

What it will take to meet the Millennium Development Goals

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In 2000 the member states of the United Nations passed the Millennium Declaration, which led to the adoption of the Millennium Development Goals (MDGs) to cut extreme poverty in its many dimensions – hunger, disease, gender inequality, lack of education, and accelerating environmental degradation. The Goals set quantitative objectives to be achieved by 2015 and spell out the responsibilities of rich countries to support poor countries through aid, debt relief, and improved market access. At this September's 2005 World Summit in New York, the largest gathering of world leaders in history will consider progress over the past five years, and chart the international system's course for a generation.

Among the critical issues under discussion at this September's UN World Summit, world leaders will be forced to confront the deeply mixed record of international development progress since 2000. While progress towards the Millennium Development Goals (MDGs) has been substantial in several parts of the world, most notably in East Asia and South Asia, many countries and entire regions remain off-track to meeting some or all of the Goals. The epicenter of this global crisis is Sub-Saharan Africa, where rapidly growing populations are exposed to endemic disease, hunger, environmental degradation, and lack of access to basic education and infrastructure. Much of the continent

is stagnating with some countries experiencing regress in income poverty, hunger, child mortality, and life expectancy, to name but a few. In other regions, such as Central Asia, Central America, and the Andean region, progress towards the Goals has also been too slow (Table 1).

This lack of progress is worrying for many reasons. If the MDGs are not achieved by 2015, then the world will have failed to reach its goals to save 30 million children who would otherwise die, to provide 300 million more people with access to basic sanitation who would otherwise lack it, to ensure an adequate food supply for 230 million people who would otherwise be hungry, to ensure equality for women and men, and to

ensure a sustainable environment for the coming generation. Such failure will lead to rising insecurity since extreme poverty is an important driver of conflict. Moreover, environmental degradation will accelerate further, eroding the basis for all life on the planet.

In recognition of this stark challenge and the need to act, UN Secretary-General Kofi Annan commissioned the UN Millennium Project in 2002. The Project's ten thematic Task Forces brought together over 250 development experts from around the world, including scientists, development practitioners, parliamentarians, policymakers, and representatives from civil society, UN agencies, the World Bank, the International Monetary Fund, and the private sector.



Figure 1. The Classic Poverty Trap.

TABLE 1: THE BENEFITS OF MEETING THE MILLENNIUM DEVELOPMENT GOALS, BY DEVELOPING REGION

	Estimate 2005	Current trend extrapolated to 2015	MDG scenario for 2015
Poverty headcount (millions of people)			
Eastern Europe and Central Asia	92	88	49
East Asia and the Pacific*	182	0	0
Latin America and the Caribbean	128	123	90
Middle East and North Africa	8	9	4
South Asia*	407	317	317
Sub-Saharan Africa	345	431	198
Total	1,162	968	658
GDP per capita (2003 US\$)			
Europe and Central Asia	2,980	3,827	4,084
East Asia and the Pacific*	1,313	2,139	2,139
Latin America and the Caribbean	3,724	4,104	5,102
Middle East and North Africa	2,447	2,727	3,352
South Asia*	602	980	980
Sub-Saharan Africa	520	509	712
Individuals suffering from undernourishment (millions)			
Europe and Central Asia	52	61	20
East Asia and the Pacific*	162	65	65
Latin America and the Caribbean*	49	38	38
Middle East and North Africa	32	46	14
South Asia	301	285	228
Sub-Saharan Africa	228	255	155
Total	824	749	520
Child mortality (millions lives lost)			
Europe and Central Asia	0.2	0.1	0.1
East Asia and the Pacific	1.1	0.7	0.6
Latin America and the Caribbean*	0.3	0.1	0.1
Middle East and North Africa*	0.4	0.2	0.2
South Asia	3.1	2.0	1.6
Sub-Saharan Africa	4.7	4.7	1.9
Total	9.8	7.9	4.4
Maternal mortality (millions lives lost)			
Total	0.54	0.54	0.15
New HIV infections 2002-2010 (millions)			
		Current trend extrapolated to 2010	Expanded response scenario for 2010
Eastern Europe and Central Asia		2.8	1.3
Latin America and the Caribbean		2.3	0.7
Middle East and North Africa		0.9	0.3
South and southeast Asia		18.5	5.7
Sub-Saharan Africa		21.0	8.8
Total		45.5	16.8
Individuals without access to improved water (millions)			
Europe and Central Asia*	23	10	10
East Asia and the Pacific	388	305	299
Latin America and the Caribbean*	49	16	16
Middle East and North Africa	40	46	26
South Asia*	160	–	–
Sub-Saharan Africa	280	270	230
Total	939	647	581
Individuals without access to improved sanitation (millions)			
Europe and Central Asia	69	73	32
East Asia and the Pacific*	874	608	608
Latin America and the Caribbean	128	107	103
Middle East and North Africa	80	84	61
South and southeast Asia	877	770	718
Sub-Saharan Africa	454	531	305
Total	2,481	2,172	1,827
Individuals living in slum conditions (millions)			
Europe and Central Asia	44	47	41
East Asia and Pacific	237	385	210
Latin America and Caribbean	128	173	116
Middle East and North Africa	61	97	54
South Asia	235	398	207
Sub-Saharan Africa	167	325	144
Total	872	1,425	772

