



## COMMENT

**It is time for fine words to give way to meaningful action JEFFREY SACHS DEVELOPMENT IN 2006.**

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This was the year of diplomacy in international development. 2006 must be the year of action. There was a lot of talk this year about ending extreme poverty; at the Gleneagles summit of the Group of Eight in July, the United Nations world summit in September and in a feast of concerts, television shows, books and articles around the world that raised public awareness and interest. But these words have yet to make a discernible difference for the hungry, destitute and dying.

Action needs to proceed at every level, from the local to the national and the international. Every big player in this drama needs to be held accountable for their actions. At the end of next year, each must be asked a single question: what did you do this year to end extreme poverty?

The key breakthrough in 2005 was the commitment of the European Union donors to achieve the vaunted target of 0.7 per cent of gross national product in official development aid by the year 2015. An intermediate benchmark of 0.56 per cent of GNP in aid as of 2010 was established. While Europe led, the Bush Administration sulked, refusing to be held to what it called an "artificial" standard. How cheeky of the world's richest and most powerful country, one that devotes Dollars 500bn (Pounds 286bn) per year to the military, yet a pathetic Dollars 4bn per year to the hungry and dying of Africa (less than 4 cents for every Dollars 100 of US GNP). Most of that miserly aid to Africa is emergency food aid and US consultant salaries, rather than real development aid.

But the words in 2005 involved more than finances. At the UN world summit, leaders recommitted to the Millennium Development Goals and adopted a number of "quick impact initiatives" in areas where rapid progress can be made. In 2006, these words must be put into action. There must be increased resources to Africa. The point is not money per se, but what money can buy: bed nets and medicines to fight malaria, anti-retroviral medicines for Aids, fertilisers for replenishing soil nutrients, hardware and software for rural connectivity and countless other practical steps that could relieve hunger, disease and isolation.

When practical measures have been undertaken backed by private philanthropy, as in the millennium villages of Kenya and Ethiopia, crop yields and food output have more than doubled in a single season. School attendance has soared in response to school feeding programmes and the elimination of user fees. Healthcare has been dramatically bolstered through the provision of local clinics and the mass distribution of long-lasting insecticide-treated bed nets to fight malaria. The successes are still on a small scale. It is time for the official donors to build on these results.

In 2006, there must also be a breakthrough in thinking and action at the national level. At the UN world summit the leaders called on every developing country to prepare a "national development strategy" ambitious enough to achieve the MDGs. The current poverty reduction strategies submitted to the International Monetary Fund and World Bank by the poor countries do not reflect real needs, because the poorest nations are counseled by those institutions to keep their ambitions low, in line with modest aid flows.

The result is a poverty trap, in which donors pretend to help and the recipient governments pretend to lead poverty-reduction programmes. Cynicism abounds. US ambassadors privately shake their heads in despair, knowing that the US preaches poverty reduction but does not provide the resources to get the job done. The IMF whispers in the ear of the finance minister that as nice as the MDGs might be, it is the job of the finance minister not to dream, but to live with hard financial "realities". Yet the reality that matters is that millions of children are

dying each year in this financial charade.

2006 must be different. The national development strategies this coming year must be based on what is really needed financially to break free of extreme poverty and achieve the MDGs, not on what is currently available. The donors have committed to doubling Africa's aid by 2010, but that increase in aid will never materialise, or will go into the pockets of rich country consultants, unless it is programmed directly into African investments for infrastructure, health, education and the African "green revolution" in agricultural practices.

At the international level, practice must also change in 2006. During the "structural adjustment era" of the past 25 years, the IMF and World Bank have been the handmaidens of the US Treasury, acting to "protect" the US taxpayer from the world's poor, lest Americans be called upon to spend a tad more on the destitute and dying.

This year the behaviour of both the fund and the bank must be different. The executive boards of each institution should ask a set of questions for every programme that comes to it for approval. Is this programme realistically based on the MDGs? Will it cut child mortality or only cut inflation while leaving the children to die? Will it enable the country to reach prescribed targets by 2015?

The perverse thing about ending extreme poverty is that all requisite promises have been made. The commitments to 0.7 per cent of GNP on aid, the MDGs, debt cancellation, good governance, a development-based trade round, and more, are on the books. The proven technologies and protocols exist. Yet the people in the villages are perishing. 2006 is our chance to redeem words through action.

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