

HOW ARE THE NEIGHBOURS?

The Millennium Development Goals & our Region – 2006

It is now almost six years since Australia and one hundred and ninety other nations committed to a global plan to halve extreme poverty by 2015. This plan has eight goals known as the Millennium Development Goals (MDGs). This paper looks at whether Australia's developing country neighbours are on track to achieve the Goals and whether they are receiving sufficient support from the developed countries.

The paper finds that while there is progress throughout the region, most of our neighbours are struggling and at least eight of our 22 neighbouring countries are significantly off track. The goals to reduce child and maternal mortality are particularly at risk. Analysis of levels of aid support suggests that aid could be better targeted at those countries most at risk, and that there appears to be a significant shortfall in aid for the key areas of basic education, health care, water and sanitation. The paper concludes with recommendations aimed at improving Australia's role in achieving the plan in our neighbourhood.

Table I Millennium Development Goal performance of Australia's neighbours

Source: UNSTATS Millennium Indicators Database and OECD DAC Online Database, accessed 23 July 2006

	GOAL 1	GOAL 1	GOAL 2	GOAL 3	GOAL 4	GOAL 5	GOAL 6	GOAL 7	Unlikely to achieve	ODA PER CAPITA	
	poverty reduction	hunger reduction	universal primary education	gender equality in education	reduced child mortality	reduced maternal mortality	reverse major diseases	access to water & sanitation		from all donors av 2003 & 2004 US\$2004	Overall level of aid
Cambodia	X				X			–	2 goals	\$37	low
Cook Islands	–	–	–			–	–	–	–	\$368	
Fiji	–							–	2 goals	\$69	
Indonesia									2 goals	\$8 ¹	low
Kiribati	–				X	–	–		–	\$178	
Laos	X		X			X		–	4 goals	\$51	low
Marshall Islands	–	–			X	–	–		–	\$909	
Micronesia	–	–	–	–		–	–		–	\$851	
Myanmar	–		X		X	X	X		4 goals	\$3	low
Nauru	–	–			–	–	–	–	–	\$1512	
Niue	–	–			–	–	–		–	\$5793	
Palau	–	–				–	–		–	\$1143	
Papua New Guinea	X		X		X		X	X	8 goals	\$45	low
Philippines		X							5 goals	\$7	low
Samoa	–						–		3 goals	\$180	
Solomon Islands	–	X	–		X		–	–	–	\$200	
Timor-Leste	–		–	–		X	–	–	–	\$177	
Tokelau	–	–			–	–	–		–	\$5367	
Tonga	–	–				–	–		–	\$237	
Tuvalu	–	–			X	–	–		–	\$721	
Vanuatu	–						–	X	5 goals	\$169	
Viet Nam									2 goals	\$22	low
Countries on track	–	54%	72%	80%	21%	25%	–	53%			

On track
 Off track
 X Off track, high absolute levels
 – Lack of data

TABLE I above summarises progress towards the Millennium Development Goals for each of the developing countries² within our region of South-East Asia and the Pacific. The large number of red cells shows that a number of countries are off-track for one or more Goals. The x indicates those countries that also have extreme absolute values (e.g. a high level of child mortality) for the indicator.

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THERE ARE EIGHT MILLENNIUM DEVELOPMENT GOALS:



In the Philippines, tuberculosis is a disease of the poor. Unlike many people in his community, Lunding received treatment, and is once again able to support his family.

GOAL 1: Halve the proportion of people living on less than \$1 a day and the proportion of people who suffer from hunger.

GOAL 2: Ensure that all girls and boys complete a full course of primary schooling.

GOAL 3: Eliminate gender disparity in primary and secondary education preferably by 2005, and at all levels by 2015.

GOAL 4: Reduce the child mortality rate by two-thirds.

GOAL 5: Reduce the maternal mortality rate by three-quarters.

GOAL 6: Halt and begin to reverse the spread of HIV/AIDS, malaria and other major diseases.

GOAL 7: Integrate the principles of sustainable development into country policies; halve the proportion of people without access to safe drinking water; achieve significant improvement in lives of at least 100 million slum dwellers.

GOAL 8: Develop a global partnership for development between rich and poor countries.

The eight goals are linked to 18 targets and 48 indicators, however for this report we have summarised progress using eight key indicators which are: percentage earning less than US\$1 a day, percentage undernourished, primary completion rate, secondary school enrolment ratio³, deaths under five years of age per 1000 live births, maternal deaths per 100,000 births, percentage 15-49 yr olds with HIV/AIDS, percentage with access to an improved water source.

A country is considered to be on track for a Goal if its recent annual rate of improvement equals or exceeds the rate now required to reach that country's target by 2015. For example the Solomon Island's child mortality rate dropped from 60 in 2000 to 56 per 1000 in 2004 – an average annual decrease of 1.7%. However this is insufficient to achieve MDG Goal 4 which for the Solomons is 21 per 1000 by 2015. To reach the target the average annual decrease from 2004 to 2015 will need to be 8.5%.

THREE RESULTS STAND OUT IN TABLE 1:

- Many of the goals are unlikely to be achieved at this rate by a number of countries in our region. This is especially so for Goal 4, reducing child mortality and Goal 5, reducing maternal mortality.
- There are a number of countries, most notably Papua New Guinea, the Philippines, Vanuatu, Laos and the Solomon Islands that are off track for multiple goals. No regional developing country is on track for all goals.
- There is a serious lack of data in many regional countries to allow comprehensive monitoring of the MDGs. This is especially a problem in the smaller countries.

TABLE 1 also highlights the extreme range in per capita aid provided to countries in the region, with Indonesia receiving around \$8 per person and some Pacific Island nations receiving more than \$5000 per person. All of the countries receiving more than US\$60 per capita have very small populations so the total cost of this aid is relatively low. The more important question is whether the larger countries are receiving enough aid.

