

Chapter 2

Assessing Progress

The MDG system, agreed at the UN Millennium Conference in New York, 6–8 September 2000, consists of eight MDGs and 21 targets, which apply to key aspects of development to be pursued by every country worldwide.

The data, methodology and assumptions used to monitor progress are important because their underlying results directly influence the financial and resource commitments directed through fiscal stimulus packages and national budget statements to bridge identified gaps.

2.1 Global financial crisis

By the end of the 2000s, the onset of the global financial crisis meant that political discourse favoured economic recovery, monetary policy, employment, debt and trade. Yet these fields are neglected in the MDG framework, which has no targets or indicators for gross domestic product (GDP), balance of payments, or exchange or interest rates.

As well as excluding core macroeconomic issues, the MDG framework also avoids issues such as life expectancy or demography in human development. Nor does it embrace a nation's ecological footprint or the bio capacity of the natural environment.

In light of this, in interpreting the results from this review, care has been taken to relate the data to these wider issues and to highlight ways in which the pursuit of the MDGs can be integrated within the broader framework of sustainable development.

2.2 Goals, targets and indicators

The MDGs encompass eight development objectives covering poverty alleviation, education, gender equality, child health, maternal health, disease control, environmental protection and partnerships. Within these there are 21 specific targets and some 60 principal indicators.¹

Not all the indicators are relevant to all states as some are restricted to least developed states and others relate only to developed states; the number of indicators relevant to each of the states covered in this report varies from 58 to 62.²

In addition, the report considers developments that have been made in certain SIDS that can form the basis for improvements in performance appraisal for small states across the board.

2.3 Data and sources

This report covers the list of MDG indicators (see Annex 2) and relies on the UN Statistics Division's MDG database,³ a compilation of statistics sent in by UN member states. Imputed statistics not submitted by states, but which are the result of data modelling, are also used. Most of the latest values relate to the period 2004–2006. Some values are for earlier years and some are from 2008.

The report also uses other databases within the UN system, such as those produced by the World Bank, UNDP and UNICEF, as indicated in the relevant text, tables and figures. These cover data mapped against GDP per capita at purchasing power parity (PPP), population size and annual births, as well as the Human Development Index (HDI).

2.4 Defining performance status

The report sets out progress on the MDGs using the relevant indicator values:

- **Achieved:** where the latest value on the indicator is at or beyond the target value
- **On-track:** where the latest value on the indicator is moving towards the target value in comparison with the baseline value
- **Off-track:** where the latest value on the indicator is not moving to the target value in comparison with the baseline value
- **Missing data:** where either the baseline value or the latest value is missing from the database, inhibiting the assessment of performance

Progress is defined as having the status of 'achieved' or 'on-track' for performance against a target. Where assessments are reported covering more than one indicator or more than one country, the sum of 'achieved' and 'on-track' indicators is divided by the sum of indicators assessed for each country.

This total proportion of progress per indicator assessed is expressed as a ratio. Progress made by country A on an MDG is given by:

$$\frac{\sum x_i}{\sum n_i}$$

where $\sum x_i$ refers to the sum of progress items
 $\sum n_i$ refers to the sum of indicators assessed
 i refers to any one of the MDGs

Two arithmetic assessments of progress are made: one 'includes' missing data in the denominator; and the other 'excludes' missing data from the denominator, hence n_i is reduced where data on an indicator are not available. Missing data are a major issue in the MDG system and this is examined more closely in the analysis of progress.

2.5 Proximity to target

The assessment of progress is defined for each indicator (see Annex 1), but this does not take into account proximity to target. In some cases only a marginal variation in performance can place the status in the off-track category, even though the distance from target is relatively small. This is one of the limitations of the MDG system.

To overcome this anomaly, in selected cases attention is drawn to proximity to target by reporting the differences between the target and the latest values in the dataset. In addition, to emphasise the Big Divide in values between states, graphs are presented showing the full range of performance from the states with the highest performance to those with the lowest performance.

2.6 Comparisons, league tables and benchmarks

The report sets out baseline and latest values with calculated targets and the performance status for each indicator within the eight MDGs for each of the 46 small states. League tables show variations in performance and allow comparisons to be drawn between the 46 small states and 10 benchmark states: Iceland, New Zealand, France, UK, USA, Brazil, Russia, India, China and South Africa. These larger countries – a mix of islands, developed countries and major emerging economies – provide a range of aspirational benchmarks for the 46 small states.

