

**Presentation to CSD-12
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There is still time to achieve the MDGs – barely

Even in the poorest countries there is still time to achieve the MDGs, but the window of opportunity is closing rapidly because of inadequate progress to date. Serious country-level planning during the coming year, undertaken by committed governments in conjunction with development partners, needs to focus on (1) the 2015 time horizon; (2) the MDGs as (minimum) targets; and (3) adequate official development assistance (ODA) to achieve the MDGs.

An MDG-based Poverty Reduction Strategy

The Millennium Project proposes that every low-income country, and especially countries far off track to achieve one or more of the MDGs, should prepare an *MDG-based Poverty Reduction Strategy* (MDG-based PRS). In cases where PRSPs already exist, these should be strengthened to ensure compatibility with the MDGs. The MDG-based PRSs should be completed by the time of the 5-year review of the Millennium Declaration in fall 2005 and they should include:

1. An “**MDG needs assessment**” of how much scaling up of investments in core infrastructure, human resources and service delivery is needed through to 2015.
2. A **policy framework through 2015** that outlines how the country’s policies and programs, backed by international development partners, will meet the country’s MDGs.
3. A **financing plan (within the PRS where those exist)**, with three years of detailed commitments by the government and development partners, and ten years of financing objectives.
4. A **strategy for independent monitoring and evaluation** of the PRS implementation.

The Components of an MDG-based PRS

The MDG-based PRS should outline the investments and policy priorities across all key sectors, including infrastructure (roads, power, ports, water and sanitation), social sectors (health, education, nutrition), women’s empowerment, rural productivity (soil health, water management) and urban productivity (slum upgrading, urban planning, urban transport, urban wastewater treatment). The MDG-based PRSs should recognize that the Goals are interdependent and that achieving each one of them requires public investments in a broad range of infrastructure and social sectors. For example, meeting the Water and Sanitation Goal is critical for making water available for productive use, achieving gender equity, reducing child mortality and improving other health outcomes. Conversely, in order to meet the Water and Sanitation Goal, countries need to strengthen hygiene education and community awareness programs, accelerate slum upgrading, improve access to energy services, strengthen their management of critical freshwater ecosystems, and contain water pollution. Therefore, only a bold and comprehensive public-investment strategy will prove successful.

Next Steps at the Country Level

The Millennium Project recommends that the MDG-based PRSs should be prepared by a multi-stakeholder process led by the national government. Participants in this process should include the national government, sub-national (e.g. district and local authority) government representatives, civil society representatives, international development partners, and experts from the UN specialized agencies and the Bretton Woods institutions.

Next Steps at the International Level

The international system – including donors, UN specialized agencies, and civil society organizations – will need to give additional support to low-income countries to pursue this MDG-based Poverty Reduction Strategy process. This includes providing technical advice wherever possible, removing trade barriers, advancing debt cancellation dramatically, and providing major increases in official development assistance where necessary.

The following specific steps will be important:

- A major increase in financing under IDA-14, to support roughly a tripling of IDA annual flows to a level of around \$25 billion per year. IDA flows to the poorest countries should be in the form of grants rather than loans.
- A strengthening of the HIPC initiative. “Debt sustainability” should be defined as the ability to service debts while achieving the MDGs. According to this MDG-based debt-sustainability standard, many of the world’s poorest countries will need 100-percent cancellation of their outstanding debts.
- Support for the International Financing Facility as proposed by the United Kingdom, or a similar mechanism, to enable a doubling or more of official development assistance during the period 2005 to 2015.
- Reforms of official development assistance processes to ensure their compatibility with the MDGs. This will require: increased donor harmonization, increased emphasis on budget support, medium-term commitments of donor flows, reliance on grants rather than loans, and support for country-led MDG-based PRSs.
- Rapid action on international trade policies to ensure full market access to the least developed countries in all of their export sectors, including agriculture, apparel, and other labor-intensive manufactures and services.
- Commitments by leading international companies, especially those participating in the Global Compact, to support the MDGs.

- Commitments by leading scientific and technological bodies, including national and international academies of sciences and academic institutions to support the MDGs.
- Monitoring of the progress of MDG-based Poverty Reduction Strategies in future sessions of the Commission on Sustainable Development.

For Further Information

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