* Region on track to meet MDG target. Note: Numbers in table may not sum to totals because of rounding.

Source: UN Millennium Project (2005)

The Task Forces worked for two years to identify the practical actions needed to meet the Goals. They concluded that the knowledge, tools, and resources exist to achieve the MDGs by 2015. The world knows how to double or triple yields for smallholder farmers in Africa in an environmentally sustainable way; we have the drugs and knowledge to fight HIV/AIDS, malaria, TB, and other killer diseases; the world knows how to improve gender equality by investing in women; and we know how to provide access to water supply and sanitation for everyone. The problem is that these known solutions are not being implemented at a scale to match the ambition of the MDGs.

What is holding some countries back from meeting the Goals?

While there is no one-size-fits-all explanation as to why particular countries are making less progress towards the MDGs, the UN Millennium Project has stressed four separate fundamental causes, some of which can occur simultaneously. First, some governments may not be committed to development and ensuring sound governance. When governments do not pursue sound economic policies, uphold the rule of law, ensure sound administrative

management, support civil society, and respect human rights, development will stall. Many low income countries are also trapped in a poverty-conflict cycle where scaled up development strategies may not be easy to implement due to internal, cross border or regional conflicts. In these cases, foreign aid can play an

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important role in specific tasks such as immunisation campaigns, but stronger government commitment will need to be in place before aid can help finance the massive scale-up of public investments needed to meet the Goals. In conflict zones, resolution and peace building are a first priority.

A second case occurs in a large number of poor countries that are led by committed and determined governments, but are still caught in a poverty trap. Stuck with low savings rates and growing populations, they are simply too poor to afford the basic investments in people (health and education), infrastructure, and environmental management that are required to generate sustained

economic growth (Figure 1). Many countries face particular challenges, such as landlockedness, low productivity soils, or the extreme burden of diseases like malaria, that render them more susceptible to such traps (Figure 2). Much of sub-Saharan Africa is stuck in a poverty trap, and the investment shortfall can only be overcome through substantially increased, and well-delivered, donor assistance.

Third, several countries, including large middle-income countries, continue to have deep pockets of entrenched poverty. Ending poverty in these communities and regions is possible, but requires high-level political commitment, reform of institutions and policies, and increased and targeted public investments in people, infrastructure, and environmental management.

Finally, a number of Millennium Development Goals are not being met because of policy neglect. One particularly glaring example is maternal health. Many relatively developed countries continue to experience high rates of maternal mortality, even though access to emergency obstetric care could straightforwardly reduce these rates. Likewise, environmental management can be improved and gender biases in public investment and social policies ended if policymakers decide to make these issues important priorities.