2.7 Country coverage

The 46 countries which are the focus of this review include 32 states recognised as Commonwealth small

states plus 14 countries that are categorised by the UN as small island developing states, but which are not members of the Commonwealth (see Annex 1).

Figure 2.1 and Tables 2.1 and 2.2 provide an overview of some basic economic and social statistics for the countries covered. The total population of the 46 small states is 68.4 million. The 32 Commonwealth small states have a combined population of 27 million (40%) and the 14 other SIDS have a total population of 41 million (60%). The 10 benchmark states have populations ranging from Iceland with 317,000 to China with 1.3 billion, with a total population of 3.3 billion.⁴

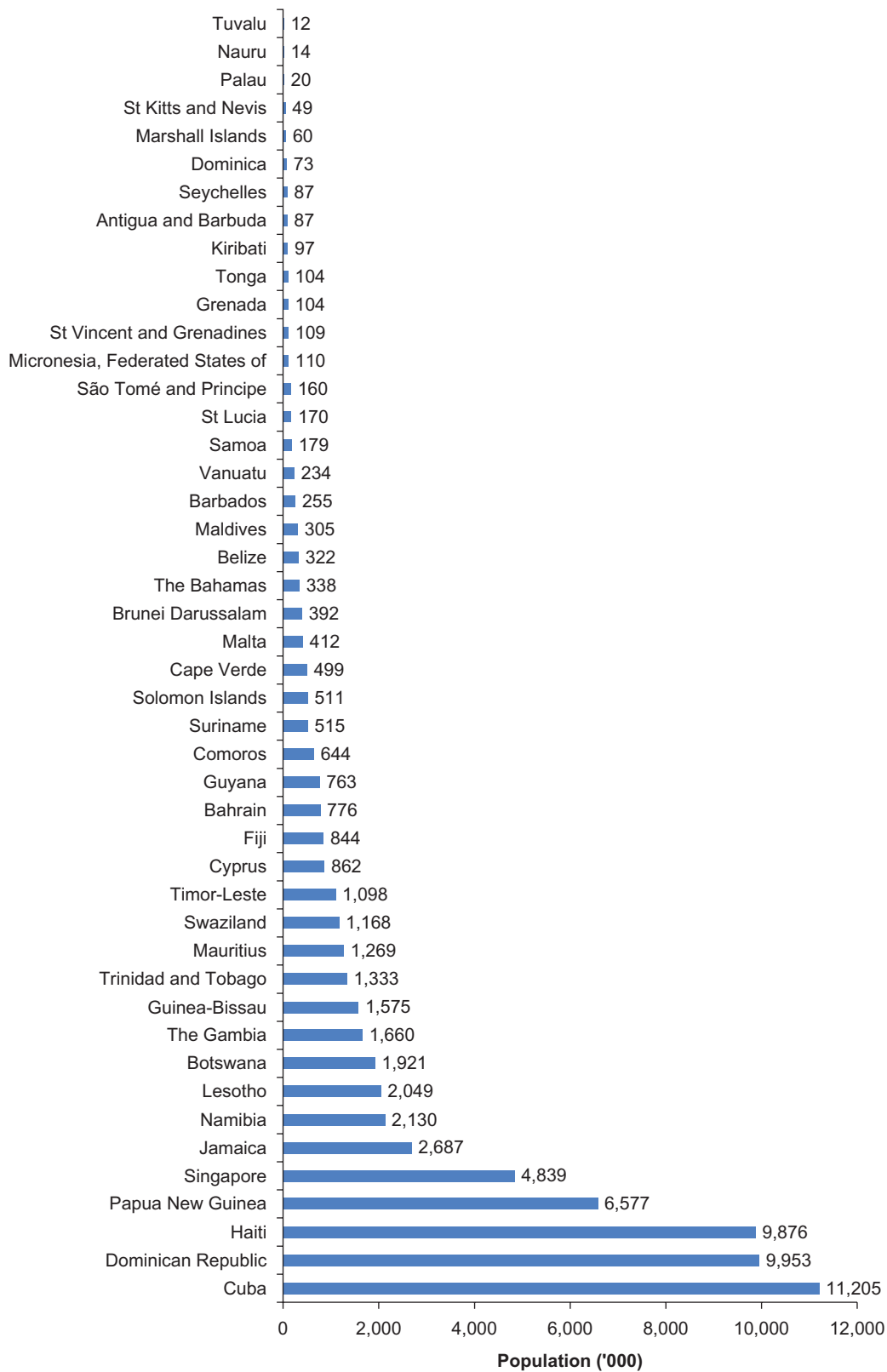
The 46 small states covered in this study are drawn from Africa, Asia, the Caribbean, the Indian Ocean, the Pacific region and the Americas. The smallest in terms of population is Tuvalu with 12,000 people and the largest is Cuba with 11 million. Nine are microstates with populations under 100,000; 28 have populations between 100,000 and 1.5 million; and nine have populations between 1.5 million and 12 million.

