0
P1 % of total sector budget	31.8	34.5	36.1
Drinking Water			
Sector share of total budget	5.0	4.6	7.7
P1 % of total sector budget	93.9	91.0	94.9
Local Development			

Sector share of total budget	9.8	8.3	7.9
P1 % of total sector budget	66.2	65.4	65.2
Totals			
Key PR Sectors % Share of Total Budget	71.6	64.7	65.9
P1 % of Key PR Sector Budgets	39.5	40.9	45.6
<i>** Electricity Development does not include electrical authority budget allocation in 2004/5 and 2005/6</i>			

A fundamental difference between the MTEF and the investment plans associated with a MDGs Needs Assessment is that the latter do not assume the same set of macroeconomic constraints that underlie the MTEF. The primary purpose of the MDGs Needs Assessment in this context is to estimate the total resource requirements needed for the MDGs, to estimate the financing gap between domestic and external resources and MDGs financing needs. Further, the Needs Assessment also develops a financing strategy for the MDGs that examines three sources of financing; household contributions, government revenues, and development assistance. The MTEF is concerned mainly with resource allocation in the medium run (for priority areas defined in the PRSP).

From the MDGs perspective, it could be argued that the value of a Needs Assessment lies precisely in the fact that it allows a country to draw up a long-term investment plan and develop a financing strategy that is multi-pronged. Thus, it is an effective mechanism for aligning targets and plans with resources. Further, a long-term strategy is also useful to identify long-term development assistance, since without this, progress with respect to the MDGs will be seriously undermined.

A Needs Assessment can help to formulate and improve the MTEF by:

- ?? Suggesting interventions (programmes) to be included in the list of priority programmes;
- ?? Developing better measures of unit costs;
- ?? Identifying macroeconomic constraints that can be relaxed so as to increase government revenue;
- ?? Identifying investments needed in infrastructure (such as energy requirements) because without these investments, MDG targets are unlikely to be met; and
- ?? Developing a financing strategy for meeting the MDGs.

Since the MTEF is the indicative medium term budget of the PRSP, it might fall short of the investment requirement and allocative priorities consistent with the achievement of the MDGs. This would particularly be the case when policy priorities in the PRSP diverge from those interventions crucial for MDG achievement.

Although costing long-term investment priorities (MDGs Needs Assessment) and medium term priorities (MTEF) is critical from a development planning perspective and as a way of promoting evidence based policy making, it should be emphasised that recent reviews on such costing exercises are converging on the view that long and even medium term costs are subject to a great deal of uncertainty. In short, it cannot be known in advance with any degree of certainty and precision how much the MDGs will cost. This means that cost estimates and associated policies, interventions (plans) need to be revisited periodically – precisely to ensure that the long-term poverty reduction targets, plans, and resources cohere with medium term policy priorities and budget allocations.

An attempt is made by the Millennium Project to estimate the costs associated with the interventions considered as impacts to achieving MDGs. Based on a sample of five countries (Bangladesh, Cambodia, Ghana, Tanzania and Uganda), the average per capita investment need is estimated at US\$ 84 per annum. The resource need is estimated between 15 to 22 per cent of GDP. The same study also estimates domestic resources to be able to meet 40-50 per cent of

the investment need implying an average total need for external development assistance equivalent to US\$ 44- US\$ 57 per capita. If this is any indication for Nepal (which it can be as the study countries are similar to Nepal in development status), the external resource gap could be significantly high compared to the total assistance inflow of about US\$ 10 per capita per year.

There has been an attempt to estimate costing in some of the critical areas of MDGs in the country. The selected areas include primary education, basic health care (reducing under 5 Child Mortality Rate and Maternal Mortality Rate), and drinking water. The preliminary estimates reveal a significant resource gap in achieving the MDGs by 2015 (Table 2). The resource gap is as high as double the available resources in MDG programmes so far. This calls for additional efforts to mobilise domestic revenue, inter sectoral and intra sectoral budget restructuring, and mobilisation of additional foreign assistance.

