



Progress summary of the MDGs: update for ministers

By **Professor Jeffrey D. Sachs**, Director, The Earth Institute at Columbia University



The Millennium Development Goals (MDGs) are at the mid-way mark of the 15-year period between their adoption in 2000 and their target date of 2015. Nethertheless progress in Africa, the world's poorest region, is much less than half way to the Goals. There is no mystery as to what needs doing, and even how to do it. Africa needs more investments – in agriculture, health, education, and infrastructure – supported by increased donor flows. This has been agreed for years. Yet it is the G8 which has so far failed to deliver, and has become the limiting factor in achieving the MDGs.

When the MDGs were announced in 2000, the world's governments also agreed on a need for a financing plan. This was adopted in March 2002 in Monterrey, Mexico, at the International Conference on Financing for Development. The Monterrey Consensus spelled out in a sophisticated way the mix of private capital flows and official development aid that would be needed for success. The argument went beyond 'aid versus trade', or 'public versus private' investment. It was rightly recognised that aid and trade, public and private investment, would all be needed.

Paragraph 42 of the Monterrey Consensus set the specifics when it called on 'developed countries that have not done so to make concrete efforts towards the target of 0.7 per cent of Gross National Product (GNP) as Official Development Assistance (ODA)...'. This goal was repeatedly enshrined in follow-up diplomatic processes, including the World Summit on Sustainable Development, the Council of Europe (notably in 2005), the G8 Gleneagles Summit, the UN World Summit of September 2005, and many more occasions.

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At Gleneagles, the G8 promised to double aid to Africa from the 2004 level by 2010 (in constant dollars, adjusting for inflation and exchange rate changes). The 2004 level was approximately US\$29 billion. At today's exchange rates and price levels, a doubling of the 2004 aid would require something like US\$75-80 billion. Instead, aid remains nearly stuck at the 2004 level. The only notable increase in aid of note has been the temporary boost that came with debt cancellation. Cash flows in real terms have hardly budged since 2004.

No more excuses

We are running out of time and out of excuses. Every few months the European leaders re-emphasise their commitment to reach the 0.7 target by 2015 (and at least 0.51 in all countries by 2010) and to double African aid by 2010, but then fail to deliver once again. The leaders of the US, Canada, and Japan do even less, barely mentioning these goals.

A typical encounter for me occurred in West Africa in 2007, at the time of the G8 Summit in Heiligendamm. I was in a room of donor representatives. I had just called on the donors to make good on their commitment to double aid to Africa. The German Ambassador spoke up and said, 'Prof Sachs, we are not going to

spend another penny on this continent.' I was shocked to say the least, and pointed out that Chancellor Angela Merkel had just declared the intention for Germany to honour its pledge to double aid by 2010 and to reach 0.51 per cent of GNP. The Ambassador waved me off, saying 'Oh, that's just political talk.'

He may be right, but if so, the disasters ahead could cause the world to shudder. The effort required is so small that the cynicism is commensurately great. Doubling aid to Africa, say another US\$40 billion per year, is roughly one-tenth of 1 per cent of donor GNP, which is now around US\$40 trillion. It is around 20 days of US Pentagon spending, which now comes to around US\$700 billion per year. It's also not much different from the total Christmas bonuses earned on Wall Street each year, which have totalled around US\$30 billion per year or more. But even these small sums relative to the vast income of the rich world have been too much for the world's richest countries to honour, despite their repeated, explicit, time-bound commitments.

Now we are in an era of soaring food prices and food riots, and soaring oil and fertiliser costs. The situation is even more desperate for the poorest of the poor. Time for the Millennium Development Goals is running out. Will any of this matter?

'What to do' is not so complicated

If the promised aid is met – another US\$40 billion per year by 2010, another US\$80 billion per year by 2015 – Africa's extreme poverty could actually be ended. The 'what to do' is not so complicated, and indeed the stable countries of Africa have written up plans long ago. (And let us recognise that instability is often the result of extreme poverty, not just the cause of poverty.) The key public investments should focus on the critical areas of agricultural production, public health, education for all, roads, power, clean water and sanitation, and internet connectivity. Concerted public investments in these areas would be complementary to private capital flows. The argument, as I mentioned earlier, of 'public versus private' investments has become irrelevant long ago, since both kinds of investments are complementary inputs to poverty reduction and long-term economic growth.

With adequate financing for small grower farmers in Africa, yields could be doubled within the next five years, easing poverty and hunger at the same time. Malaria deaths could be brought down to nearly zero. All HIV-infected individuals who need anti-retroviral medicines would have access by 2010, as promised. All children could be in school, and indeed receiving mid-day meals using locally produced food from the increased yields. A boom in solar power could extend clean and reliable energy to hundreds of millions of people in Africa's villages that now lack any access to electricity whatsoever. And all-weather roads and fibre optic cables could break economic isolation and allow Africa to play a full-fledged role in the global trading system.

There are few mysteries left as to what to do up till 2015. The only mystery is whether the G8 still has the will to act on its repeated promises. A new US President might make a huge difference. Europe might still rouse itself from the audacity and consequences of failed promises. Indeed, I believe that is likely.

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Emerging powers could show the way

Perhaps if these promises fail, all is still not necessarily lost. Brazil, China, India, Korea, and the Middle Eastern oil states could fill in much or most of the gap. The world system would then be reordered by the emerging powers if the rich countries expose such lethargy and loss of dynamism. The poor would no doubt suffer mightily in the transition, but a different and possibly even more robust global system might yet emerge.

These are big ifs, however. A safer and more prudent path for the world – the one most likely to keep the peace and achieve the benefits of global prosperity – is clear. And that is for all countries, including the richest as well as the poorest, to follow through on their long-standing commitments, and to achieve the goals set down as a global compact and partnership at the start of the millennium.

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