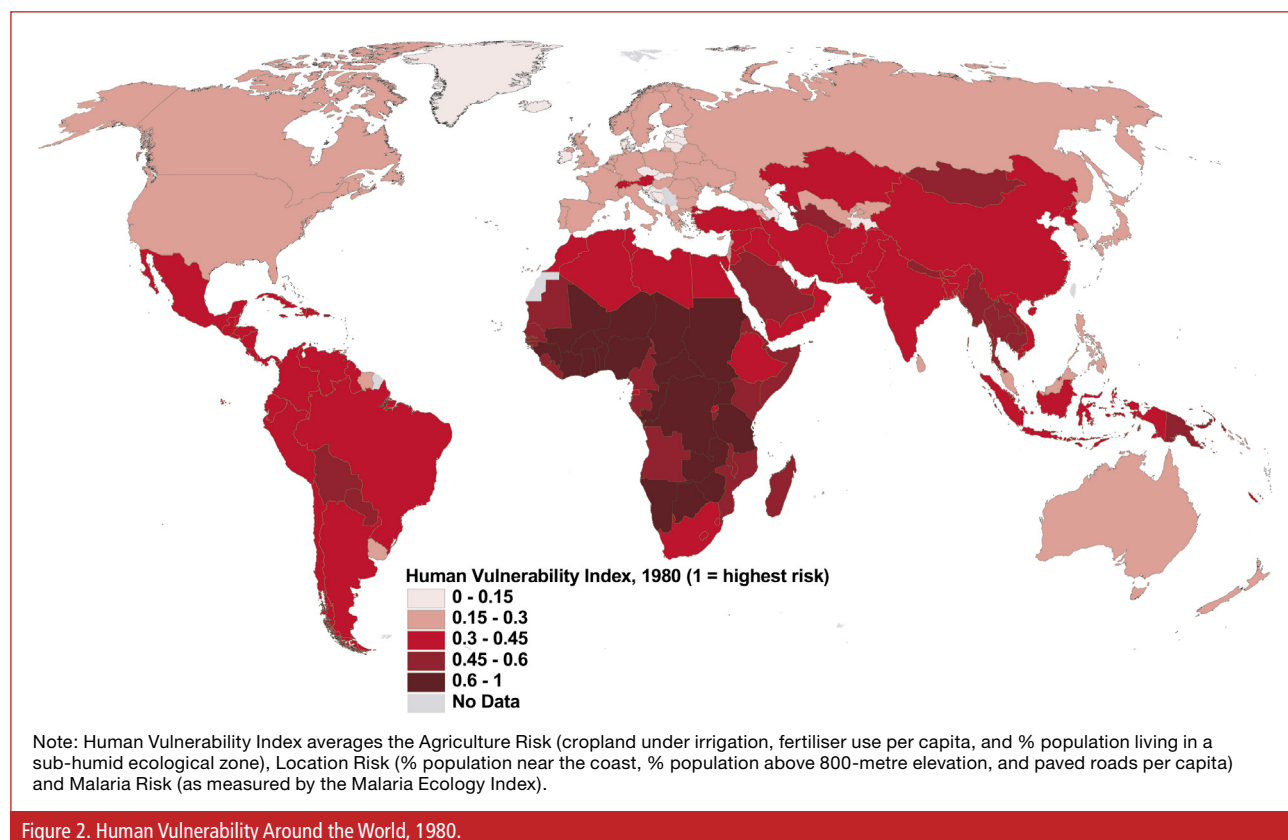


Figure 2. Human Vulnerability Around the World, 1980.