While Table 1 summarises whether countries are on track to reach their individual MDG goals, Table 2 on the next page provides a snapshot of the current absolute levels for each of the eight indicators for each country in the region. Those measures with the worst values are highlighted in red. This table shows the very wide range for most of the indicators in our region.

The table also highlights those countries with high absolute levels for these poverty indicators: Cambodia, Laos, Myanmar, Papua New Guinea and Timor-Leste. While there is considerable

overlap in the priority countries that are identified by the two tables there are also some differences. For example Cambodia is on track to achieve most of its Goals however it does have very poor absolute levels for most of these indicators. At the same time, the Philippines and Vanuatu, which are off track for a majority of the Goals have relatively good absolute indicators.

Together the two tables suggest that the following countries will need priority assistance if we are to maximise the achievement of the MDGs in our region:

- **Cambodia** – off track for two Goals but has extreme values for six.
- **Laos** – off track for four Goals with extreme values for five.
- **Myanmar** – off track for four Goals with extreme values for four.
- **Papua New Guinea** – off track for all eight Goals with extreme values for four.
- **Philippines** – off track for five Goals, but only one has extreme values.
- **Solomon Islands** – off track for four Goals with extreme values for two.
- **Timor-Leste** – of the three Goals with information, two are off-track and at least three have extreme values.
- **Vanuatu** – off-track for five Goals, but only one has an extreme value.

The data also suggests that a number of countries would benefit from assistance, in the first instance, to improve their MDG monitoring systems.



Attending primary school is a right that many children in the Region do not enjoy.

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Table 2 Millennium Development Goal indicators – current levels for Australia's neighbours

Source: UNSTATS Millennium Indicators Database, accessed 23 July 2006

	GOAL 1	GOAL 1	GOAL 2	GOAL 3	GOAL 4	GOAL 5	GOAL 6	GOAL 7
	poverty reduction	hunger reduction	universal primary education	gender equality in education	reduced child mortality	reduced maternal mortality	reverse major diseases	access to water & sanitation
date of most recent indicator	2000,2002	2002	2003,2004	2003,2004	2004	2000	2005	2002
indicator	% earning less than US\$1 a day	% undernourished	primary completion rate	secondary school enrolment ratio	deaths per 1000 live births	deaths per 100,000 births	% 15-49 yr olds with HIV/AIDS	% with access to improved water source
Cambodia	–	33	81.7	0.69	141	450	1.6	41
Cook Islands	–	–	–	1.02	21	–	–	–
Fiji	–	4	104.9	1.07	20	75	0.1	47
Indonesia	7.5	6	101.5	0.99	38	230	0.1	77
Kiribati	–	6	118.1	1.22	65	–	–	65
Laos	–	21	74.0	0.76	83	650	0.1	51
Marshall Islands	–	–	125	1.04	59	–	–	87
Micronesia	–	–	–	–	23	–	–	94
Myanmar	–	5	74.9	0.94	106	360	1.3	78
Nauru	–	–	–	1.07	30	–	–	–
Niue	–	–	81.1	0.95	–	–	–	100
Palau	–	–	–	1.14	27	–	–	85
Papua New Guinea	–	13	53.9	0.79	93	300	1.8	39
Philippines	15.5	19	96.6	1.11	34	200	0.1	85
Samoa	–	4	96.1	1.12	30	130	–	88
Solomon Islands	–	20	–	0.81	56	130	–	70
Timor-Leste	–	8	–	–	80	660	–	58
Tokelau	–	–	–	–	–	–	–	88
Tonga	–	–	–	1.08	25	–	–	100
Tuvalu	–	–	103.1	–	51	–	–	100
Vanuatu	–	12	87.2	0.86	40	130	–	60
Viet Nam	2.0	17	100.8	0.95	23	130	0.5	85





Cambodia has a high level of child mortality. Simple treatment saved the life of Hok Pherom. He was severely dehydrated after a bout of diarrhoea.

The following charts give an idea of the recent historic rates of progress for those Goals which have sufficient trend data and indicate the rate of improvement required in the future in order to achieve the Goals by 2015.⁴ The future trend that is required is shown by a broken line. To aid visual clarity only those countries that had the poorest initial indicators are included.

Figure 1 Nutrition trends – regional countries with highest rates at the start of the period – percent of population undernourished

