

A Q&A ON THE MILLENNIUM PROJECT AND THE MILLENNIUM DEVELOPMENT GOALS

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1) What is the Millennium Project?

The Millennium Project is an independent advisory body commissioned by UN Secretary-General Kofi Annan to recommend a global plan for achieving the Millennium Development Goals (MDGs) by 2015. The Project is directed by Prof. Jeffrey Sachs of Columbia University and based at the headquarters of the United Nations Development Program (UNDP) in New York.

The Millennium Project presented its findings to the Secretary-General in January 2005 and has been asked to continue in an advisory capacity through the end of 2006. The release of the Millennium Project's report, "Investing in Development: A Practical Plan to Achieve the Millennium Development Goals," was the first in a series of major global events focused on the Goals that will culminate at the 2005 UN World Summit in September. The year 2005 remains a historic opportunity to make the necessary global policy breakthrough needed to help the poorest countries achieve the Goals. The Millennium Project's report provides a detailed blueprint for making this happen.

2) What are the Millennium Development Goals?

At the Millennium Summit in September 2000, 189 world

leaders unanimously adopted the Millennium Declaration, pledging:

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 one billion of them are currently subjected.

The Declaration led to the articulation of eight specific Millennium Development Goals, to be achieved between 1990 and 2015:

- 1) Halving extreme poverty and hunger
- 2) Achieving universal primary education
- 3) Achieving gender equality
- 4) Reducing child mortality by two-thirds
- 5) Reducing maternal mortality by three-quarters
- 6) Reversing the spread of HIV/AIDS, malaria and other major diseases
- 7) Ensuring environmental sustainability
- 8) Creating a global partnership for development

The Millennium Development Goals have since been reaffirmed by world leaders at several occasions, including at the G8 Evian summit in 2003 and most recently at the 2005 World Summit. For the billion-plus people still living in extreme poverty, achieving the Goals is a life-or-death issue. Extreme poverty, or 'poverty that kills,' deprives individuals of the means to stay alive in the face of

hunger, disease, and environmental hazards. When individuals suffer from extreme poverty and lack the meager income needed to cover even basic needs, a single episode of disease, a drought, or a pest that destroys a harvest can be the difference between life and death.

If the world achieves the Millennium Development Goals, more than 500 million people will be lifted out of poverty. A further 250 million will no longer suffer from hunger. 30 million children and two million mothers who might otherwise have been expected to die will be saved.

3) Are the Millennium Development Goals achievable?

