

PRESS RELEASE



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Poverty can be halved if efforts are coupled with better governance, says TI

Transparency International calls on leading donor governments to respond positively to the UN Millennium Project report, and to conduct a major evaluation of the impact of aid

Berlin, 19 January 2005 --- "The UN Millennium Development Goal of halving poverty by 2015 is an important target," said Peter Eigen, Chairman of Transparency International, today. "Corruption is a major obstacle to the realisation of the Millennium Development Goals, whose achievement will require political will to tackle corruption, and international assistance to strengthen governance standards," said Eigen.

Welcoming *Investing in Development*, the study published this week by the UN Millennium Project, Eigen said: "This report is an important contribution to assessing the achievability of the Millennium Development Goals." The UN Millennium Development Goals, which include the eradication of extreme poverty and hunger, and the achievement of universal primary education, were adopted by world leaders in 2000.

Eigen was speaking during a meeting with Jeffrey Sachs, Director of the UN Millennium Project, at the international offices of Transparency International in Berlin, Germany. The meeting took place ahead of a meeting today between Peter Eigen, Jeffrey Sachs, and Heidemarie Wieczorek-Zeul, the German Federal Minister for Economic Co-operation and Development. TI is the leading global non-governmental organisation devoted to combating corruption.

Eigen added: "It is clear that the fight against poverty can be supported by putting an end to the bribery and misallocation of donor aid that typifies corrupt government. For this reason, TI is joining with Jeffrey Sachs in appealing to donor governments to embark upon a serious evaluation of the impact of aid to ensure that it is targeted and deployed effectively."

"The world's generosity in the face of the tsunami disaster must not be seen as a substitute for supporting sustainable development in other very poor countries, particularly those committed to improving governance standards and to curbing corruption," said Eigen. "Jeffrey Sachs has called upon rich governments to increase the levels of their aid budgets in line with the Millennium Development Goals target of aid budgets reaching 0.7 per cent of GDP by 2015. Humanitarian aid is crucial to turning the tide against poverty, disease and malnutrition, but non-humanitarian aid should be targeted on a country-by-country basis to ensure improvements in governance and public administration."

"Jeffrey Sachs has pointed to the need to support administrations who show the will to improve governance, but whose countries have a weak record on corruption," said Eigen. "This position reflects the stance consistently taken by TI that governments with the political will to make

reforms, especially those in the developing world who face severe socio-economic challenges, should not be penalised for the corruption of their predecessors.”

“To secure long-term social and economic development, aid must be combined with expert support in training and know-how for public administration, as well as incentives for international investors to enter the local market,” said Eigen. He continued: “Sustainable reform is possible only by building up effective national administration in terms of skills and public service ethics, and by fostering the development of the private sector through engagement with international business and the development of the rule of law, enabling businesses to operate on a level playing field, where tenders are awarded on the basis of value for money and the quality of goods and services rather than cronyism and kickbacks.”

“There has been substantial progress in many countries in the fight against corruption,” said Eigen, “particularly where new governments have been elected on an anti-corruption platform and have engaged actively with civil society organisations to ensure their continuing involvement in holding governments and public officials to account.”