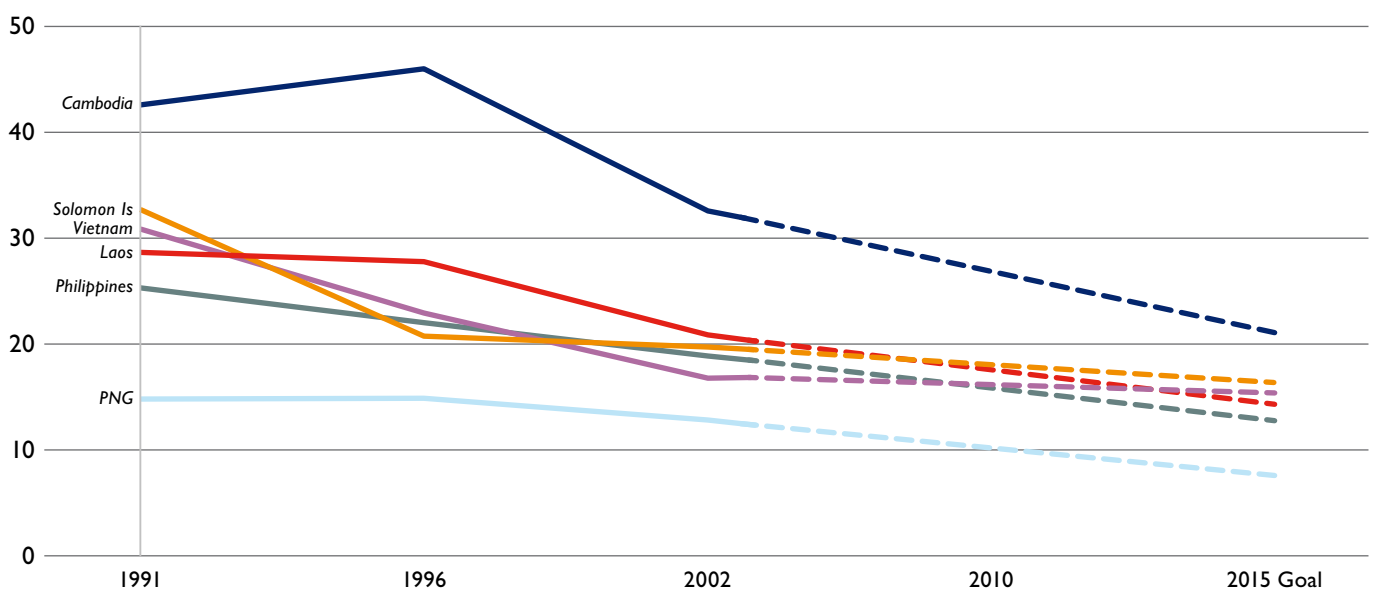


FIGURE 1 above plots the percentage of the population that is undernourished. It highlights the significant range in the proportion throughout the region and shows that those countries that started with the worst levels of nutrition are all on track or close to achieving this Goal.

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Figure 2 **Primary education completion – regional countries with the lowest rates at the start of the period – percent of relevant age group that complete primary education**

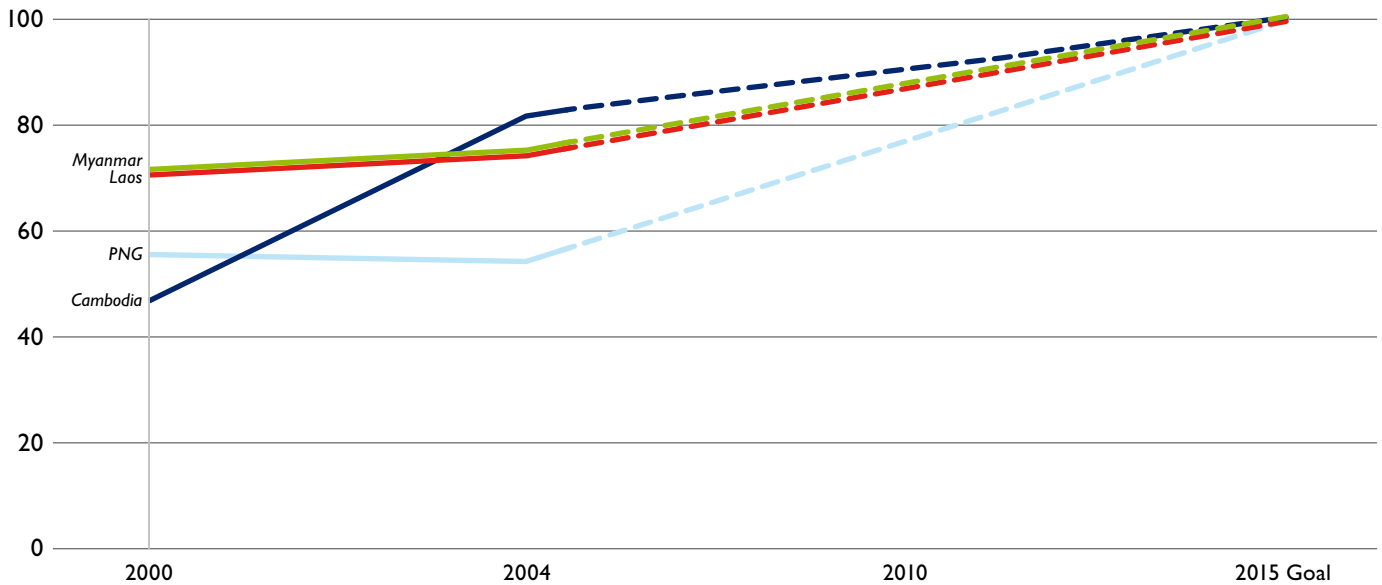


FIGURE 2 shows that only four of the 22 developing countries in the region have a low level of primary completion. The Cambodian data suggests recent rapid improvement in this indicator while Laos, Myanmar and especially Papua New Guinea need to significantly improve their performance.

Figure 3 **Child mortality trends – regional countries with the highest rates at the start of the period – deaths per 1000 live births**

