

## **A New Spirit of Partnership for the Millennium Development Goals**

John W McArthur  
Chief Executive Officer  
Millennium Promise Alliance

July 27, 2010

House Committee on Foreign Affairs  
Subcommittee on International Organizations, Human Rights and Oversight

Mr. Chairman and members of the Committee, thank you for the honor of inviting me to testify today, and for your leadership in convening this important hearing on the Millennium Development Goals (MDGs) at a critical juncture in their history. The MDGs were established by world leaders at the Millennium Summit in September 2000. As a series of specific, quantified, and time-bound targets to address the integrated challenges of hunger, education, health, infrastructure, environmental management and gender equality, the Goals have galvanized a global effort of unprecedented, if still imperfect, coherence to the challenges of the one fifth of humanity still living under the most extreme conditions of poverty, generally measured as less than a dollar per day.

On September 20-22, the MDG Summit, which represents the last major checkpoint on the status of the MDGs, will convene world leaders to agree on the actions required to achieve the Goals by the agreed deadline of 2015. Global ambitions for the summit were set last year when President Obama asserted in his speech to the U.N. General Assembly: “[The United States] will support the Millennium Development Goals, and approach next year's summit with a global plan to make them a reality. And we will set our sights on the eradication of extreme poverty in our time.”

The MDGs are the world's goals. Their emphasis on outcomes has prompted a global effort to address issues of scale, metrics, finance, and joint accountability between developed and developing countries. Since they were established 10 years ago, the developing world has seen many remarkable breakthroughs. The number of people living in extreme poverty has declined by at least 200 million people, thanks mainly to Asia's transformational economic growth. Global improvements in child survival have accelerated, and more than 5 million developing country AIDS patients are now on proper treatment, that number having increased more than 1 million people in 2009 alone.

Sub-Saharan Africa (hereafter “Africa”) remains the region that endures the greatest burden of extreme poverty and the most gradual long-term progress towards the MDGs, although the past decade has seen many great successes across the continent. Average economic growth has been its most robust in decades. Primary school enrollment has jumped by more than 40 million children since 1999. Measles deaths have declined more than 90 percent. Malaria has seen decisive breakthroughs in the past five years alone.

There are important country-level successes too. Malawi, for example, began a national program five years ago to help its farmers obtain fertilizer and seeds. This doubled the country's food production, kick-started economic growth, and helped re-energize the international community's attention to agriculture. President Obama, Secretary of State Clinton, and USAID Administrator Shah have each played key roles in advancing the global agricultural agenda over the past 18 months. Continued progress in smallholder agriculture will yield a crucial double dividend for both hunger and economic growth.

The challenge today is to accelerate progress in the poorest countries where the MDGs are not on track. In general, the starkest MDG gaps are in the areas of agricultural productivity, maternal health, water, and economic infrastructure. I would be pleased to share more details with the Committee regarding MDG successes and gaps, but for now let me stress these as the areas where an especially concerted push is needed.

### **The United States and the MDGs**

The MDGs should be, but have not been, a strategic priority for the United States. The President's recent national security strategy placed a strong emphasis on development in the poorest countries. Part of this is grounded in an understanding that human suffering in any part of the world can ultimately present a strong risk to American interests, as the poorest countries face the greatest risk of violent conflict and instability. Part is anchored in an ambition simply to promote American values. Part is based on the knowledge that there is much greater risk of instability in predominantly rain-fed agricultural African economies that are enduring significant climate stress. The concentration of global population growth in low-income countries with high child mortality and increasing environmental scarcity only amplifies the need to invest in MDG-consistent development strategies in all parts of the world.

In the United States, however, the MDGs have had a complicated history. In 2002, the spirit of the Goals was incorporated into the establishment and naming of the Millennium Challenge Account, and in turn the Millennium Challenge Corporation, although that institution has not in practice focused on the Millennium Development Goals. The wording disconnect has caused confusion in much of Washington, since "Millennium" tends to be associated with the growing pains of a new institution rather than the internationally agreed targets that have been driving the global anti-poverty agenda throughout the rest of the world.

Nonetheless, in 2002, President Bush joined world leaders in Monterrey, Mexico and committed the United States and other developing countries to "make concrete efforts towards the target of 0.7 percent of gross national product (GNP) as ODA [official development assistance] to developing countries." Fortunately the MDGs are feasible within this commitment, since the financing requirements are modest – approximately one half of one percent of the rich countries' collective national incomes.

