Building on the Commonwealth Action Plan

With only 11 years until the 2015 deadline, there is still enough time - barely - to achieve the MDGs in the poorest parts of the world. This article argues that what is needed is a new kind of effort, along the lines of the Commonwealth Action Plan. The UN Millennium Project recommends that all developing countries put forward MDG-based Poverty Reduction Strategies, supported by reform of the donor system.

At the Millennium Assembly in September 2000, the world’s leaders signed a global compact to reduce extreme poverty in the Millennium Declaration. The Millennium Development Goals (MDGs), which are drawn from the Millennium Declaration, call for a decisive reduction of extreme poverty in its key dimensions – income, hunger, disease, environmental degradation, and lack of access to basic services and infrastructure. Importantly, the MDGs specify a clear timetable for progress, with 2015 as the main deadline for halving poverty. They also specify that rich and poor countries are committed to working together to achieve those goals.

The MDGs and the Commonwealth nations

During the last year, the international agenda has been overwhelmingly dominated by issues of security, terrorism, and war. The US, for example, is spending around 30 times more on the military than it is on development assistance – roughly US$450 bn per year compared with US$15 bn. This is despite the clear truth that global stability critically depends on lifting the poorest of the poor out of subhuman conditions by providing safe drinking water, access to sanitation, adequate nutrition, education, and healthcare. These steps would do far more towards tackling instability around the world than any military approach, and would cost far less. In fact, preliminary estimates of the UN Millennium Project, an independent advisory project of the UN Secretary-General that I have the honour to direct, indicate that the MDGs could be reached in the well-governed countries of the world for around US$50-75 bn of additional ODA (Official Development Assistance) each year (which would still be within donor countries’ commitment of 0.7% of GNP). Now it’s urgently time to get the MDGs back on track.

Countries of the Commonwealth will be of pivotal importance if the world is to achieve the MDGs. Many of the Commonwealth countries are ‘Least Developed Countries’ (LDCs) under UN classification, most of which are struggling to break out of economic stagnation and make fast enough progress to meet the MDGs. At the same time, the Commonwealth includes India – the largest democracy in the world, a nation in the middle of very rapid economic growth and historic success in poverty reduction. And of course, the UK is taking a leading role among donor countries in advocating for significantly increased official development assistance.

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Getting the MDGs back on track

With just 11 short years until the MDG deadline of 2015, despite the stakes involved (international goals solemnly reached in a world desperate for progress against ancient and modern scourges) we are far off track from accomplishing the MDGs in many parts of the world. In almost all of sub-Saharan Africa, countries will miss some or most of the goals if current trajectories continue. Other regions – notably in Central Asia, the Andes, parts of the Caribbean Basin, and parts of South and East Asia – are home to vast numbers of very poor people whose lives are still essentially untouched by the promise of poverty reduction.

It is still possible, but only barely, to meet the MDGs in every well-governed developing country by the 2015 deadline. If more time is lost, then the MDGs will not be met. What is needed is a new kind of effort, along the...
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improving ODA), as outlined in the Monterrey Consensus. As early as 2002, the Commonwealth Action Plan correctly identified many of the components lacking in the international system, preventing it from working in unison towards achieving the MDGs. These include the need for developed countries to follow through on their commitment of providing 0.7% of their GNP in ODA, the need to increase funds to the World Bank’s International Development Association (IDA) facility, the need for increased support for the New Partnership for Africa’s Development (NEPAD), and the need for donor aid to be more flexible, predictable, geared towards budget and sectoral support, and aligned with country strategies and budget cycles.

The Millennium Project diagnosis
The UN Millennium Project makes one basic diagnosis of the situation, and offers one over-arching recommendation. Our basic diagnosis is that the global processes in which the world’s rich and poor countries interact to tackle poverty are not yet up to the task of achieving the MDGs. The MDGs have not yet become operational targets for poverty reduction. Public investments, policy reform, data collection and monitoring are not sufficiently bold to achieve the MDGs in the poorest countries. At the international level, the practices of donor agencies, multilateral institutions, development assistance programmes, trade policies, and private sector engagement are not yet focused on achieving the MDGs. In all of these inter-related processes and activities, the MDGs are referred to as a normative goal, but not yet as a basis for practical policy-making.

MDG-based PRSs
Our recommendation is to put the MDGs at the centre of national and international poverty reduction strategies, specifically in the form of countries’ MDG-based Poverty Reduction Strategies (PRSs), including Poverty Reduction Strategy Papers (PRSPs), backed by strong international co-operation. Here, the Commonwealth could recommend that its developing country members prepare MDG-based PRSs (the UN Millennium Project is already working with Ghana and Kenya in this regard), and the developed countries in the Commonwealth, like Australia, Canada and the UK, could support those efforts with financing and technical expertise.

Reforming the donor system
To support such PRSs in a manner consistent with the MDGs, several steps are needed to reform the donor system.

First, donor countries need to take the MDGs seriously as minimum targets over a 10-year horizon. The MDGs should be at the centre of national and international poverty reduction strategies and at the centre of bilateral and multilateral assistance strategies.