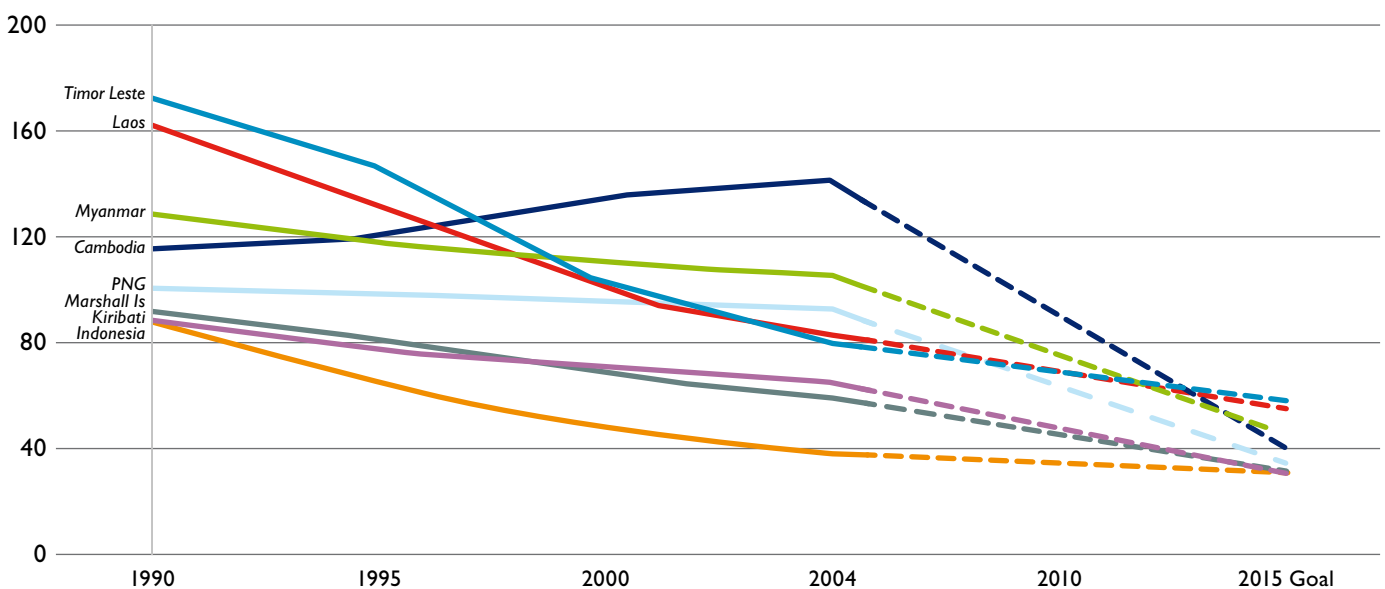


FIGURE 3 charts those regional countries with the highest child mortality rates at the beginning of the period and indicates the sort of change necessary for each to achieve MDG Goal 4. Only one country, Cambodia, has shown an increase in child mortality in the period, however it can be seen that several will need to increase their rate of change if they are to reach MDG Goal 4. The rapid improvements in Timor-Leste and Laos are noteworthy.

Figure 4 **Maternal mortality trends – regional countries with the highest rates at the start of the period – deaths per 100,000 births**

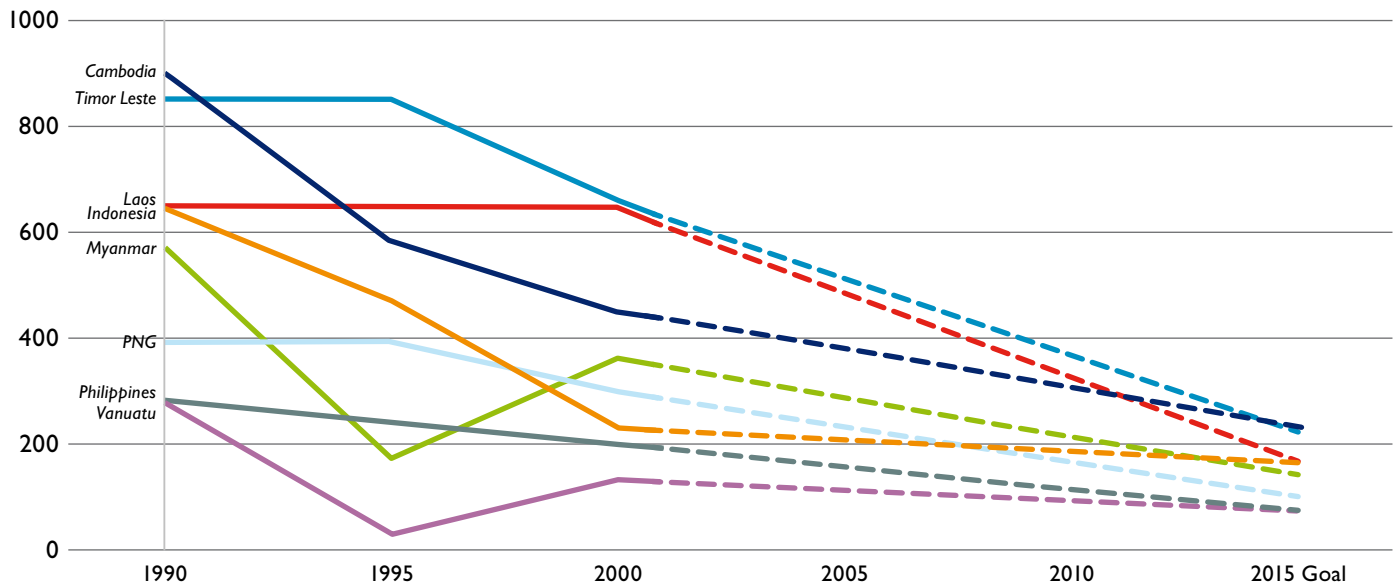


FIGURE 4 highlights the very large range in maternal mortality rates in our region and suggests that significant improvement is possible. Both Indonesia and Cambodia have recorded large drops in the rate of maternal deaths and are both on track to achieve this Goal.

Figure 5 **Access to an improved source of water – regional countries with the lowest rates at the start of the period – percent**