U.S. foreign assistance continues to rank among the very lowest of advanced economies, at 0.2 percent of national income. This is a point of frequent confusion to the American public, since America is also the largest aid-giver. Private giving has been increasing, including the transformational investments of the Bill and Melinda Gates Foundation, but in relation to its income the U.S. still gives less foreign aid than most other countries because it is the world's largest economy.

Few people outside of Washington are aware that, as a share of national income, U.S. foreign assistance actually hit its all-time low in 1997. Under the Bush Administration, the U.S. made an important change in direction, led by targeted programs that focused on HIV/AIDS and malaria, including the Global Fund to Fight AIDS, TB, and Malaria. Congress' bipartisan commitment to global health is to be applauded. It has had a significant multiplier effect in leveraging additional commitments from around the world.

The Obama administration has continued its predecessor's support for global health, although there are concerns that support in this area is flat-lining much too prematurely. As mentioned, the Obama administration has also played a pivotal role in advancing the global agriculture agenda. A successfully scaled launch of the Feed the Future initiative will be crucial to tackling extreme poverty and achieving the MDGs in the poorest countries.

The U.S. foreign assistance program can be compared, for example, to that of the United Kingdom. In the U.K., there is an all-party commitment to the MDGs and to reaching the 0.7 percent aid target by 2013. Prime Minister Cameron's recent budget asserted that it will protect its commitment to international development and health, while implementing major cuts throughout the rest of government. The Conservatives have made clear that they will not burden solutions to the U.K.'s fiscal crisis on the backs of the world's poorest people.

It is also worth noting how the United States foreign assistance budgets compare to other contemporary aggregate figures. In 2009, for example, Wall Street bonuses were at least \$20 billion. In the same year, total U.S. aid flows to Sub-Saharan Africa were \$7.5 billion. Whatever one thinks about the merits of these bonuses, the numbers underscore a deep truth of how the U.S. economy allocates resources.

### **Millennium Promise and the Millennium Villages**

Many eminent business and non-governmental leaders throughout the United States have expressed strong and growing interest in the supporting the MDGs. It was against this backdrop that Millennium Promise was launched in 2005 as the first U.S.-based organization explicitly committed to supporting the achievement of the Goals. The co-founders were Mr. Raymond Chambers, the path breaking business leader, and Prof. Jeffrey Sachs, the eminent economist. The founding leadership group of board members ranged from Mr. Donald Keough, former CEO of Coca-Cola, to Mr. Quincy Jones, the American music legend. Today I have the privilege of serving the organization as CEO.

Millennium Promise's flagship initiative is the Millennium Villages project, implemented jointly with the Earth Institute at Columbia University and the United Nations Development Program. The project works with approximately half a million people living in rural communities across 10 countries in Africa to implement an integrated approach of low-cost, high-impact interventions such as fertilizer, modern seeds, anti-malaria bed nets, school meals, pit latrines, and basic water points.

Importantly, the Millennium Villages are grounded in a joint venture strategy whereby programs are implemented through direct collaboration between local communities, local organizations, local African governments, and international partners. All the staff on the ground in Africa are Africans. To their great credit, these talented professionals have done a magnificent job in demonstrating the remarkable progress that can be made across a variety of challenging rural environments when modest resources are linked to an integrated package of targeted interventions.

By focusing holistically on communities' integrated priorities in agriculture, education, health, gender equality, infrastructure, and business development, the project has achieved breakthrough results. Our recent report, *Harvests of Development in Rural Africa*, presents the following metrics from five program sites after only three years:

- A tripling of maize yields, which typically means a leap from not growing enough food to feed a family to growing enough to enable selling, saving, and investing;
- More than a 50 percent reduction in malaria prevalence;
- A three-fold increase in access to improved drinking water, from 20 percent to 72 percent; and
- A remarkable one-third reduction in chronic child malnutrition.

Partnerships are critical to the success of the Millennium Villages, and since the project's launch four years ago its network of partners has grown dramatically. The Governments of Japan and Korea have both been instrumental partners. A majority of the innovation-focused effort has been backed by private philanthropists aiming to support a new results-based approach to integrated rural development, most notably the pioneering philanthropist Mr. George Soros.

Many corporate partners have also joined to contribute their technologies and expertise. Ericsson, for example, is helping to introduce "3G" wireless data connectivity into all the Millennium Village sites. Sumitomo Chemical has piloted mass distribution of its long-lasting insecticide-treated nets. General Electric has made key contributions for surgical equipment and Novartis has made major contributions of both anti-malaria medicine and direct program support. Agrium and Mosaic, the agricultural companies, have made major contributions of fertilizer. Tommy Hilfiger Corporation directly supports a community in Uganda while the musician John Legend supports one in Tanzania. Each of these companies, and many others, has identified a way not just to contribute their own comparative advantage to the MDGs, but to *leverage* their contribution by ensuring it is implemented as part of an integrated multi-sector strategy.