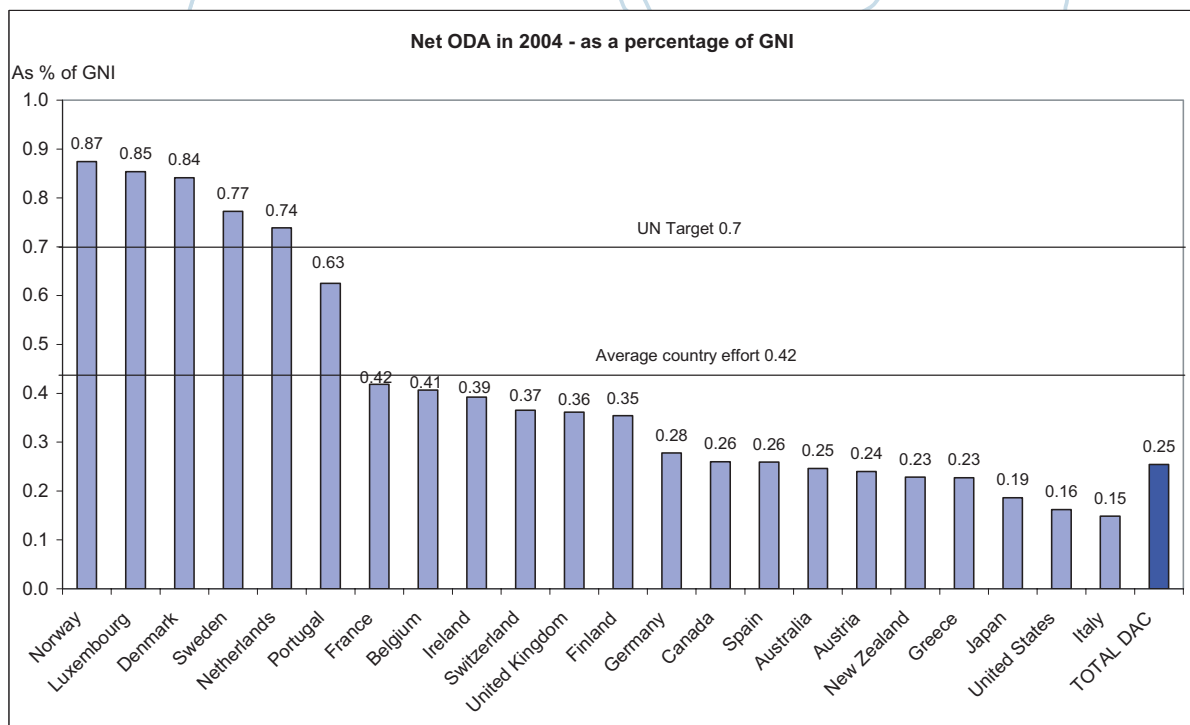
Yes, if a breakthrough is achieved in 2005. Even in the poorest countries, the Goals can still be met by 2015. The Millennium Project’s report outlines what needs to be done, where immediate action should be taken, and how much it would cost. The Millennium Project’s research shows that we have the knowledge and technology to help countries meet the Goals. Proven interventions, such as insecticide-treated anti-malarial bednets, nutrients for depleted soils, and increased teacher training, can dramatically accelerate progress toward the Goals. The Millennium Project also demonstrates that the cost of meeting the Goals would be approximately half of one percent of the gross national product (GNP) of the industrialized nations – less, in fact, than the 0.7% that the wealthy nations have already promised to contribute to the world’s poor.

To achieve any particular Goal, it is not enough to invest only in the corresponding sector. Conversely, interventions in any one sector may have effects on several Goals. For example, reducing gender inequality is essential for reducing hunger, containing HIV/AIDS, promoting environmental sustainability, upgrading slums, and reducing child and infant mortality. Ready access to clean water, electricity, and modern cooking and heating fuels are essential for ensuring that clinics and hospitals function, for reducing women and girls’ time burdens so that they can engage in productive economic activity and attend school, and so forth. Reaching the Millennium Development Goals thus depends on ambitious action across many sectors. This point must be kept in mind when evaluating priorities in any country or region.

4) What is the 0.7 commitment, and where did it come from?

The commitment to provide 0.7% of gross national product (GNP) as official development assistance was first made 35 years ago in a General Assembly resolution, but it has been reaffirmed repeatedly over the years, including at the 2002 global Financing for Development conference in Monterrey, Mexico. However, in 2004, total aid from the industrialized countries totaled just \$78.6 billion —or about 0.25% of their collective GNP.

CHART: NET OFFICIAL DEVELOPMENT ASSISTANCE IN 2004
Source: OECD, 11 April 2005.



Five European countries already devote 0.7% or more of their gross national income to aid. In a historic declaration on 24 May 2005, the European Union announced plans and timetables to reach 0.7 before 2015, which means that 16 of the 22 OECD DAC countries (the EU-15 plus Norway) are on track to meet the commitments they made in Monterrey. The six remaining countries – Australia, Canada, Japan, New Zealand, and Switzerland and the United States – have not set out timetables to reach 0.7. If the wealthy nations do now what they have already promised to do, the Millennium Development Goals can be achieved in even the poorest regions.

5) What progress has been made toward the Goals so far?

Many countries are reaping the benefits of globalization and are on track for achieving at least some of the Goals by the appointed deadline of 2015. Between 1981 and 2001, according to World Bank estimates, the number of people living in extreme poverty dropped from 1.5 billion to 1.1 billion. And as a proportion of people in the developing world, extreme poverty fell from 40 percent to 21 percent of the population. Many regions, especially large parts of East Asia and South Asia, experienced dramatic economic and social progress.