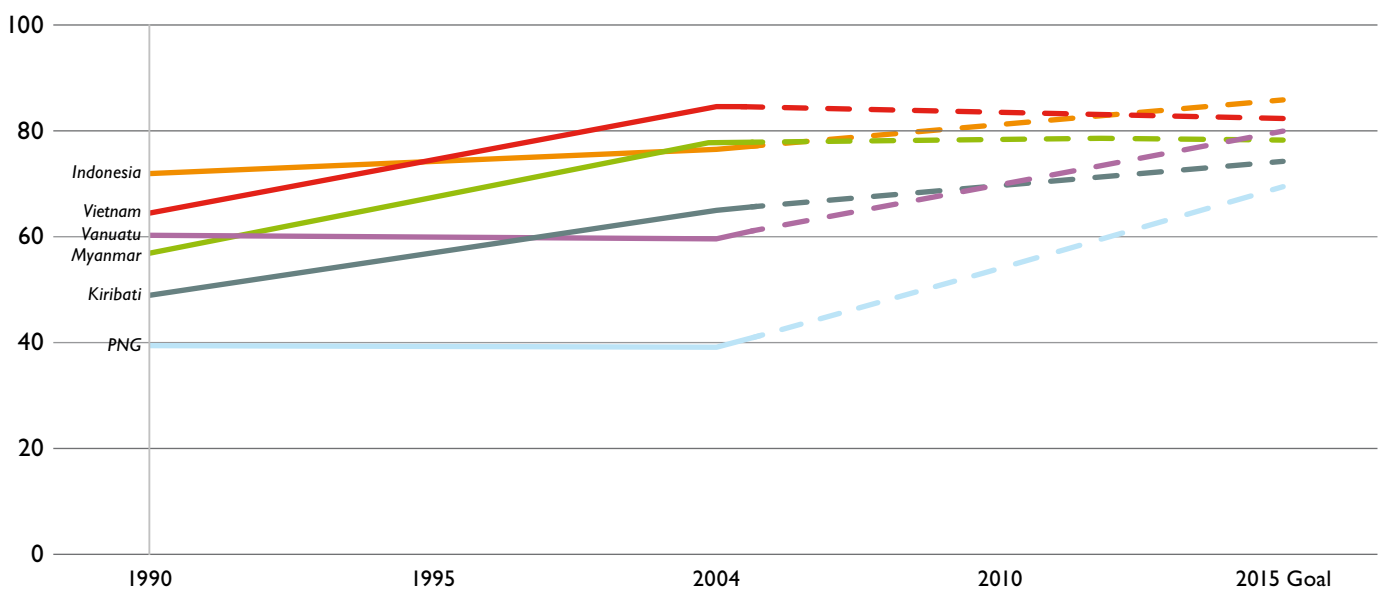


FIGURE 5 shows the lack of progress in the provision of clean water in Papua New Guinea and Vanuatu and the rapid progress made in other countries such as Vietnam, Myanmar and Kiribati.

The charts above highlight the generally positive trends towards achievement of the MDGs in our region, but also indicate that for a number of countries much better performance is required if they are to achieve the Goals. This is clearly possible given the rapid improvements demonstrated by some countries.

Support for countries in the Region

Total annual official development assistance (ODA) to the 22 regional countries from all donors totalled an average of US\$6021 m in 2003 and 2004, the most recent years for which this data is available.⁵ Table 1 shows that total per capita aid runs from as little as US\$3 per capita for Myanmar to over US\$5000 per capita in Niue and Tokelau.

Given the importance of health and education services to the achievement of the MDGs – they are directly related to all of the Goals – we have calculated the amount of aid support given to these areas for each of the countries in the region using data provided by donors to the OECD.⁶

Table 3 below summarises the average annual support given per capita for 2003 and 2004. Support for the basic social service categories of basic education, basic health, reproductive health and water and sanitation averaged 15% of total aid to the region in 2003 and 2004 or just over US\$2 per person. The other 85% of aid support went mainly to transport infrastructure (24%), governance programmes (13%), debt relief (10%), secondary and higher education (10%), energy (8%) and agriculture (8%). Those eight countries identified earlier in this report as particularly at risk of not achieving the MDGs are highlighted in red.

Table 3 Annual per capita aid given to South-East Asian and Pacific countries – average 2003 and 2004 – all donors

	Total ODA per capita 2003-4 Av US\$2004	Total Education Funding per capita	Basic Education Funding per capita	Total Health Funding per capita	Basic Health Funding per capita	Population and Reproductive Health Funding per capita	Total Water and Sanitation Funding per capita	Total BSS* Funding per capita
Cambodia	37	4.40	1.40	3.40	1.90	5.40	3.30	12.00
Cook Islands	368	130.60	2.30	112.50	34.30	4.90	10.80	52.30
Fiji	69	14.50	0.90	15.90	4.80	0.60	7.70	14.00
Indonesia	8	1.00	0.10	0.40	0.30	0.40	0.30	1.10
Kiribati	178	56.60	2.90	4.50	0.20	0.90	1.30	5.30
Laos	51	9.00	2.20	4.90	2.30	1.20	3.10	8.80
Marshall Islands	909	340.40	13.80	303.60	52.20	3.40	0.50	69.90
Micronesia, Fed. States	851	310.70	5.30	211.50	40.80	1.00	0.10	47.20
Myanmar	3	0.40	0.10	0.50	0.40	0.40	0.10	1.00
Nauru	1512	235.00	0.00	0.00	0.00	128.70	0.00	128.70
Niue	5793	622.80	0.00	232.20	83.20	45.30	50.10	178.60
Palau	1143	125.70	56.40	150.30	99.90	4.10	1.50	161.90
Papua New Guinea	45	10.50	1.60	4.60	3.20	2.00	0.70	7.50
Philippines	7	0.50	0.20	0.20	0.10	0.30	0.60	1.20
Samoa	180	–	–	–	–	–	–	–
Solomon Islands	200	19.50	11.70	27.00	0.70	0.50	0.30	13.20
Timor-Leste	177	16.40	4.40	5.40	3.50	1.40	4.90	14.20
Tokelau	5367	566.60	64.40	418.40	242.70	297.70	124.60	729.40
Tonga	237	69.30	3.60	38.60	6.50	3.20	16.20	29.50
Tuvalu	721	304.60	3.20	153.70	135.80	6.70	1.60	147.30
Vanuatu	169	61.70	2.60	18.60	3.40	1.00	1.50	8.50
Viet Nam	22	2.30	0.30	0.90	0.20	0.60	1.60	2.70
Average	13	1.60	0.30	0.80	0.40	0.60	0.80	2.10

* Basic social services (BSS) are basic education, basic health, reproductive health, water and sanitation.



Children can only survive and thrive if they have clean water and adequate sanitation. Only 53% of countries in our region are on track for this Goal and funding for basic services remains low.

