

INDICE

Foreword.	Ix
Acknowledgments	Xi
Abbreviations and ACrOnYI1IS	Xiii
Executive Summary.	Xvii
Millennium Development Goals (MDGs)	Xxii
Overview: From Vision to Action	1
Part. I Framework.	19
1 Monitoring Framework	21
2 MDG Prospects: Reasons for Optimism, Grave Concerns	33
II .Developing-Country Policies 49	49
3 Overall Picture	51
4 Improving Enabling Climate for Growth: Economic and Financial Policies	57
5 Upgrading Public Sector Governance	81
6 Strengthening Infrastructure	93
7 Accelerating Human Development	107
8 Promoting Environmental Sustainability	125
Part. III Developed-Country Policies 131	131
9 Fostering Growth and Stability: Macro-financial Policies	133
10 Dismantling Barriers to Trade.	143
11 Providing More and Better Aid	163
12 Fulfilling Responsibilities for Global Public Goods.	181
Part. IV. Role of International Financial Institutions	189
13 Monitoring the IFIs' Contribution	191
References	217
Boxes	
Millennium Development Goals	xxii
1.1 An action plan for improving development statistics	24
1.2 Strengthening the links between PRSPs and the MDGs	30
2.1 East Asia and Pacific: Despite solid performance on MDGs, challenges remain.	38
5.1 Improving fiscal transparency through ROSCs	84
5.2 The African Peer Review Mechanism: self-assessing governance	89
5.3 Governance in Africa-progress on a difficult agenda.	90
6.1 Water supply and sanitation in the MDGs	104
7.1 Rwanda: HIV/AIDS and health expenditure	112
7.2 The case of the missing money: monitoring public expenditure	115
7.3 The Bangladesh Female Secondary School Assistance Program	117
8.1 Multisectoral interventions to achieve the MDGs: lessons from child mortality in rural India	128
8.2 The United Nations Task Force on Environmental Sustainability.	128
9.1 Differences between remittances and capital flows.	139
10.1 The EU's Common Agricultural Policy reform	149
10.2 Lessons from Integrated Framework diagnostic trade integration	158

studies	
11.1 Estimating the cost of the MDGs.	167
11.2 Measuring aid selectivity.	171
11.3 Vietnam's comprehensive government: led harmonization program	176
12.1 International Task Force on Global Public Goods.	182
12.2 Progress toward environmental sustainability through performance review and peer pressure	183
12.3 International environmental agreements: toward global cooperation, With some notable exceptions.	184
13.1 Framework for assessing IFI contributions,	192
13.2 Results - based CAS	200
13.3 Proposed IDA14 results-measurement system.	206
13.4 Sectorwide approach to primary education development	209
Figures	
1.1 Framework linking policies and actions with development outcomes	25
1.2 Monitoring: dimensions of developing-country policies	27
1.3 Monitoring: dimensions of developed-country. policies.	28
1.4 Monitoring: dimensions of development agency support	30
2.1 Growth prospects improve, but not enough	35
2.2 Most regions will reach the goal of halving poverty by 2015, but Sub-Saharan Africa is seriously off track	37
2.3 Mortality at a given level of national income has been declining	40
2.4 A few regions are close to the target on primary education: others are off track	41
2.5 Prospects for reaching the child mortality goal are dim	43
2.6 Reform combined with stronger partner support can substantially boost prospects for achieving the MDGs	46
3.1 Developing countries' policies have improved; governance and institutions lag.	52
3.2 Other ratings corroborate that developing-country polices have improved but that governance and institutions lag'	54
3.3 The transition countries are making broad progress in removing obstacles to business	55
3.4 The developing-country policy diamond shows progress, but much more is needed '	55
4.1 Faster growing countries typically have better macroeconomic policies	59
4.2 Better-off countries tend to restrict trade less	65
4.3 Overall policy on trade in services remains more restrictive in developing countries.	66
4.4 Heavy regulation is associated with lower productivity	67
4.5 Heavier regulation contributes to the informal economy and corruption	
4.6 More regulation does not necessarily produce better social outcomes	68
4.7 Protecting property rights is associated with more credit.	69
4.8 Poor countries regulate the most	70
4.9 Low-income countries lag far behind best practice in promoting	71

