

Organisation for Economic Co-operation and Development



Building Partnerships for Progress

The Time for Action - By Jeffrey D. Sachs (DACNews Sept-Oct 2005)



In My Opinion (*)...

There has been good news and bad news on the issue of development assistance in the months leading up to the UN World Summit. The good news, surely, is that the EU has set a timetable to 0.7. The bad news is that the U.S. has at times dug in its feet against 0.7. It has claimed that it has always been against such targets, even though it signed the Monterrey Consensus in which it joined the whole world in urging “developed countries that have not done so to make concrete efforts towards the target of 0.7 percent of GNP as official development assistance.” This questioning of the worldwide 0.7 target needs to change for the sake of America's own security and a more balanced foreign policy, one that recognizes that the war on terror can be won only if the war on extreme poverty is also won.

The other deep question about aid in the future, however, is not just who commits to what, but who delivers, and how. Will the EU money really come? When it does, will it pay for European consultant salaries and emergency food aid – in which case it will leave little change on the ground in Africa – or will it pay for real investments that can help to lift Africa out of extreme poverty once and for all?

The key to good aid is practicality and investment, rather than aid budgets swallowed by consultant salaries and food aid. Yes, there is a role for consultants, but perhaps for 10 to 20 percent of aid, not more. Yes, there is a role of emergency food aid, but it will be much cheaper if aid actually helps Africa's farmers to grow more food in the first place. That could be readily accomplished if aid went to support the use of fertilizer, improved seed varieties, and small-scale water management technologies by subsistence communities in Africa. They would thereby shift from subsistence – with meagre and unstable crop yields – to commercial agriculture, built on much higher crop yields produced by the use of modern inputs.

Another key for good aid will be action rather than talk and reports. Too many donors champion report writing that goes on for years before actual investments are undertaken. This past year I urged donors to increase their budget support for hiring desperately needed nurses in Kenya. The response, to paraphrase, was “yes, once we study that some more.” Here is a country in the throes of one of the greatest health crises in the world, where every hospital and clinic administrator is clambering for more nursing services, and where each nurse is often attending to 70 patients in a ward. Yet donors still have difficulty moving on this utterly practical issue.

Thus, we need more money directed at measurable, proven, effective investments in critical needs. The priorities include funds to build clinics and schools; hire doctors, nurses, and teachers; and provide vital supplies for these facilities (water, electricity, surgical units, essential medicines, bed nets, for clinics; textbooks, blackboards, computers and power generators, for schools). Priorities also include funds for an African Green Revolution based on the concept of subsidizing essential modern farm inputs for impoverished farm communities, inputs including improved seed varieties, chemical fertilizers, agro-forestry, and small-scale water management (treadle pumps, drip irrigation, farm ponds, roof-top harvesting, bore wells, etc.).

In the coming few months, several countries (Kenya, Ethiopia, Ghana, Tajikistan, and Yemen, to name a few) will be coming forward with MDG-based poverty reduction strategies. These MDG-based PRSs will direct attention to priority investment needs, and will show that more aid is needed to finance the scale-up of these investments. This will be the opportunity for donors to show that they mean it when they have committed to country ownership, the MDGs, and harmonization.

In supporting these MDG-based PRSs, budgetary support for increased investments will be needed. But budget support should not mean a blank check. Rather, donors should pledge budget support against specific, measurable, and auditable deliverables. If they are supporting the scale up of clinical services, the government should make clear the content of that scale up: the numbers of doctors, nurses, clinics, drug supplies, and so on. This kind of practical approach will cut down on the risks of corruption, and keep a large and complicated mix of actors all pulling in the same direction.

The donors should realize that the MDGs, to which they will once again commit their political and financial capital, are time bound to the year 2015, and time is running out. The target date is just a decade away. Every day of that will be needed for success. We've talked a lot in the past 5 years. The time for action has arrived.

Notes:

(1) Jeffrey Sachs is the Director of the Earth Institute at Columbia University and the author of "The End of Poverty" (Penguin, 2005).

(2) The opinions expressed in this article are the sole responsibility of the author and do not necessarily reflect the official views of the OECD, or of the governments of any OECD member countries.

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