Aid funding levels are not the sole determinant of service provision. Domestic funding, debt levels and governance quality are at least as important. However for low income countries aid support is generally needed to achieve the Goals because of their low level of domestic finances. The UN Millennium Project, which carried out detailed MDG needs analyses in five developing countries (including Cambodia in our region) found that only about 40% of the cost of achieving the Goals could be met by the low income countries, even after taking account of likely increases in domestic incomes and government revenue, and that aid would be required to fill the gap if these countries are to achieve the MDGs. They estimated that the average per capita costs to achieve basic education, health and clean water and sanitation in low income countries is as follows:

Table 4 **Estimated per capita cost of basic social services – UN Millennium Project**

Low income countries	Average cost per capita (US\$)	Average aid needed (US\$)
basic education	\$14.90	\$9.00
basic and reproductive health	\$27.00	\$16.20
water and sanitation	\$5.40	\$3.25

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The following charts compare these estimated aid requirements with the levels of aid funding for basic education, basic and reproductive health and clean water and sanitation in the regional MDG priority countries.

Figure 6 Per capita basic education aid to MDG priority countries – 2003-04 annual average

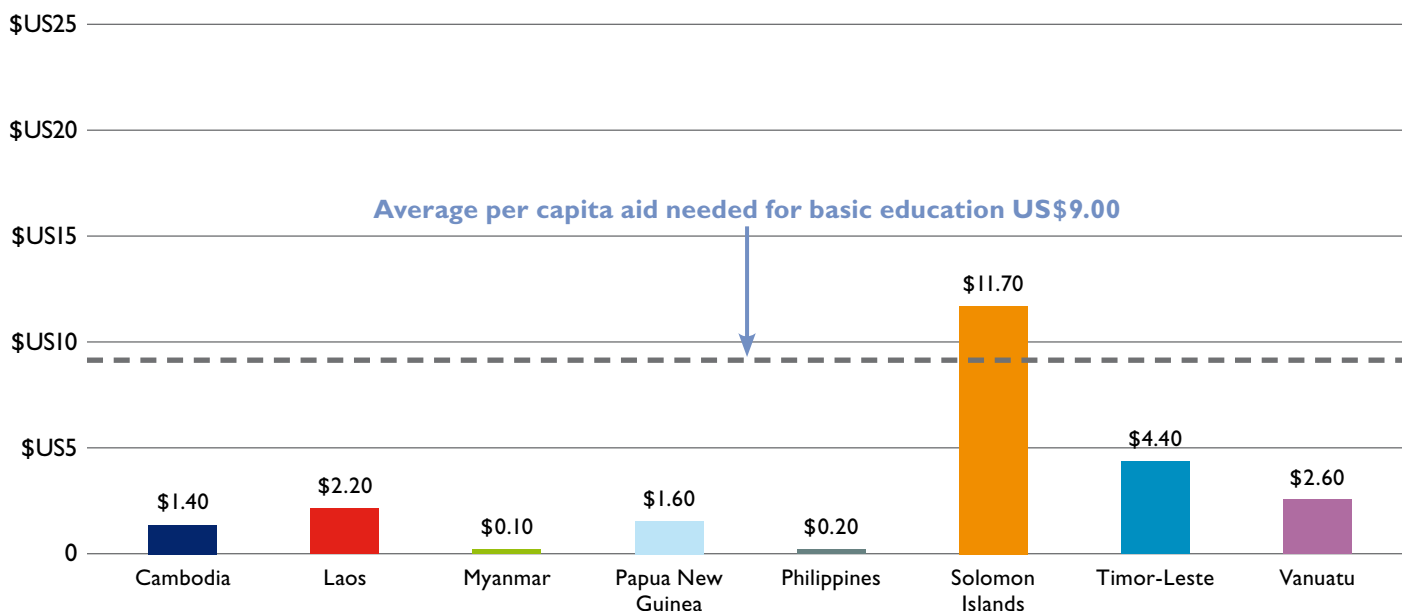


Figure 7 Per capita basic and reproductive health aid to MDG priority countries – 2003-04 annual average