TABLE 2: CONCENTRATION OF NON-OIL FOREIGN DIRECT INVESTMENT AMONG DEVELOPING COUNTRIES, 2002

	FDI received as % of FDI to non-oil producing developing countries
China	36.8
Brazil	12.4
Mexico	10.9
Czech Republic	7.0
Poland	3.1
Slovak Republic	3.0
Malaysia	2.4
India	2.3
Peru	1.8
Colombia	1.5
Chile	1.3
Vietnam	1.0
Total	83.5
For Comparison:	
All Least Developed Countries	2.5
All Sub-Saharan Africa	4.3

Note: Oil-producing countries are counted as those with yearly crude production of more than \$100 per capita and where manufactured exports account for less than 50 per cent of total exports. Excludes countries receiving less than 1 per cent of global FDI. Source: UN Millennium Project (2005)

The critical role of public investment to achieve the MDGs

A frequent assessment of countries stuck in extreme poverty is that they simply require more private investment to stimulate economic growth. Unfortunately, this view mischaracterises the challenges of promoting private investment in low-income countries. There is no question that private investment is essential to self-sustaining long-term economic growth, but private investment in general, and foreign investment in particular, require that certain threshold conditions be met. When infrastructure and human capital are inadequate, potential investors stay away altogether. This is why foreign direct investment (FDI) rarely “leads” the development of impoverished countries where these preconditions are not met. It is no accident that only 12 countries account for nearly 85 percent of non-oil FDI in the developing world (Table 2). These are all countries with large domestic markets or favourable access to international markets.

In addition to being the world’s agreed targets for reducing extreme poverty, the MDGs serve as useful guideposts in the poorest countries for identifying threshold conditions that will contribute

to sustained market-led growth. A core role of the public sector is therefore to ensure the basic public investments are made to achieve the MDGs so that infrastructure and human capital are sufficient to push the economy across the threshold at which private investors can earn at least the minimum return they need to invest. Another core role of the public sector is, of course, to provide a conducive environment in

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which businesses can flourish, including adequate infrastructure, a supportive macroeconomic environment, openness to trade, a favourable legal and regulatory environment, and policies to promote small-scale entrepreneurship and innovation.

To achieve the MDGs and pursue long term economic development, developing countries will need to adopt and implement ambitious national poverty reduction strategies anchored

in the targets and time horizon of the MDGs. Instead of asking the typical question of what marginal progress is possible given current resource constraints, countries should be empowered to take the Goals seriously, asking what practical steps are needed to achieve the MDGs and what resources are needed to back those steps. Once a country has developed a clear and rigorous plan that maps out the needed investments and policies over the coming decade, they will be able to identify the level of financial backing required from donors. Such plans should form the fulcrum of international support, with UN partners, the World Bank and the International Monetary Fund providing technical advice to ensure governments are putting forward the best possible MDG-based strategies.

Identifying the needed investments

What level of backing will countries require? The UN Millennium Project conducted a detailed bottom-up evaluation of the practical investments required across a range of low-income countries. The findings suggest that to meet the MDGs in well-governed but extremely poor sub-Saharan African countries like Ghana, Tanzania, or Uganda, investments of \$75-\$80 per capita will be required in 2006, rising to \$125-\$160 by 2015. For countries with national incomes of roughly \$300 per capita, these investment levels are simply unaffordable. Even if one assumes a substantial increase in domestic resource mobilisation for the MDGs and rapid economic growth, the Project’s findings show that less than half of the needed public investments can be financed domestically. The rest – perhaps \$70 per capita per year – requires external finance equivalent to a doubling or tripling of current aid levels, focused on real ground level investments.

Crucially, these are not resources to provide emergency relief or to support armies of new aid workers. Instead, they need to be targeted to specific investments, following rigorous plans with monitorable results. Many interventions – such as the mass free distribution of anti-malarial bednets – could be immediately implemented to save millions of lives in just a few short years. Meanwhile, many other practical investments, such as training teachers and nurses or building infrastructure, need to be made over the course of several years in order to build future capacity for delivering essential basic services.