Moreover, between 1990 and 2001, under-five mortality rates fell from 103 deaths per 1,000 live births a year to 88. Life expectancy rose from 63 years to nearly 65 years. An additional 8 percent of the developing world's people received access to water. And an additional 15 percent acquired access to improved sanitation services.

But progress on the Goals has been far from uniform. There are huge disparities among and within countries. Some countries are on track to meet most, if not all, of the Millennium Development Goals and many will reach at least some of the Goals. However, Sub-Saharan Africa is stuck in a poverty trap of crisis proportions, with a continuing rise in extreme poverty and stunningly high child and maternal mortality rates. Asia is the region with the fastest progress, but even there hundreds of millions of people remain in extreme poverty. Other regions have mixed records: in Latin America, the Middle East, and Eastern Europe there has been slow or no progress on some of the Goals, and persistent inequalities are undermining progress on others.

There are also significant variations in progress towards the Goals:

- The number and proportion of undernourished

children are rising in many countries in Sub-Saharan Africa, while falling elsewhere.

- In primary education progress is being made in most regions, but Sub-Saharan Africa and South Asia are still significantly off track.
- Gender equality remains an unfulfilled goal, and the education parity target for 2005 will be missed in many countries, especially in Sub-Saharan Africa and South Asia.
- Child mortality rates have generally declined, but progress has slowed in many parts of the world, and reversals are being recorded in Sub-Saharan Africa. Progress has also been limited in East Asia, South Asia, West Asia, Oceania, and the Commonwealth of Independent States.
- Maternal mortality remains unacceptably high in every developing region, reflecting low public attention to women's needs and inadequate access to sexual and reproductive health care services, including emergency obstetric care.
- HIV/AIDS now infects about 40 million people. It is pandemic in southern Sub-Saharan Africa, and it poses a serious threat, particularly to women and adolescents, in every other developing region.
- The world is not on track to meet the sanitation goal. Progress has been too slow in South Asia, Sub-Saharan Africa, and much of the rest of Asia.

6) Why is Sub-Saharan Africa the region furthest off-track to meeting the MDGs?

The standard diagnosis of Sub-Saharan Africa is that it is suffering from a governance crisis. This is too simplistic. Many parts of Africa are well governed considering the income levels and extent of poverty, yet are caught in a poverty trap, unable to make the investments in human capital and infrastructure that are required to achieve self-sustaining economic growth. Africa's special challenges, which include low productivity agriculture, a high disease burden and high transport costs, render African countries most vulnerable to persistent extreme poverty. The region's development challenges run much deeper than 'governance.'

Indeed, many African countries require a "big push" in public investments to overcome these obstacles. One of the Millennium Project's key arguments is that Africa's structural challenges can and must be overcome through an intensive program of public investments in basic infrastructure and social services like ports, roads,

generators, malaria bed-nets, health care clinics, and so on.

Since most countries in Sub-Saharan Africa do not have the resources required to finance these investments, they will need significantly increased additional official development assistance if they are to meet the Millennium Development Goals. Many well-intentioned governments simply lack the fiscal resources to invest in the infrastructure, social services, and even the public administration necessary to improve governance or to lay the foundations for economic development and private sector-led growth. Without roads, soil nutrients, electricity, safe cooking fuels, clinics, schools, and adequate and affordable shelter, people are chronically hungry, disease-burdened, and unable to save. Without adequate public sector salaries and information technologies, public management will be chronically weak. The poorest countries will remain unable to attract private investment flows or retain their skilled workers.

The Goals provide a solid framework for identifying investments that need to be made to escape the poverty trap. They point to areas of public investment—water, sanitation, slum upgrading, education, health, and basic infrastructure—that reduce income poverty and gender inequalities, improve human capital, and protect the environment. By achieving the Goals, poor countries will establish an adequate base of infrastructure and human capital that will enable them to escape from the poverty trap.

7) What are the Millennium Project's key recommendations?