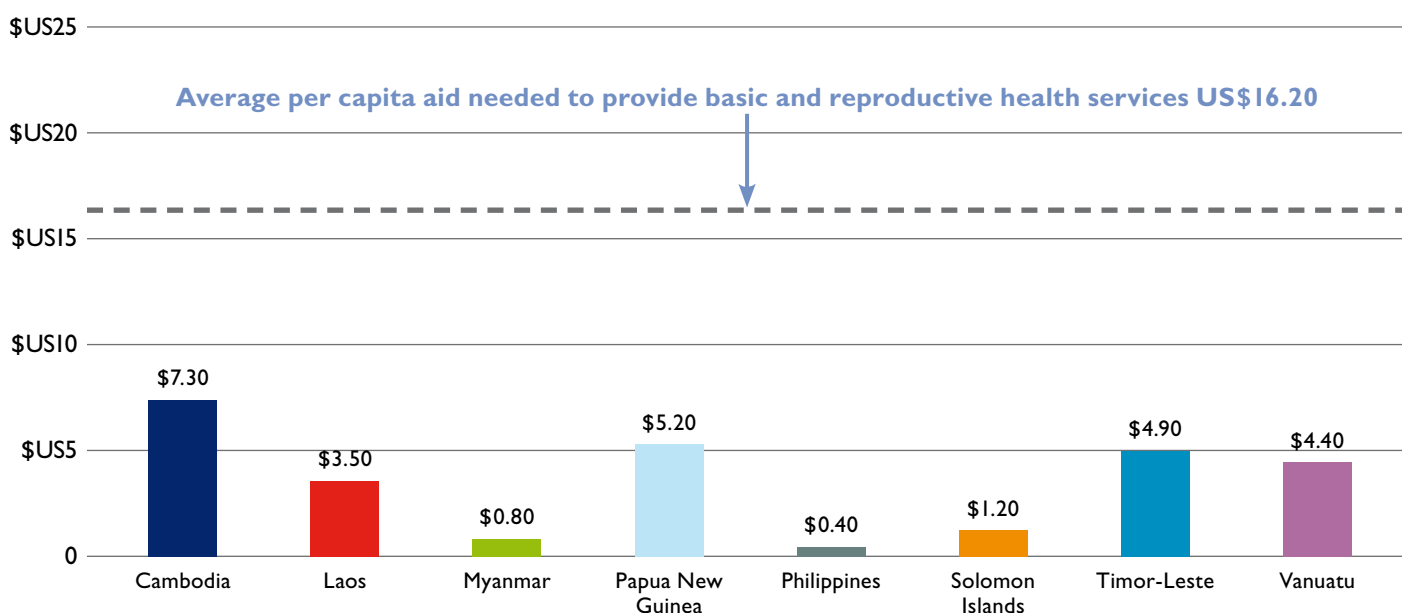
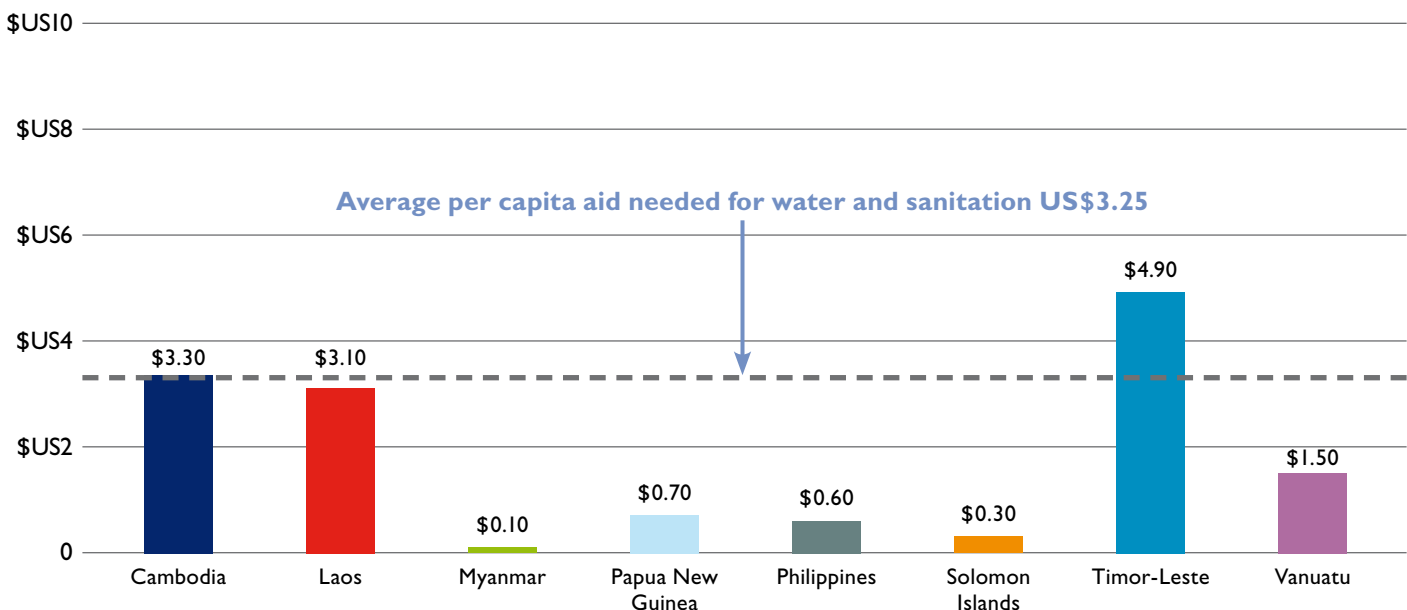


Figure 8 **Per capita water and sanitation aid to MDG priority countries – 2003-04 annual average**



With only a few exceptions – basic education in the Solomon Islands and water and sanitation in Cambodia, Laos and Timor-Leste – it appears that the level of aid for these key areas is considerably below the likely requirements if the MDGs are to be achieved.

While costs vary from country to country and even within countries, the funding gaps identified above are a cause for concern if we are serious about achieving the Millennium Development Goals and helping our neighbours to overcome some of the worst aspects of poverty.