The results of the Millennium Villages have inspired important efforts at scale-up. In Mali, for example, the government has put forward a strategy to expand a Millennium Village-inspired model to 166 of the most food insecure parts of the country. Impressively, the Government of Nigeria has set aside the resources freed up by international debt relief to launch a program that will support expansion of integrated local government programs for health, education and agriculture to 20 million people across the country.

### **MDG Partnerships**

As with the Millennium Villages, the MDGs have inspired a broad and results-oriented approach to public-private partnerships in the fight against extreme poverty. Malaria No More is one of the more notable recent such efforts. The alliance-focused organization was incubated by Millennium Promise and is now chaired by Peter Chernin, former President of News Corporation, who, along with Ray Chambers, has provided magnificent leadership in working with media leaders, celebrities, government leaders, private foundations like the U.N. Foundation, and other non-governmental organizations to support the extraordinary breakthrough in malaria control in Africa.

As another important example, the World Economic Forum's community of Young Global Leaders took inspiration from President Obama's September 2009 U.N. speech to launch a "People's Plan of Action for the MDGs" earlier this year. The simple idea is that every person and organization has an ability and responsibility to make a measurable, action-oriented pledge to support the achievement of the MDGs. More than 65 million people in the developing world will be reached thanks to the first five dozen pledges that this community has made. They include Johann Koss, the Olympic legend and founder and CEO of Right to Play; Zainab Salbi, the founder and CEO of Women for Women International; Sheryl Sandberg, the Chief Operating Officer of Facebook; and also the prize-winning economists Esther Duflo and Kristen Forbes of MIT and Michael Kremer of Harvard. There is a broad public hunger to act, even where governments are lagging.

### **Recommendations for an MDG Action Plan**

Less than two months remain until the MDG Summit in September. Following President Obama's speech last year, the world has been anxiously waiting for the United States to present its draft action plan. Unfortunately, despite the Administration's talent and commitment on these issues, it has not yet presented a substantive proposal to set the stage for the MDG Summit. The Administration has very recently presented a 2-page outline of its draft strategy, but this is only a loose statement of general directions. It does not identify any delivery targets, policy vehicles, financing mechanisms and amounts, partnership strategies, nor accountability structures between developed and developing countries. If the U.S. is to provide leadership for the MDGs, it is imperative that the Government presents a draft action plan in matter of days, not weeks. In cases where MDG breakthroughs have take place over the past decade, at least five common success factors can be identified. (1) Policies have focused on implementation of known

technologies; (2) Programs have hinged on developing country-driven national implementation strategies; (3) National strategies have been evaluated through independent technical review and support; (4) Programs have been driven by a clear emphasis on performance metrics; and (5) Adequate public finance has been available.

The following are recommendations for the Administration and Congress to consider in crafting the U.S. Action Plan, which will be pivotal to this September's outcomes and in turn to the fate of the MDGs:

- Fully fund the Feed the Future strategy, in particular through the new multilateral Global Agriculture and Food Security Program.
- Support a new Global Fund for Education, as proposed by President Obama and Secretary Clinton, and include secondary education in its mandate, with special focus on the needs of girls.
- Continue to scale-up the U.S. global health leadership by focusing on the problems that still need to be solved rather than pausing based on the achievements of the past decade. This has two parts:

First, commit full financing for the President's Emergency Program for AIDS Relief and the President's Malaria Initiative; and increase the U.S. annual contribution to the Global Fund to Fight AIDS, TB, and Malaria from \$1 billion to \$2 billion, recognizing that \$1 dollar from the U.S. leverages \$2 dollars from other advanced economies.

Second, endorse the U.N. Secretary-General's proposed Joint Action Plan for child, maternal and newborn health, and launch a new multilateral effort on maternal and child health anchored in the Global Fund, with initial U.S. financing of \$2 billion per year that again leverages the 1-to-2 ratio.

- Support a major scale-up of African economic infrastructure, as recommended by the MDG Africa Steering Group, with U.S. funding of at least \$5 billion per year, including allocations through the World Bank's International Development Association and African Development Bank's African Development Fund.
- Work with African countries to support holistic rural development scale-up strategies like the Millennium Villages.
- Launch a new MDG Innovation Fund to scale-up successful programs that present new delivery mechanisms for MDG achievement in low-income countries.
- Set a 12-month timetable for the proposal and adoption of a proper international mechanism to achieve the water and sanitation MDG targets.