The Millennium Project's report presents the most thorough and comprehensive assessment to date of what is needed to achieve the Goals. Its key recommendations include the following:

- Developing country governments should adopt development strategies bold enough to meet the Millennium Development Goal (MDG) targets for 2015. The Millennium Project terms these "MDG-based poverty reduction strategies." To meet the 2015 deadline, we recommend that all countries have these strategies in place by 2006. Where Poverty Reduction Strategy Papers (PRSPs) already exist, those should be aligned with the Millennium Development Goals.
- The MDG-based poverty reduction strategies

should anchor the scaling up of public investments, capacity building, domestic resource mobilization, and official development assistance. They should also provide a framework for strengthening governance, promoting human rights, engaging civil society, and promoting the private sector.

- Developing country governments should craft and implement the MDG-based poverty reduction strategies in transparent and inclusive processes, working closely with civil society organizations, the domestic private sector, and international partners.
- International donors should identify at least a dozen "fast-track" countries for a rapid scale-up of official development assistance (ODA) in 2005, recognizing that many countries are already in a position for a massive scale-up on the basis of their good governance and absorptive capacity.
- Developed and developing countries should jointly launch a group of Quick Win actions in 2005 to save and improve millions of lives and to promote economic growth. They should also launch a massive effort to build expertise at the community level.
- Developing country governments should align national strategies with such regional initiatives as the New Partnership for Africa's Development and the Caribbean Community (and Common Market), and regional groups should receive increased direct donor support for regional projects.
- High-income countries should increase official development assistance (ODA) from 0.25 percent of donor GNP in 2003 to around 0.44 percent in 2006 and 0.54 in 2015 to support the Millennium Development Goals, particularly for low-income countries with sound governance mechanisms in place. Aid delivery mechanisms should be improved, so that assistance is harmonized, predictable and largely in the form of grants-based budget support. Each donor should reach 0.7 percent no later than 2015 to support the Goals and other development assistance priorities.
- High-income countries should open their markets to developing country exports through the Doha trade round and help Least Developed Countries raise export competitive-

ness through investments in critical trade-related infrastructure, including electricity, roads, and ports. The Doha Development Agenda should be fulfilled and the Doha Round completed no later than 2006.

- International donors should mobilize support for global scientific research and development to address special needs of the poor in areas of health, agriculture, natural resource and environmental management, energy and climate. The Millennium Project estimates that total needs will rise to approximately \$7 billion by 2015.
- The UN Secretary-General and the UN Development Group should strengthen the coordination of UN agencies, funds, and programs to support the Millennium Development Goals at headquarters and country level. The UN Country Teams should be strengthened and should work closely with the international financial institutions to support the Goals.

8) What are the “Quick Wins”?

Quick Wins are actions that can be taken immediately within existing capabilities to produce dramatic results within three to five years. Although far from comprehensive, some Quick Wins could bring vital gains in well-being to millions of people and start countries on the path to the Goals. Some of the Quick Wins include:

- Eliminating school and uniform fees to ensure that no children are kept out of school because their families cannot pay. Lost revenues should be replaced with more equitable and efficient sources of finance, including donor assistance.
- Providing impoverished farmers in Sub-Saharan Africa with affordable replenishments of soil nitrogen and other soil nutrients.
- Providing free school meals for all children using locally produced foods with take-home rations.
- Designing community nutrition programs for pregnant and lactating women and children under five that support breastfeeding, provide access to locally produced complementary foods and, where needed, provide micronutrient (especially zinc and vitamin A) supplementation.
- Providing regular annual deworming to all schoolchildren in affected areas to improve health and educational outcomes.

- Training large numbers of village workers in health, farming, and infrastructure (in one-year programs) to ensure basic expertise and services in rural communities.
- Distributing free, long-lasting, insecticide-treated bed-nets to all children in malaria-endemic zones to cut decisively the burden of malaria.
- Eliminating user fees for basic health services in all developing countries, financed by increased domestic and donor resources for health.
- Expanding access to sexual and reproductive health information and services, including family planning and contraceptive information and services, and closing existing funding gaps for supplies and logistics.
- Setting up funding to finance community-based slum upgrading and earmark idle public land for low-cost housing.
- Providing access to electricity, water, sanitation, and the Internet for all hospitals, schools, and other social service institutions using off-grid diesel generators, solar panels, or other appropriate technologies.
- Reforming and enforcing legislation guaranteeing women property and inheritance rights.
- Launching national campaigns to reduce violence against women.
- Establishing, in each country, an office of science advisor to the president or prime minister to consolidate the role of science in national policymaking.
- Empowering women to play a central role in formulating and monitoring MDG-based poverty reduction strategies and other critical policy reform processes, particularly at the level of local governments.
- Providing community-level support to plant trees to provide soil nutrients, fuelwood, shade, fodder, watershed protection, windbreak, and timber.

