



IPA Special Event on the Report of the UN Millennium Project

Meeting Note

On February 11th and 14th, 2005, the International Peace Academy held two informal meetings with delegates from UN missions, in cooperation with the Permanent Mission of Malaysia to the United Nations. The aim was an informal discussion on the recently released report of the UN Millennium Project, *Investing in Development: A Practical Plan to Achieve the Millennium Development Goals*, enabling participants to exchange views with the lead-author and Millennium Project Director, Professor Jeffrey Sachs. The sessions were structured identically, comprising remarks by Professor Sachs and two discussants from Permanent Missions, followed by a free exchange of opinions. The following is a consolidated summary of the main points from the two meetings.

At the beginning of the meetings, Professor Sachs linked the report to that of the Secretary General's High-level Panel, noting that both stressed the links between security and development. 2005, he argued, is a crucial year for convincing all governments of the salience of these links and for galvanizing progress towards the **Millennium Development Goals** (MDGs). The MDGs emerged out of the unique context of the new millennium, but with insufficient progress made in the past five years, a **genuine breakthrough** is needed to ensure that they are not abandoned. On the positive side, **the goals are attainable** within the ten-year timeframe. In addition, there is presently a **sense of forward movement**, as many countries have placed development at the top of their agendas. A variety of European initiatives are oriented towards increasing official development assistance in support of meeting the MDGs, mirrored by Japanese innovations and by rising enthusiasm from middle-income countries.

The report calls for a dual strategy to meet the MDGs by 2015. First, developing countries must adopt bold "**MDG-based poverty reduction strategies.**" These should include a framework for strengthening governance and human rights and should be aligned with regional initiatives. But developed countries must help empower developing countries to advance, through **significant increases in official development assistance (ODA), increased trade openness and support for science research and development.**

Professor Sachs explained that investments are needed in **three critical areas: people, the physical environment and basic infrastructure.** This is especially the case in sub-Saharan Africa, where extremely high levels of disease and infant mortality, and low standards of education and physical infrastructure, have caught many countries in a "poverty trap." The report calls for two strategies that can be launched in 2005 and are capable of producing dramatic results within a short timeframe. First, developed and developing countries should launch a series of "**quick win**" actions, such as the provision of malaria bed nets in regions of malarial transmission, school meal programs in hunger hotspots, and fertilizer distribution in areas of poor soil quality. These "quick wins" could make a vast difference to millions, and in turn generate support for the MDGs through tangible benefits. To be effective and sustainable they need to be firmly integrated into MDG-based poverty reduction strategies. Second, donors should massively scale up

ODA to “**fast-track**” countries that have demonstrated absorptive capacity and good governance.

Member state participants generally **praised the report** and commended its boldness. They shared its optimistic sense that the MDGs could be met by 2015 despite the mixed record so far, and welcome the report’s pragmatic vision for putting the goals into practice. The report was also seen as a useful document for consensus building, urgently required within the United Nations at the present juncture. Several middle-income countries welcomed the emphasis on supporting **regional initiatives** and highlighted the increasing levels of South-South cooperation for development in the form of financial support and technical advice. They argued that technology transfer and investment in developing country institutions are areas meriting greater emphasis.

Some concerns were raised about the relationship between the report’s recommendations and the **broader development process**. A few developing countries were concerned that the emphasis on “quick wins” might divert attention from other crucial aspects of the development agenda. As a result, some feared that development might actually stagnate after 2015, and called for **sustainability mechanisms** to be built into the MDGs to avoid this reversal. Another participant suggested that the focus on “fast-track” countries might be to the detriment of countries that were in more desperate need. Professor Sachs concurred that the MDGs should be considered a starting point for development and agreed that sustainability was a crucial component of any sound development process.

