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UN Asks U.S., Wealthy Nations, for \$135 Bln to Halve Poverty

Jan. 17 (Bloomberg) -- The U.S. and other wealthy nations need to give \$135 billion in foreign aid next year, 55 percent more than current commitments, open markets to exports from Africa and Asia, and provide debt relief to halve world poverty by 2015, a United Nations report says.

The report, which sets the agenda for Secretary-General Kofi Annan's final two years in office, also says only 30 cents of every dollar reaches people in poor nations and calls for more efficient aid delivery. Annan should improve the UN system as recommended in November by a panel that called for the Security Council to be expanded to 24 from 15 members, it says.

"These goals are achievable," Mark Malloch Brown, Annan's chief of staff, told reporters in New York. "Public opinion, as we have seen surface around the tsunami crisis, has gone away from treating foreign aid as a disaster area of spending for which there is no constituency. By the time we get to September we want a big head of steam behind a major advance on the development front."

A team of 265 political leaders and development experts, including former Mexican president Ernesto Zedillo, today gave Annan the 3,000-page report on how to achieve Millennium Development Goals set by UN members in 2000. It's the basis for recommendations Annan will make to world leaders who will meet in New York in September to mark the UN's 60th anniversary.

Corruption Allegations

Annan, facing allegations of corruption and mismanagement four years after winning the Nobel Peace Prize, wants to restore the world body's image and secure his own reputation through the tsunami relief operation, UN restructuring and accelerated movement toward the millennium goals. Malloch Brown's appointment last month as his top aide was the first of what Annan said would be a series of personnel changes intended to succeed on those fronts.

The Millennium Development Goals, including two-thirds reduction in infant mortality, reversal of the HIV/AIDS epidemic and a primary school education for every child, won't be reached at the current pace, the UN has said in recent years. The number of people living on less than \$1 a day, which decreased to 1 billion from 1.5 billion between 1981 and 2001, hasn't dropped since then. The target is 500 million by 2015.

'System Doesn't Work'

"The current system doesn't work," Columbia University economist Jeffrey Sachs, a special adviser to Annan on the Millennium Development Goals, said in an interview. "It is not goal directed. It is one thing to have the goals, another to show a path to reach the goals. That has not been done."

Sachs said that while the U.S. dedicates 0.15 percent of its gross national product to development aid, wealthy nations have made some progress in reaching the UN goal of 0.7 percent GNP. Of the 30 countries in the Organization for Economic Cooperation and Development, five are at 0.7 percent and six recently set a timetable for getting there.

The report asks the 30 OECD members to move from their current average of 0.25 percent of GNP to 0.44 percent in 2006 and 0.54 percent by 2015. Additional emergency aid, such as the \$350 million the U.S. pledged to tsunami, could bring each country's total to 0.7 percent, according to Sachs.

The U.S. has increased funding to fight AIDS and created the Millennium Challenge Account to increase its development assistance by \$5 billion next year, Sachs said. At the same time, he said no money has been disbursed from the account, and the gap between 0.15 percent and 0.7 percent is \$30 billion annually.

Iraq Oil-For-Food

A "concern," Sachs said, is the perception based on charges of UN mismanagement of the program that allowed Iraq to sell oil to buy food and medicine from 1996 to 2003 that the world body isn't up to the challenge of coordinating development in sub-Saharan Africa, the region furthest from achieving Millennium targets.

"My experience is that the quality and depth of knowledge and expertise in UN agencies is second to none," Sachs said. "But I am concerned that there is a tremendous amount of confusion about these issues."


The British aid group Oxfam said failure to reach the Millennium Development Goals might result in the deaths of 45 million more children before 2015 and that 247 million more people in sub-Saharan Africa might fall into extreme poverty, living on less than \$1 a day.

"This year must see substantial new investment to fund a war on poverty," Oxfam policy coordinator Jonathan Hepburn said in a statement. "The tiny amounts currently given by rich countries are inexcusable and the poorest are paying with their lives."

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