These Quick Wins are not the only interventions needed to reach the Goals- but they are actions with very high potential short-term impact that can be immediately implemented. Other interventions are more complicated and will take a decade of effort or have delayed benefits. The world cannot afford to let another year go

by without investing in these simple and proven strategies.

9) What do developing countries need to do to achieve the Goals?

Every developing country with extreme poverty should adopt and implement a national development strategy that is ambitious enough to achieve the Goals, adapting Poverty Reduction Strategy Papers wherever they exist. Serious implementation of the Millennium Development Goals and their timelines implies a major shift in development practice. Low-income countries and their development partners now plan around modest incremental expansions of social services and infrastructure. The Millennium Project recommends instead a bold, 10-year investment framework aimed at achieving the quantitative targets set out in the Goals. Rather than strategies to “accelerate progress toward the Goals,” strategies to “achieve the Goals” are needed.

The Project recommends a four-step approach:

- First, each country should map the key dimensions of extreme poverty— by region, locality, and gender—as best as possible with available data.
- Second, consistent with the poverty maps, each country should undertake a needs assessment to identify the specific public investments necessary to achieve the Goals.
- Third, each country should convert the needs assessment into a 10-year framework for action, including public investment, public management, and financing.
- Fourth, each country should elaborate a 3- to 5-year Goals-based poverty reduction strategy within the context of the 10-year framework.

Crucially, the 10-year framework and 3-to-5 year poverty reduction strategy should include a public sector management strategy—with a key focus on transparency, accountability, human rights, and results-based management. If countries already have a Poverty Reduction Strategy Paper, it should be revised so that it is ambitious enough to achieve the Goals. Where the Goals are already within reach and greater progress is sought, we suggest that countries adopt a “Goals-plus” strategy, with targets more ambitious than the Millennium Development Goals.

This framework should also include a clear strategy for decentralizing target-setting, decision-making, budgeting and implementation responsibilities at the level of local governments. Further, there should be a clear private sector strategy to promote economic growth and have countries “graduate” from donor assistance in the longer term.

In line with the 2002 Monterrey Consensus, the Millennium Project affirms that poverty reduction is the primary responsibility of developing countries themselves. Therefore, the Project’s recommendations call for all low-income countries to increase their own resource mobilization for the Goals by devoting budget revenues to priority investments. Where domestic resources are not sufficient, donors are called on to follow through on their long-standing commitments to increase aid significantly.

10) How can the industrialized countries support the achievement of the Goals?

The industrialized countries simply need to fulfill commitments they have already made. Just as developing countries need to honor their commitments in terms of improved governance and increased resource mobilization, rich countries must meet their Monterrey commitments by making “concrete efforts towards the target of 0.7 percent of gross national product as ODA to developing countries.”

Fulfilling these commitments would provide sufficient resources to achieve the Millennium Development Goals. After extensive analysis, the Millennium Project has demonstrated that the cost of supporting suitably well-governed countries to meet the Goals would require donors to increase their ODA to only 0.44% of GNP in 2006 and to plan for a scale-up to 0.54% of GNP in 2015. In other words, one half of one percent will be enough to meet the Goals by 2015 throughout the world. After including other assistance priorities that are not directly related to the MDGs, such as protecting marine fisheries and managing geo-strategic crises, global aid will need to reach the longstanding target of 0.7 percent of the rich world’s income by 2015. Fortunately, the wealthy nations have already committed to devoting 0.7 percent of their GNP to international development assistance. Unfortunately, however, the major donor countries are currently spending an average of only 0.25 percent of GNP on development assistance.