The 46 small states include eight countries with a population greater than 2 million: Cuba (11.2 million); Dominican Republic (9.9 million); Haiti (9.9 million); Papua New Guinea (6.6 million); Singapore (4.8 million); Jamaica (2.7 million); Namibia (2.1 million) and Lesotho (2.1 million). These eight countries together comprise more than 70 per cent of the total population of the 46 states (see Figure 2.1).

The dominance of just a few states in terms of population has important implications for policy planning and action. Population size is often obscured within the MDG debate by the use of targets linked to percentage change. Economists, however, are more interested in the totals concealed in these percentages, and in the total and marginal costs and benefits of investments to achieve progress.

Across the 46 small states annual income in terms of GDP per capita at purchasing power parity ranges from US\$477 in Guinea-Bissau to US\$49,704 in Singapore.⁵ The World Bank⁶ classifies nine of the states as high income,⁷ 29 as middle income (14 as upper-middle⁸ and 15 as lower-middle⁹) and four as low income.¹⁰ In the 10 benchmark states income varies from US\$2,753 per capita in India to US\$45,597 in the USA. Iceland, New Zealand, USA, UK and France are classified as high income, Brazil, Russia and South Africa are upper-middle income, and India and China are lower-middle income.

Forty of the 46 small states are listed in the UNDP Human Development Index.¹¹ Three states are

Figure 2.1 Population distribution of small states

Source: UN Statistics Division 2010

Table 2.1 Economic and social statistics of small states

Small states	Region	Population, 2008 ('000)	GDP per capita, 2007 (PPP US\$)	HDI, 2007 (value)
Antigua and Barbuda	Caribbean	87	18,691	0.868
Bahamas, The	Caribbean	338	20,253	0.856
Bahrain	Caribbean	776	29,723	0.895
Barbados	Caribbean	255	17,956	0.903
Belize	Caribbean	322	6,734	0.772
Botswana ^a	Africa	1,921	13,604	0.694
Brunei Darussalam ^a	Asia	392	50,200	0.920
Cape Verde	Africa	499	3,041	0.708
Comoros	Africa	644	1,143	0.576
Cuba	Caribbean	11,205	6,876	0.863
Cyprus	Europe	862	24,789	0.914
Dominica	Caribbean	73	7,893	0.814
Dominican Republic	Caribbean	9,953	6,706	0.777
Fiji	Pacific	844	4,304	0.741
Gambia, The ^a	Africa	1,660	1,225	0.456
Grenada	Caribbean	104	7,344	0.813
Guinea-Bissau	Africa	1,575	477	0.396
Guyana	Caribbean	763	2,782	0.729
Haiti	Caribbean	9,876	1,155	0.532
Jamaica	Caribbean	2,687	6,079	0.766
Kiribati	Pacific	97	1,295	..
Lesotho ^a	Africa	2,049	1,541	0.514
Maldives	Asia	305	5,196	0.771
Malta	Europe	412	23,080	0.902
Marshall Islands	Pacific	60
Mauritius	Africa	1,269	11,296	0.804
Micronesia, Federated States of	Pacific	110	2,802	..
Namibia ^a	Africa	2,130	5,155	0.686
Nauru	Pacific	14 ¹
Palau	Caribbean	20
Papua New Guinea	Pacific	6,577	2,084	0.541
St Kitts and Nevis	Caribbean	49	14,481	0.838
St Lucia	Caribbean	170	9,786	0.821
St Vincent and the Grenadines	Caribbean	109	7,691	0.772
Samoa	Pacific	179	4,467	0.771
São Tomé and Príncipe	Africa	160	1,638	0.651
Seychelles	Africa	87	16,394	0.845
Singapore	Asia	4,839	49,704	0.944
Solomon Islands	Pacific	511	1,725	0.610
Suriname	America	515	7,813	0.769
Swaziland ^a	Africa	1,168	4,789	0.572
Timor-Leste	Asia	1,098	717	0.489
Tonga	Caribbean	104	3,748	0.768
Trinidad and Tobago	Caribbean	1,333	23,507	0.837
Tuvalu	Pacific	12 ^b
Vanuatu	Pacific	234	3,666	0.693
Total		68.4 m	433.6 m	

