

**“Investing in Development: A Practical Plan to Achieve the MDGs”:
statement by Hilary Benn, Secretary of State for International
Development (17th January, 2005)**

I welcome today's report from the UN Millennium Project. Professor Sachs has demonstrated that aid is working and that we can achieve the MDGs, even in Africa where progress is slowest, if the necessary resources are made available. This report will be crucial in building international support for increased aid levels.

The UK Government has doubled the budget for international development since 1997 and we are on course to meet the UN target of spending 0.7% of national income on aid by 2013. We are working with our partners in Europe to agree a new commitment on EU aid volume by April 2005. The UK has also proposed an International Finance Facility (IFF) to leverage in additional aid now, when it is needed. By investing in development now rather than waiting 10 or 20 years we will significantly reduce the costs in future years because it will be cheaper to take the actions recommended by the report today.

The report highlights the huge progress already made towards achieving the MDGs. Since 1990 the number of people in extreme poverty has declined by 130 million; child mortality has fallen from 88 deaths per 1,000 live births a year to 70. But little of this progress is in Africa and the report rightly calls Africa the "epicentre of the crisis".

I agree with Professor Sachs that this is not a reason for pessimism. Aid on the right scale can help Africa achieve the MDGs. Since 1999, Tanzanian government spending on tackling poverty has doubled, supported by finance from international donors. Over this period the UK alone has contributed nearly £400 million. In 1999 only half the children in Tanzania got a basic education, today 9 out of 10 primary-age children go to school. Even with this support, the Tanzanian government can only afford to spend 40p per week per person on tackling poverty. Just imagine what Tanzania could achieve if more aid money were available.

Professor Sachs makes a number of helpful suggestions on the delivery of aid, which we will look at in detail. The report is right that aid money could be more effectively spent – although we untied all UK aid several years ago, many donors still tie aid to exports from their own countries. Some donors also continue to provide aid on a short-term unpredictable basis, so countries cannot rely on it to finance long-term commitments on health and education. We now aim to make multi-year commitments wherever possible and are encouraging others to follow suit. Making the aid system more effective through better co-ordination and harmonisation is one of my top priorities for 2005.

I also welcome Professor Sachs reaffirmation of the agreement reached at Monterrey. More aid alone is not enough. We need to make international trade work better for the poor and find a lasting solution to the problem of debt.