Introduction

Since the adoption of the International Development Targets, and their successor Millennium Development Goals (MDGs), a growing number of publications have presented estimates of development outcomes in 2015, the target year for most of the goals. What the majority of these projections show is that the developing world as a whole is ‘off track’ with respect to most targets. They will not, in aggregate, be met and many countries will fall far short. The MDGs seem set to pass into history as another set of missed development targets.

This chapter looks at the soundness of these projections. We discuss briefly the basis for making such projections and then examine the findings for the major MDG targets: income poverty, mortality, education, nutrition and HIV/AIDS.

Approaches to making projections

Projections may vary because of differences in assumptions regarding (i) determinants of the outcome of interest, (ii) model parameters or (iii) future values of the determinants. The simplest models, and by far the most common approach, take time as the only determinant – that is, the future is forecast based on historical trends, an approach called here naïve projections. Naïve projections tell us if a country is on track or not to meet the relevant goal, which is certainly of policy interest, but are of less use in predicting actual expected values at some point in the future unless its determinants really are uncertain or unforecastable.

The next most common approach is to use an outcome–income elasticity to base the forecast on projections of economic growth, the
latter usually being taken from some other source, such as the World Bank's *Global Economic Prospects*. Since income is highly correlated with most of the outcomes of interest, this approach can be expected to give a reasonable first approximation. However the correlation with income is imperfect, so adding more variables to the right-hand side of the determinants equation will help, at least if the future values of these determinants can be predicted with any degree of confidence. More sophisticated versions utilize multi-equation models. There are undoubted advantages to such models, which allow a wider range of policy simulations, but they are quite resource-intensive, the assumptions more hidden than is the case for simpler projections. Results from the most recent multi-equation model, the World Bank Maquette for MDG Simulations (MAMS), were not available at the time of writing, and such approaches are not the basis of the projections presented here. However, models allow the flexibility to vary the underlying assumptions and so conduct policy experiments. Such an approach should be of interest to policy-makers, with the caveat that many are wary of CGEs because of their apparent complexity. This is no reason not to use them, but is a reason to be as explicit about the assumptions as possible.

Some indicators have risen in recent years at a far greater rate than their historical precedent – primary enrolment being the most obvious case. In these cases, if naïve projections are based on very recent trends, then such forecasts may be superior to those which are model-based. But naïve projections will underestimate future growth if the period used to calculate expected growth includes many years prior to any recent expansion. The main point is that policy can make a difference to the achievement of goals – as shown by the experience of countries that do not follow the expected outcome–income trajectory (see World Bank 2005b for a discussion of Bangladesh, which has been remarkably successful in reducing fertility and mortality faster than income growth would suggest). Were the right policies to be implemented, then all future outcomes would be better than suggested here, though this of course begs the question as to what the ‘right policies’ are.

A further source in variation of projections is the level of disaggregation at which they are made. Although most sources report results at the regional level, it is preferable that these regional aggregates be based on country-level projections using country-specific data and parameters. This is not always the case. All methods are of course dependent on the quality of data used. Data availability has improved greatly in the last two decades, though most outcomes are not available on an annual basis. There are also exceptions to the general increase in data availability, such