Two participants from high-income countries raised further concerns about “tensions” contained within the report. First, referring to the security–development “nexus” propounded by Professor Sachs, it was argued that **development should be considered a priority in itself**, rather than a “security” concern. Professor Sachs agreed that the primary rationale for development should remain an ethical one, but responded that the security link provides an additional rationale that does no damage to the cause. Second, a possible tension was highlighted between the broad global targets contained within the MDGs and the **importance of local ownership** of the development process. One participant, from a small island developing country, stressed the importance of local ownership, noting the adverse impact of Bretton Woods structural adjustment programmes on vital public services. Professor Sachs acknowledged this concern and emphasized that MDG-based poverty reduction strategies need to be designed to address it. Indeed for the first time, the MDGs empower countries to ask the question “What is needed to meet these development objectives?” As a result, the MDGs are not considered controversial within most developing country governments. In addition, broad, globally publicised targets are useful for holding all sides to account.

On the question of **financing**, Professor Sachs was optimistic about the **development of innovative solutions** in the near future. The International Financial Facility is currently the most advanced and can be immediately implemented, but other medium-term prospects exist. For example, Europe could generate funds for ODA by auctioning carbon emissions rights. There was general enthusiasm for such programs and one participant hoped that pilot schemes might be presented at the summit. Professor Sachs was, however, skeptical about global taxation schemes that require near consensus in order to

be workable, and emphasised that innovative schemes must not detract from a **basic ODA commitment** by rich governments and the need to substantially raise the level of financing during 2005. One high-income country participant questioned the emphasis on bilateral as opposed **multilateral assistance**. Other participants argued that **trade** should be given greater attention, and one, from a low-income country, claimed that the summit itself should be bold on trade issues within realistic parameters, focusing on “quick win” trade solutions. Another argued that **debt cancellation** merited a more prominent place within the development agenda.

Much of the discussion concerned the **role of the UN**, which is arguably limited in relation to trade, ODA and financial instruments. Professor Sachs responded that the UN has three elements of comparative advantage. First, the UN, and specifically the Secretary-General, has a **unique legitimizing function**. Second, the UN system contains **diverse expertise** within its funds and agencies. This expertise must be empowered to operate at scale by strengthening and integrating the cluster of UN operations at country-level, and enhancing coordination with the IMF and World Bank. Third, the Secretary-General has a significant potential for **oversight**. On this basis, Professor Sachs felt that the General Assembly should ask the Secretary-General to report more extensively on MDG implementation by providing an analysis of compliance by all parties with their MDG commitments, instead of a mere checklist of where the goals have or have not been met.

The **Millennium +5 Summit in September 2005** was felt to be a crucial moment in UN history and various participants were concerned with questions of strategy in the lead-up to it. One participant argued that the summit’s development agenda should be oriented around the key themes of developing country ownership, increased ODA, sustainability and the centrality of the UN. Many stressed the importance of focusing on the **implementation of the goals** rather than the restatement or renegotiation of prior commitments. They also highlighted the importance of **actualizing the Millennium Project report** for the summit, by specifying developing country needs and crystallizing responses. Low-income countries were concerned that the summit’s outcome should be substantive and veer away from meaningless lowest-common-denominator outcomes. But to achieve substantive action, they argued, **a change of mindset** was needed within the developed world, requiring that domestic publics be accurately informed about development.

At the conclusion of the meeting, Professor Sachs took up the theme of mindset, voicing his criticism of the current **creditor-driven approach** to development. This approach forces developing country governments to work within resource constraints that are incompatible with achieving the MDGs. Professor Sachs called instead for a goal-based approach to development that combines adequate levels of finance with sound policies and full accountability. He sought to dispel a number of myths that obstruct this goal-based approach. First, he denied that development is impossible without economic growth, arguing instead that the two are interrelated. In many countries achieving the MDGs is necessary for countries to achieve sustained growth. Second, he emphatically rejected the argument that responsibility for the lack of progress lies primarily with developing country corruption or mismanagement. The reality, Professor Sachs claimed,

is that budgetary deficiencies restrict the ability of developing countries to invest in strengthening governance and to make genuine progress towards achieving the MDGs. He called for donors, especially permanent members of the Security Council, and those aspiring to this status, to honour the **0.7% GNP commitment level** that has been pledged continuously since the 1970s. This undertaking, Professor Sachs argued, is an essential illustration of the capacity for **responsible global leadership** in the twenty-first century.

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