International assistance can be used to fund technical interventions that can concretely improve the lives of the poor. At the recent Gleneagles Summit, for example, the G-8 countries launched a new malaria initiative. The initiative, to be funded at \$1.5 billion each year, will support access to anti-malarial insecticide-treated mosquito nets, adequate and sustainable supplies of combination therapies, household residual spraying, and other proven interventions.

Additionally, the Millennium Project calls for deepened and extended debt relief and the provision of grants rather than loans. “Debt sustainability” should be redefined as “the level of debt consistent with achieving

the Goals," so that countries are able to make needed public investments by 2015 without accumulating excessive debt. For many heavily indebted poor countries (HIPCs), this will require full debt relief. As part of the G-8 process this year, the developed countries agreed to forgive the debt stocks of the HIPC countries, saving them approximately \$1.5 billion a year in debt service payments. However, for some poor countries left off the HIPC list, meeting the Goals will still require significant debt cancellation. A corollary for low-income countries is that current and future development assistance should be grants rather than loans. While significant, debt relief must be viewed as a complement to rather than a substitute for real progress on increasing official development assistance to the poorest countries.

11) What role could trade play in achieving the Millennium Development Goals?

Though important, trade is far from a magic bullet for achieving development. The slogan "trade, not aid" is utterly misguided, particularly in the poorest countries.

Trade reforms are complementary to other parts of development policy, such as infrastructure investments and social programs to develop a healthy and well educated workforce. As outlined in Monterrey, a MDG-based international trade policy should focus on two overarching issues:

- Improved market access and terms of trade for the poor countries.
- Improved supply-side competitiveness for low-income exports, through increased investments in infrastructure (roads, electricity, ports) and trade facilitation.

Much progress could be made in the context of the World Trade Organization's Doha Development Agenda. To establish an overarching framework for progress, the Millennium Project further recommends that global political leaders agree to a conveniently distant long-term target (for example, 2025) for the total removal of barriers to merchandise trade, a substantial and across-the-board liberalization of trade in services, and the universal enforcement of the principles of reciprocity and nondiscrimination.

12) What about corruption and governance?

The Millennium Project argues that aid has frequently been wasted in the past, and opposes funneling money into corrupt or dictatorial regimes instead of into real investments for development. However, many countries

in the developing world are reforming their economies and adhering to good governance while trying to alleviate the plight of their poorest citizens. Even these countries are not receiving enough development assistance to achieve the MDGs, and they cannot meet the Goals without a major boost in development aid.

Discussions of governance in development typically confuse inputs and outcomes. There are two very distinct underlying causes for what is termed "poor governance." One is genuinely "corrupt" leadership where larcenous or brutal leaders hold political power. The state may be run for the personal benefit of a narrow elite, or a particular interest group or ethnic group. The leadership lacks will to achieve broad-based development goals.

The second cause is governance that is weak not because of poor leadership, but because the state lacks the financial resources and technical capacity to manage an efficient public administration. Many of the world's poorest countries lie closer to this second category, where governments possess the will but lack the resources to run the public sector effectively. The key in such cases is to invest in improving governance by promoting the rule of law; political and social rights; sound economic policies; accountable and efficient public administration and by supporting civil society.

Bold MDG-based investment programs cannot be scaled up in developing countries with extremely poor governance. But the international community has recognized many low-income countries as having strong governance and the potential for much more ambitious investment programs. During 2005 we recommend that these well governed low-income countries be "fast-tracked" by the international community and receive the major increase in development assistance needed for them to implement MDG-based poverty reduction strategies as soon as possible.

Several pre-existing criteria could be used to help identify the fast track countries. They include countries that have reached completion point under the Heavily Indebted Poor Countries (HIPC), those that have qualified for support from the U.S. Millennium Challenge Corporation; those that have acceded to the African Peer Review Mechanism of the New Partnership for Africa's Development; or those with favorable reviews through the World Bank-IMF Joint Staff Assessments of PRSPs.

For more information please visit the Millennium Project website (www.unmillenniumproject.org), or contact:

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