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**17 January 2005**  
**5:00 GMT**

# Practical Action Plan to Combat Poverty Unveiled at UN Today

*UN Millennium Project's "Investing in Development" presented to Secretary-General Annan, welcomed by experts as cost-effective blueprint for achieving Millennium Development Goals by 2015*

UNITED NATIONS, 17 January 2005—In the most comprehensive strategy ever put forward for combating global poverty, hunger and disease, a blue-ribbon team of 265 of the world's leading development experts today proposed a package of scores of specific cost-effective measures that together could cut extreme poverty in half and radically improve the lives of at least one billion people in poor developing countries by 2015.

The recommendations of the UN Millennium Project, an independent advisory body to the UN Secretary-General, are laid out in the report *Investing in Development: A Practical Plan to Achieve the Millennium Development Goals*. The report was presented to United Nations Secretary-General Kofi Annan today. Secretary-General Annan has said the fight against extreme poverty should be the top priority of the world community and the UN system in 2005.

"Until now, we did not have a concrete plan for achieving the Millennium Development Goals," said Prof. Jeffrey D. Sachs, the economist who directed the three-year UN Millennium Project. "The experts who contributed to this huge undertaking have shown without a doubt that we can still meet the Goals—if we start putting this plan into action right now."

The UN Millennium Project's report was released as the Asian tsunami disaster focused global attention on the need, scale and effectiveness of aid to the world's poor. The enormously generous response to the tragedy sent a powerful message that ordinary citizens in wealthier nations do in fact support such aid—if they clearly see the need and if they believe the funds they provide will reach and help the people in need. The Project's plan addresses these legitimate concerns—and shows that targeted investments in essential public services such as health, education and infrastructure make poor communities less vulnerable to such disasters and to the hardships of disease, hunger and environmental degradation.

The Project report leads off a yearlong series of global initiatives aimed at making the Goals a reality, including a report to UN member states from the Secretary-General in March, which will draw heavily on the Project's recommendations. With world leaders gathering at the G8 meeting in July and again at the UN in September to accelerate progress towards the Goals, 2005 has become the key year for mobilizing international support for the fight against poverty and disease, UN officials stressed.

"The Project team has given us the biggest intellectual contribution to the development debate from the UN system in at least 20 years," said Mark Malloch Brown, the Secretary-General's incoming chief of staff and chairman of

the United Nations Development Group, (UNDG). The UN Development Programme (UNDP) financed and supported the project on behalf of the UNDG partners.

“We hope that the Project’s report will help catalyze world support for a ‘grand bargain’ between global poverty reduction and security at the Millennium + 5 Summit in New York in September,” Malloch Brown said. “We need a firm commitment from rich and poor nations alike that policy reforms and the genuine efforts to eradicate poverty within developing nations will be met by promised trade and debt concessions and assistance from the developed countries, and quickly. Taken in parallel with the Secretary-General’s High Level Panel on Security Threats, this offers the world a new start on this critical inter-connected agenda: security and development.”

Some Project highlights and key recommendations:

- **A practical plan:** In 2000, world leaders met at the UN and agreed to cut extreme poverty in half by 2015. The Project’s research shows not only that that this still can be done, but also how it can be done, in rigorous technical detail.
- **Affordable:** In the first detailed costing exercise of its kind, the Project experts conclude that the Goals can be achieved with an investment of just one half of one percent of the incomes of the industrialized countries—well within the international aid targets wealthy countries have already promised to meet.
- **Governance matters:** Policy reform at the local level and a national commitment to helping the poorest of the poor are essential if the Goals are to be reached.
- **Expanded trade and private capital:** These are the key to sustained growth in all developing nations—but the poorest countries cannot take advantage of trade and investment opportunities without first getting help in building essential public infrastructure like roads, ports, clinics and schools and raising the health and skills of the labour force through investments in disease control, education, nutrition and job training.
- **Fast tracking for success:** Project leaders strongly recommend that assistance be targeted immediately to countries already recognized as both needy and able to use aid effectively, starting with “Fast Track” countries already deemed eligible for debt relief under the Heavily Indebted Poor Countries (HIPC) initiative and nations singled out for help by the US government’s new Millennium Challenge Account.
- **Too big for government alone:** The Report argues that the challenges of growth and job creation on the one side and service delivery to poor communities on the other require a broad partnership involving the the public sector, civil society and the private sector. Inclusiveness is the key to success: Unless women’s groups and civil society organizations are brought into the economic and political mainstream, the goals will remain unobtainable.
- **Quality aid:** While an increase in the quantity of assistance is vital, better quality aid is equally important. Project task forces lay out careful blueprints for efficient, effective investments in public health, education, and economic development—and argue persuasively that a “front-loading” of these expenditures now will ultimately save billions of dollars—and tens of millions of lives—over the long term.
- **“Quick Wins:”** Developing and developed countries should immediately undertake a series of “Quick Win” actions that could save millions of lives at modest cost, from providing free school meals and small diesel or solar power generators for hospitals and schools to antiretroviral AIDS medicines and US\$5 anti-malarial bed nets.

What is crucial, the report emphasizes, is a concerted effort to provide such support on sufficient scale to have a national level and even global impact.

“We are in a position to end extreme poverty within our generation,” Sachs said. “Not just cutting poverty in half—if we want to eliminate extreme poverty, we can do that by 2025.”