^a Small state: 38 of the 40 are classified by the UN as SIDS and are members of the Alliance of Small Island States (AOSIS), plus Malta and Cyprus, which were members of the original Atlantic, Indian Ocean, Mediterranean and South China Sea (AIMS) SIDS region and are now part of the EU.

^b CIA (2009), World Factbook.

Sources: http://hdr.undp.org/en/media/HDR_2009_EN_Complete.pdf
<http://databank.worldbank.org/ddp/home.do?Step=12&id=4&CNO=2>

Table 2.2 Economic and social statistics of benchmark states

Country	Region	Population, 2008	GDP per capita, 2007	HDI, 2007
		('000)	(PPP US\$)	(value)
Brazil	America	191,972	9,567	0.813
China	Asia	1,324,655	5,383	0.772
France	Europe	62,277	33,674	0.961
Iceland	Europe	317	35,742	0.969
India	Asia	1,139,965	2,753	0.612
New Zealand	Pacific	4,269	27,336	0.950
Russia	Europe	141,950	14,690	0.817
South Africa	Africa	48,793	9,757	0.683
UK	Europe	61,407	35,130	0.947
USA	America	304,375	45,592	0.956

Sources: UNDP and World Bank, available at: http://hdr.undp.org/en/media/HDR_2009_EN_Complete.pdf
<http://databank.worldbank.org/ddp/home.do?Step=12&id=4&CNO=2>

assigned a low HDI ranking (ranging from 0.396 for Guinea-Bissau to 0.489 for Timor-Leste); 21 states have a medium HDI (ranging from 0.514 for Lesotho to 0.777 for Dominican Republic); 11 states have a high HDI (ranging from 0.804 for Mauritius to 0.895 for Bahrain); and five states have a very high HDI (ranging from 0.902 for Malta to 0.944 for Singapore).¹²

Notes

- The number of indicators has been expanding since the original set of 48. As some of the 57 indicators are not applicable to all countries, this report calculates performance by each state individually, using as denominators only those indicators relevant to each state.
- The total number of indicators covered in this report exceeds the overall number of 57 indicators, as some are broken down into sub-indicators.
- The UN database is continually updated as fresh data are reported by member states. This report is based on data downloaded in May 2010.
- See Table 2.2.
- World Bank databank for 2007.
- Four of the 46 small states have not been assessed by income: Marshall Islands, Nauru, Palau and Tuvalu.
- Antigua and Barbuda, The Bahamas, Bahrain, Barbados, Brunei Darussalam, Cyprus, Malta, Singapore and Trinidad and Tobago.
- Botswana, Cuba, Dominica, Dominican Republic, Fiji, Grenada, Jamaica, Mauritius, Namibia, Palau, St Kitts and Nevis, St Lucia, St Vincent and the Grenadines and Seychelles.
- Belize, Cape Verde, Guyana, Kiribati, Lesotho, Maldives, Marshall Islands, Federated States of Micronesia, Papua New Guinea, Samoa, São Tomé and Príncipe, Solomon Islands, Swaziland, Timor-Leste and Tonga.
- Comoros, The Gambia, Guinea-Bissau and Haiti.
- UNDP Human Development Report (2009), UN, New York; data for 2007. The HDI is a composite development index that embraces education, GDP per capita at purchasing power parity and life expectancy at birth.
- Six countries were not classified by UNDP: Kiribati, Marshall Islands, Federated States of Micronesia, Nauru, Palau and Tuvalu.