Table 2: Resource Gap in Selected MDG Sectors (Rs. in billion)

	2003	2004	2005	2010	2013	2015
Resource Available for MDGs	12.2	13.5	14.5	20.5	25.2	29.7
Resource Requirements for MDGs	22.6	24.6	26.8	37.1	44.4	50.3
Resource Gap+	10.4	11.1	12.2	16.5	19.3	20.7
Total Resource Gap++	12.8	13.8	15.2	18.8	24.2	26.3

Source: NPC/UNDP (2003), Consolidated Report on MDGs Costings.

+ Incorporating the existing trend of foreign aid being received in the MDG area.

++ Total external resource requirement.

Note: This resource gap estimation is based on an estimated GDP growth rate of 6.2 per cent leading to domestic revenue forecast on the same basis. Should the GDP growth rate be lower, the resource short fall will go up because of revenue shortfall.

7. Ways Forward

Internationally, there is a perception that MDGs are UN agendas and are not necessarily getting adequate support from agencies other than the UN system. This perception is changing over time with donors and particularly the IMF and World Bank also gradually taking on this agenda. At the country level, there is a perception that MDGs are the government's agenda, and their implementation without participation of non-government organisations and the civil society run the risk of being supply driven programmes. In this context, the following agenda lies before the government:

- ?? Developing a business plan for the PRSP with a view to further streamline MDGs into the PRS process;
- ?? Localisation of targets, and incorporation of MDGs in district level periodic plans;
- ?? Balancing a rights-based approach to MDGs with resource availability and sustainability;

- ?? *Awareness and capacity building;*
- ?? *Engendering MDGs and progress reports;*
- ?? *Disaggregation of MDGs targets and performance indicators by gender, geographical area, and social group;*
- ?? *Building strong partnerships with different actors - including the civil society- for co-ordinated channelling of resources, program implementation, and monitoring;*
- ?? *Increasing local resource mobilisation;*
- ?? *Strengthening and streamlining management information systems along with household and facility survey system;*
- ?? *Dissemination, feedback, and reprioritisation of policies and programmes as a learning cycle; and*
- ?? *Fostering regional and global advocacy for materialising the commitments of the developed world in creating a supportive environment for attaining MDGs.*

8. Implications for External Donors

- ?? The MDG Needs Assessment is important and should be pursued. As noted earlier, the main intent of a MDG Needs Assessment is to enhance the synergy between the MDGs, national planning and budgeting instruments like the PRSP and MTEF.
- ?? Given the complexities associated with estimating resource requirements for the MDG and Tenth Plan targets, the government and external partners should consider a more flexible approach, based on the principle of adaptability and learning, to review the poverty reduction strategy, programmes and financing plans and to assess on the basis of such a review how the MDGs and Tenth Plan targets can best be financed and the role of external partners (technical and financial) in this regard is very critical.
- ?? Internalisation and adaptation of the MDGs' process can be facilitated by external partners. The periodic consultations between a developing country and its external partners such as during the National Development Forum provides an opportunity for substantive discussions about the main elements of the national strategy for poverty reduction, the MDGs and resource requirements. Such periodic reviews – called the Peer and Partner Review – would involve a few peer countries and a more select group of partners to review the anti-poverty strategy, programmes and financing plans.
- ?? By building on the NDF and Tenth Plan/PRSP process, the Peer and Partner Review could be an important mechanism to help address the need for investments and resource mobilisation (domestic and external) needed for human development. In this sense, estimation of resources for the achievement of the MDGs would not be regarded in an isolated fashion from other factors that impede or foster poverty reduction and human development, but rather as time-bound goals inter-related to a host of other societal factors relevant for poverty reduction.
- ?? The country assistance strategies of the development partners need to be focused to address the challenges of attaining MDGs. Support from international and national non-government organisations should also be focused towards the same goal.
- ?? In short, the Peer and Partner Review mechanism would seek to enhance the debate about aligning development strategies, aid flows and financing plans for the MDGs. Policy reorientation and partnership towards achieving MDGs would be the best way to address both income and human poverty, thus promoting human development.