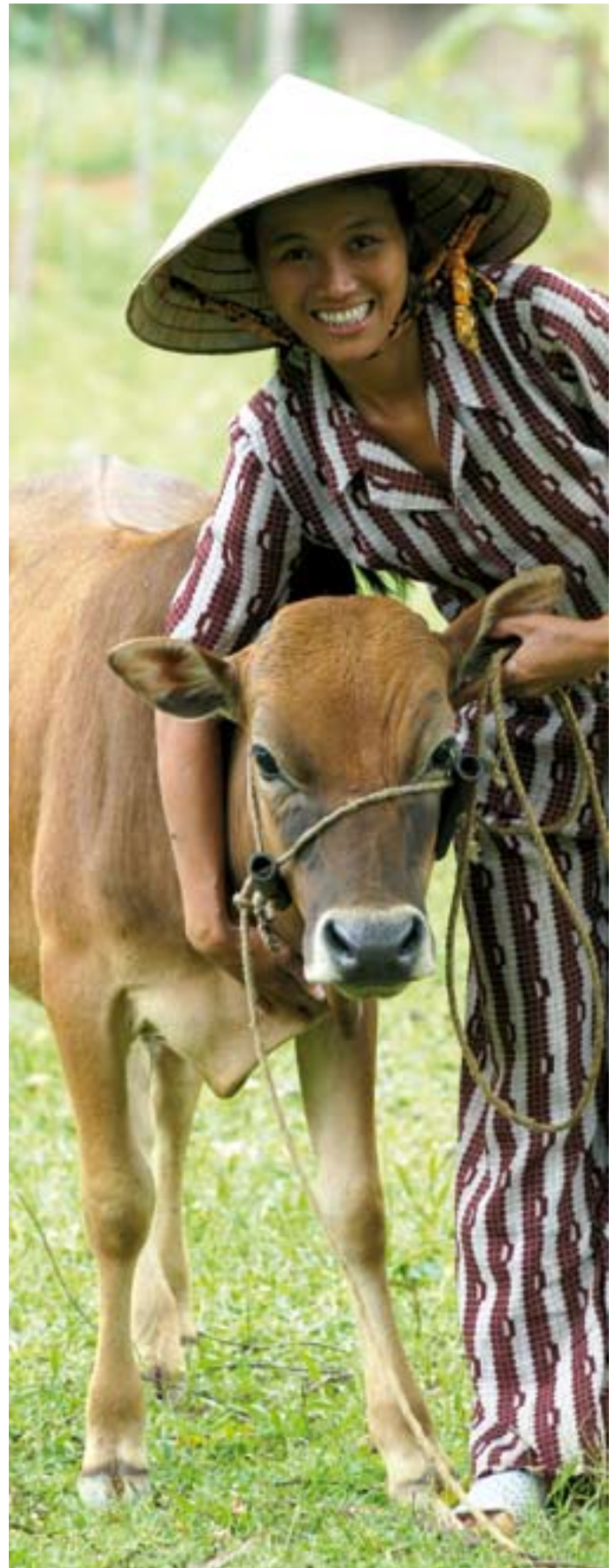
Levels of aid funding for basic education are well below what is required for most countries in our Region.

CONCLUSION

The achievement of the Millennium Development Goals rests largely on the actions of the developing countries themselves; however developed countries such as Australia have an important role to play. The analysis in this paper suggests that at least eight of our regional neighbours are at risk of not achieving their MDGs and that a lack of well targeted aid support may be contributing to this problem.

We recommend that the Australian government:

- work with other donor countries to ensure that adequate aid support and further debt relief is provided to enable achievement of the MDGs, this should be high on the agenda of the G20 meeting of the leaders of the world economy hosted by Australia in November 2006;
- join other nations committing to increase overseas aid to 0.5% of Gross National Income by 2010, and 0.7% by 2015;
- help to reduce the extreme variability in per capita funding provided to countries and ensure that those countries off-track to achieving the MDGs are given priority support;
- work with developing nations in the region to support their MDG-based development plans;
- work with other donors to ensure that key basic service areas of health, education, water and sanitation, are given adequate support either through increased or better targeted funding;
- assist all developing nations in the region to adequately monitor their MDG progress and identify constraints to achievement of the Goals.



South East Asia Map

Last update 24 Jan 97



South West Pacific Map

Last update 12 March 97



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Moikia is a teacher in rural Papua New Guinea, but without more and better aid for education, literacy rates in PNG will remain low.



The Australian Government needs to work more closely with developing countries in the region to achieve the Millennium Development Goals.

RELEVANT REPORTS & DATA SOURCES

ECDPM 2005 *Harmonising Aid Efforts in Asia: The story so far* (The European Centre for Development Policy Management)

OECD DAC CRS online database

SPC and UN 2004 *Pacific Islands Regional Millennium Development Goals Report* (Secretariat of the Pacific Community)

UNDP 2006 Asia Pacific Human Development Report 2006 *Trade on Human Terms* (UNDP)

UNESCAP 2003 *Promoting the Millennium Development Goals in Asia and the Pacific: Meeting the Challenges of Poverty Reduction – MDG I Report for Asia and the Pacific* (United Nations Economic and Social Commission for Asia and the Pacific, UN Development Program)

UNESCAP 2005 *A Future Within Reach: Reshaping Institutions in a Region of Disparities to Meet the Millennium Development Goals in Asia and the Pacific – MDG II Report for Asia and the Pacific* (United Nations Economic and Social Commission for Asia and the Pacific, UN Development Program and Asian Development Bank)

UNESCAP 2006 *Achieving the MDGs in Asia: A case for more aid* (UN Economic and Social Commission for Asia and the Pacific)

UN Millennium Project 2004 *Millennium Development Goals Needs Assessments Working Paper* (UN Millennium Project)

UNSTATS Millennium Indicators Database)

World Bank World Development Indicators Database 2006

¹ Due to exceptional debt repayments in 2004, the net aid to Indonesia for 2004 has been assumed in this paper to be the same as in 2003.

² Thailand and Malaysia have been excluded from this analysis due to their relative wealth.

³ The goal of achieving gender equity in primary and secondary education by 2005 was not achieved and so for the purposes of this analysis we have relaxed the target date to 2015. We have used the secondary education enrolment ratio because of the small total numbers in tertiary education and because of the growing focus on secondary education access and quality for most developing countries.

⁴ The UNSTATS Millennium Indicators Database (at 23 July 2006) was the source of information for these charts. Because different indicators do not necessarily cover the same years, the x axis in each chart is not necessarily to scale.

⁵ All figures on ODA levels in this paper come from the OECD DAC CRS Database Table 5 and from Table 25 of the DAC Development Cooperation Report 2005. Dollar figures are US\$2004.

⁶ Total ODA to each sector was estimated as follows: sector allocated aid disbursements recorded in CRS Table 5 for 2003 and 2004 were calculated as a percentage of total sector allocated aid. These percentages were then applied to total net aid figures for 2003 and 2004 from Table 25 of the DAC Development Cooperation Report 2005.



We will spare no effort to free our fellow men, women and children from the abject and dehumanizing conditions of extreme poverty, to which more than a billion of them are currently subjected.

We are committed to making the right to development a reality for everyone and to freeing the entire human race from want.

– UN Millennium Declaration *September 2000*

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