Second, donor countries must support needs-based approaches to the MDGs. Until now, developing countries’ PRSs have not been sufficiently goal-oriented or truly needs-based; they have started with a given level of external finance from the donors, and done the best possible with that level of resources. Instead, in order to achieve the MDGs, every country in the world that still suffers from extreme poverty should adopt a PRS that works backwards from the 2015 targets to identify the sequence of investments and policy changes needed to achieve the goals. This will typically yield much bolder PRSs than those being produced today, and will require much larger levels of donor support.

Third, as called for in the Commonwealth Action Plan, donors will need to begin honouring their commitment to give adequate (i.e. significantly increased) levels of finance. Many low-income countries not on track to meet the MDGs are stuck in a poverty trap, whereby they lack the prerequisite health, education, and physical infrastructure to achieve economic growth. Although poor governance is an issue in many countries, there are many well-governed countries whose economic growth and progress towards the MDGs has been too slow. The reality is that many of these countries are too poor to pay for the investments needed to achieve sustained economic growth and meet the MDGs, which is why donor financing plays such a critical role.

Donor countries have repeatedly signed international commitments to increase ODA. In the 2002 Monterrey Consensus, they specifically pledged to make “make concrete efforts towards the target of 0.7% of gross
The role of regional organisations
Next, in addition to increasing aid to countries, the donor system must increase aid to regional organisations like NEPAD, as wisely recognised by the Commonwealth Action Plan. Regional co-operation is vital for issues such as cross-country transportation and energy systems, as well as for improving international economic integration by harmonising cross-border policies and procedures, including customs policies, macro-economic policies, and the joint management of major ecosystems such as international watersheds.

Technology solutions
Sixth, the donor community needs to appreciate better that many of the challenges in agriculture, health, environment, or access to energy services require breakthroughs in science and technology, like new vaccines, improved agricultural varieties and cropping systems, cost-effective information and communication technologies, and low-cost water treatment and purification technologies. Poor countries cannot produce these technologies, and private markets in developed countries have little incentive to do so. Even though these market failures have been understood for some time, the international system has so far not responded adequately. Appropriate solutions could consist of global co-ordinating mechanisms based on models such as pre-commitment purchase agreements, ex-post prizes, public–private partnerships based on contractual terms that ensure free access to intellectual property rights generated through publicly-funded research, or direct financing of research.

Finally, donors must increase core funding to the UN system. The specialised agencies, with their tremendous technical expertise, play a central role as knowledge banks in their specific fields. In addition, the United Nations Development Programme plays a co-ordinating role that is fundamental to coherent global and country-level development strategies.

The critical timetable for 2005
The next 12 months are likely to prove the critical period when the world chooses whether or not to meet the MDGs. In September 2005, world leaders will gather at UN headquarters to review progress in the five years since the Millennium Declaration. There, they will have a final chance to seriously scale up the effort and resources to meet the MDGs and to sign off...
on a global plan to achieve the Goals. Between now and then, several important events will set the stage for the international community to take the actions needed. December 2004 brings the completion of the IDA-14 replenishment round, where donors need to raise IDA funding from US$8 bn to US$25 bn per year. In January, and then, several important events will set the stage for the international community to take the actions needed. December 2004 brings the completion of the IDA-14 replenishment round, where donors need to raise IDA funding from US$8 bn to US$25 bn per year. In January, the UN Millennium Project’s final recommendations will be presented to the Secretary-General for his consideration as he prepares his major report on progress since the Millennium Declaration, itself due for release next spring. The report of the UK’s Africa Commission is also scheduled to be released in March.

The UK-hosted G8 Summit is then slated for June 2005, with the MDGs, Africa, and a doubling or more of ODA all set to feature prominently. It will be especially necessary to get Germany, Japan and the US to increase ODA significantly, in line with the commitments of Monterrey. The US, in particular, needs to shift from an almost-all military approach to foreign policy to a policy of more balance, spending at least US$40 bn per year in ODA (roughly 0.35% of GNP).

As the world enters these crucial months for the MDGs, members of the Commonwealth can play a central role in supporting a global breakthrough in development policy. The scale-up of action and scope of policy reform required to achieve the MDG are feasible, but they will require a broad global consensus to consolidate the way forward. The Commonwealth will be crucial to forging this consensus inside and outside of its membership, and to ensuring that the MDGs are a top priority on the 2005 international agenda. Building on the insights of its 2002 Action Plan, the Commonwealth community can help to ensure the MDGs become clear operational targets for global partnership over the coming decade, with direct and lasting benefits to hundreds of millions of lives throughout the developing world.

The UN Millennium Project is an independent advisory body to UN Secretary-General Kofi Annan, commissioned with recommending, by June 2005, the best strategies for meeting the Millennium Development Goals (MDGs). This includes reviewing current innovative practices, prioritising policy reforms, identifying frameworks for policy implementation, and evaluating financing options. The Project’s ultimate objective is to help ensure that all developing countries meet the MDGs.

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