Are these public investments affordable at the global level? Fortunately, the answer is a resounding yes. The UN Millennium Project estimates that rich countries need to devote roughly 0.54 per cent of gross national income (only 54 cents for every hundred dollars) by 2015 to official development assistance to provide adequate financing for all countries to achieve the MDGs. After including important international priorities such as peacekeeping, post-conflict reconstruction, curbing climate change and other global challenges, total development assistance levels need to reach 0.7 percent by 2015.

Fortunately, the rich countries of the world have committed repeatedly to the 0.7 percent target for ODA. As recently as the landmark Monterrey Consensus of 2002, they urged “developed countries that have not done so to make concrete efforts toward the target of 0.7 percent of Gross National Product (GNP) as ODA.” No new promises are needed, only follow-through on existing commitments. The report of the Africa Commission chaired by UK Prime Minister Tony Blair has recently reaffirmed the centrality of the 0.7 target, as has the UN Secretary-General’s recent major report, *In Larger Freedom* issued in March. If all rich countries act decisively in 2005 by setting timetables to reach 0.7 by 2015, there is still time enough to achieve the Goals.

Thankfully ODA trends are moving in the right direction. Five countries have already met and surpassed the 0.7 target: Denmark, Luxembourg, Netherlands,

Norway, and Sweden. Another 11 have now announced timelines for reaching 0.7 percent before 2015, including the major joint commitment issued by all members of the EU-15 this past May. As of late June, only six of 22 members of the OECD’s official donors group have not yet set timetables to achieve the 0.7 target by 2015: Australia, Canada, Japan, New Zealand, Switzerland, and the United States.

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Launching a breakthrough in 2005

The year 2005 is the make-or-break year for the Millennium Development Goals. There is still time to meet the Goals in all countries, although barely. Today many countries like Ethiopia, Ghana, Kenya, Mozambique, Senegal, Tanzania, Uganda, and Yemen are ready to launch major scale-up programs across key sectors such as health, education, and infrastructure. It is incumbent upon the developed world to support these programs. Indeed, any country that puts forward a rigorous and monitorable investment plan for the MDGs should be immediately “fast-tracked” in 2005 with adequate financial support.

In addition, the UN Millennium Project has identified several “Quick

Win” actions, policy and investment initiatives that can be implemented immediately and have enormous benefits on millions of lives within two to three years. The world should move quickly to launch such Quick Wins. Examples include a global initiative to fight malaria through mass-distribution of insecticide-treated bednets and artemisinin-based combination therapy; a campaign against hunger focusing on school meals using locally produced food; and the abolition of user fees for basic healthcare and primary education, backed by increased development assistance to make up for the revenue shortfall. Success on each of these Quick Wins will require developed and developing countries to work closely together in the months ahead, mobilising the needed resources and moving to implementation as quickly as possible.

The year 2005 offers a rare opportunity for the decisions to be made that can finally overcome extreme poverty. The feasibility of the MDGs matched with opportunities for action serve to highlight perhaps the most pressing political imperative of our time. With decisive leadership and a clear focus on implementation, extreme poverty can be halved within a decade. At issue is a simple choice, one of whether to follow through on commitments. The right choice must be made at all levels, launching a decade of bold and practical ambition. The stakes could not be higher. Indeed tens of millions of lives depend on it.

ABOUT THE AUTHORS

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ABOUT THE ORGANISATION

The UN Millennium Project is an independent advisory body commissioned by the UN Secretary-General to advise the UN on strategies for achieving the Millennium Development Goals. Headed by Professor Jeffrey Sachs, the UN Millennium Project recently presented its report, *Investing in Development: A Practical Plan to Achieve the Millennium Development Goals*, to the Secretary-General. The research of the Millennium Project is performed by more than 265 development experts through 10 Task Forces. Each Task Force comprises independent experts drawn from academia, the public and private sectors, civil society organisations, and UN agencies. A small secretariat housed at the UN Development Programme Headquarters facilitates and coordinates the work of the Task Forces.

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