The Project drew on the contributions of a veritable “who’s who” of development thinkers and doers that included **Ernesto Zedillo**, former President of Mexico; **Mari Pangestu**, Minister of Trade, Indonesia; **MS Swaminathan**, World Food Prize Laureate; **Amina J Ibrahim**, National Coordinator for Education for All at the Federal Ministry for Education, Nigeria; **Pedro Sanchez**, winner of the MacArthur Genius Award and World Food Prize laureate; **Agnes Binagwaho**, Executive Secretary of the National Commission to Fight AIDS, Rwanda; **Awash Teklehaimanot**, Director of the Malaria Program at Columbia University; **Yolanda Kakabadse Navarro**, President of the World Conservation Union; **Albert M Wright**, Chairman of the Africa Water Task Force, **Yee-Cheong Lee**, President of the World Federation of Engineering Organizations, and **Calestous Juma**, former Executive Secretary of the UN Convention on Biological Diversity. The Project’s work includes 13 separate, extensive reports by specialized task forces in subjects ranging from education to malaria to hunger.

The Project’s research and reports were submitted for review and recommendations to experts from other major institutions, including the World Bank and International Monetary Fund.

The report calls for a major overhaul of the international development system, which it broadly found to be too often unfocused and inefficient. Only about 30 cents of each dollar of international aid actually reaches on the ground investment programs in poor countries aimed at extreme poverty, hunger and disease, the Project’s research shows. By pooling aid and spending it locally and strategically, assistance would be more effective and less expensive, Project experts argue. In low-income countries, only 24 percent of bilateral aid is actually available for the critically important Millennium Development Goal investments on the ground, the authors calculate; for multilateral assistance, they say, the figure is 54 percent—better, but still not enough.

“The question is not whether aid works,” say the authors of *Investing in Development*. “Ample evidence shows that it does when it is sufficient and well directed. The problem has been how and when aid has been delivered, to which countries, and in what amounts.”

The UN Millennium Project studied countries with high concentrations of people living in extreme poverty to determine how much investment was needed to confront hunger, education, gender equality, health, water and sanitation, slums, energy and roads. In low-income countries, that would mean an increase to \$70-80 per capita in 2006 for investment, rising to \$120-160 per capita in 2015. Many middle-income countries will largely be able to finance these investments on their own—though in many cases they will require adequate debt relief and specialized technical assistance. But for poorer countries, domestic resources will not be sufficient. External financing must fill that gap.

Project leaders call for “a decade of bold action” with the following guidelines:

- Developing countries should adopt ambitious national development strategies to achieve the Goals, with specific policy reforms and detailed assessments of the required investment needs and financing options.
- High-income countries must open their markets to developing country exports and should help the poorest countries to raise export competitiveness through investments in infrastructure, trade facilitation and science and technology. The authors strongly urge completion of the Doha Development Round by 2006.
- Regional groups like the African Union should promote regional trade and cross-border infrastructure (roads, energy, telecommunications) and strengthen environmental management; donors should increase financing of these critical regional projects, the Project says.
- The Secretary-General should strengthen coordination among UN agencies to support the Goals at the international and country level.
- To achieve the Goals, aid from industrialized countries should rise to 0.44 percent of the industrialized nations’ GNP in 2006 and reach 0.54 percent of GNP by 2015—less than the global target 0.7 percent of GNP reaffirmed by world leaders at the Monterrey conference on financing development in 2002.

- The project’s calculations do not include many essential areas requiring assistance to developing nations outside the framework of the Millennium Development Goals, including future major infrastructure projects, increased spending adjustments to climate change, post-conflict reconstruction, and other geopolitical priorities. Project leaders strongly urge donor nations to make, maintain or accelerate commitments to reach the long-standing target, reaffirmed in Monterrey in 2002 of 0.7 percent of GNP for international aid by 2015.
- In absolute dollar terms, the authors urge wealthy nations to disburse \$135 billion in development aid in 2006—an increase over existing commitments of \$48 billion, equivalent to about five percent of global military spending. By 2015, annual aid levels should reach \$195 billion, the Project’s author’s recommend.
- This additional aid should include an initial \$5 billion rising to \$7 billion per year by 2015 to promote science and technology for the poor, focusing on health, agriculture, energy, environmental management, and climate research.
- The UN Millennium Project supports the United Kingdom proposal for a new International Finance Facility (IFF) as the leading proposal for a breakthrough in development financing in 2005. Designed to double development assistance between now and 2015, the IFF would leverage additional funds from capital markets by issuing bonds backed by long-term donor commitments to aid. But the choice of financing arrangements is for donors to make. The key issue is the speedy availability of new resources.

### **The Millennium Development Goals: Insurance for Global Security**

“Breaking the poverty trap of the poorest countries is a matter of extreme urgency for our security,” Sachs said. “When people lack access to food, medical care, safe drinking water, and a chance at a better future, their societies are likely to experience instability and unrest that spills over to the rest of the world.”

Time is short, however, with only 10 years to go to meet the 2015 goals. But meeting the goals is not just a matter of global justice and human rights, the report finds, but is essential for global security. “Poor and hungry societies are much more likely than high-income societies to fall into conflict over scarce vital resources,” the experts contend, adding that the Millennium Development Goals should be placed centrally in international efforts to end violent conflict, instability, and terrorism.

The report cautions, however, for the need to spend resources effectively, and stresses that particular attention be provided to developing countries that have shown a commitment to good governance practices and transparent budgeting. There are dozens of low-income countries, according to the report, that have proven track records of reform and commitment to working on behalf of the extreme poor.

“Lawless countries led by corrupt leaders are incapable of investing resources in health, education and roads,” Sachs said. “Increased international support should go to countries that have demonstrated good governance, to countries that are trying to open up their economies, to reform their political systems, and to combat corruption.”

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