business.	
4.9 Low-income countries lag far behind best practice in promoting business.	71
4.10 Low-income countries lag the most in property rights and rule of law	72
4.11 Countries are improving their private business environment	73
4.12 The financial sector is deepening in the developing world, but at a varying pace	75
4.13 Deposit growth has not been equally reflected in growth in private sector credit	76
4.14 Financial system strength is typically positively correlated with compliance with Basel Core Principles.	77
4.15 Capital markets are shallow in low-income countries.	78
5.1 The quality of governance is weak but improving in developing countries.	87
5.2 Civil liberties are gradually improving in developing countries.	88
5.3 Participatory processes are also improving in developing countries.	88
6.1 Gaps in infrastructure call for significantly increased spending, which must be managed well for effectiveness	101
7.1 Investment in human capital is up, but more is needed.	109
7.2 Developing countries are allocating more public spending to human Development.	110
7.3 Public spending covers more of the cost of health care in high-income countries than in low-income countries	111
7.4 Public spending on human development often benefits the rich more than the poor	114
7.5 Teachers' salaries absorb most recurrent education spending	116
8.1 Environmental policy ratings are low but improving.	126
9.1 A robust global economy requires orderly resolution of the large external and fiscal imbalances	135
9.2 Low-income countries receive little foreign direct investment .137	
9.3 Private capital flows to developing countries are recovering, led by debt flows.	137
10.1 Potential income gains from trade reforms are large and can help reduce poverty	145
10.2 Escalating tariff rates discourage development.	147
10.3 Protection in agriculture is high-a multiple of that in manufacturing.	153
10.4 Is overall trade policy pro development? Mixed picture	154
10.5 Potential gains from liberalization of services, especially migration, are large	157
11.1 Aid is rising but is well short of what is needed	164
11.2 The increase in ODA in 2002 was concentrated in special-purpose grants.	165
11.3 The proportion of aid provided in cash and more flexible forms should be rising, not falling	169
11.4 Institutions and policies matter for aid effectiveness.	169

11.5 More selective donors provide more aid per capita to countries with stronger policies and institutions	170
11.6 Aid fragmentation is high.	172
11.7 Aid flows are typically more volatile than fiscal revenues in aid-dependent countries.	173
12.1 MDGs and Kyoto Protocol call for reduction of greenhouse emissions, but results tell a different story.	185
Tables	
2.1 Growth rates and decline in poverty by region, through 2015.	36
2.2 Projected per capita growth and improvement in poverty in Sub-Saharan Africa, 2000-2015	39
2.3 Primary education completion rates, progress needed by region ...41	41
2.4 Distance from the goal of gender parity in 'primary and secondary education, by region, circa 2000	42
4.1 Macroeconomic indicators for low-income countries, by region, 1983-2008	58
4.2 Quality of macroeconomic policies for low-income countries, by country characteristics.	60
4.3 Macroeconomic indicators for middle-income countries, 1983-2008.	61
4.4 Impact of financial crises on poverty, East Asia, 1997-98.	62
4.5 Decline in tariffs in developing countries, late 1980s to 2003	63
4.6 Decline in core nontariff barriers in developing countries, 1989-94to2000	63
4.7 Major users of antidumping, developing countries, 1995-2002.	64
4.8 Overall trade restrictiveness of developing-country groups, 2001.	64
4.9 Investment climate, selected low- and middle-income countries, 2002	72
4.10 Summary of lessons learned from corporate governance assessments.	74
4.11 Evolution of selected financial soundness indicators, 1998-2002.	76
5.1 Improvement in public financial management in developing countries, 1999-2003	82
5.2 Public financial management benchmarks used in HIPC assessments	83
5.3 Central government tax revenue, 1990-2001.	85
5.4 Quality of public sector governance, 1999-2003	86
5.5 Worldwide governance indicators, 1998-2002.	87
6.1 Distribution of studies according to their findings on impact of infrastructure investment on productivity or growth.	94
6.2 Access of population to infrastructure services	96
6.3 Technical quality of infrastructure services.	97
6.4 Quality of infrastructure services as perceived by commercial users	98
6.5 Electricity reform in selected countries, 2003	99
6.6 Expected annual needs for new investment and maintenance in infrastructure, 2005-10.	100
6.7 Private commitments for infrastructure, 1990-2002.	102
7.1 Private health expenditure.	111

7.2 Public spending on social protection for selected countries by region.	113
7.3 Frequency of attended births by wealth and region, various years.	119
8.1 Selected outcome indicators of environmental sustainability by region and country income category	127
9.1 Macroeconomic indicators for advanced economies, .1993-2008	134
9.2 Global economic environment and developing countries	136
9.3 Remittances to developing countries, by region, 2001-03	138
10.1 MFN tariffs, developed countries, 1990 and 2002.	146
10.2 Simple average NTB coverage ratios, 2001	147