Aid needed to achieve development goals continues to fall below targets as economic crisis hits hard, UN report finds

Secretary-General calls on donors to honour commitments despite downturn

6 July – With only six years until the 2015 deadline, donor countries are falling short in meeting aid commitments made in order to achieve the Millennium Development Goals (MDGs), and aid is likely to drop even further as a result of the negative economic climate, according to a UN progress report.

Developing countries and their partners have made significant strides in the fight against poverty and hunger, but the unprecedented economic crisis threatens to wipe out these gains, says the Millennium Development Goals Report 2009, launched today in Geneva.

“We cannot allow an unfavourable economic climate to prevent us from realizing the commitments made in 2000,” Secretary-General Ban Ki-moon states in the foreword to the report. “The global community cannot turn its back on the poor and the vulnerable.” He adds: “The goals are within reach, and even in the very poor countries, with strong political commitment and sufficient and sustained funding.”

Total aid remains well below the UN target of 0.7 per cent of donors’ gross national income. In 2008, the only countries to reach or exceed that target were Denmark, Luxembourg, the Netherlands, Norway and Sweden.

At the Gleneagles summit of the Group of Eight in 2005, and at the UN World Summit later that year, donors committed to increasing their aid. In his open letter to the Group of Eight issued ahead of next week’s summit in Italy, Secretary-General Ban noted that annual aid to Africa remains at least $20 billion below the Gleneagles targets. He urged the G-8 to set out, country by country, how donors will scale up aid to Africa over the next year to make the Gleneagles commitments real.

With most OECD economies in recession, even fulfilment of previous commitments, which were expressed as a percentage of donors’ national income, would imply a diminished amount of aid. For many developing countries, lower levels of aid would not only impede further progress, but could even reverse some of the gains already made, says the report.

At the same time, the ability of countries to mobilize domestic resources for development is also in jeopardy, according to the survey. Export revenues of developing countries fell in the last quarter of 2008, with the collapse of commodity prices, and debt service to exports ratios of developing countries are likely to deteriorate further, especially for those countries that enjoyed increased export revenues for the last several years.

The report makes it clear that development initiatives consistently deliver results when political commitment is backed by sufficient and sustained funding:

- Enrolment in primary education reached 88 per cent in 2007, up from 83 per cent in 2000.
Deaths of children under five declined steadily worldwide — from 12.6 million in 1990 to approximately 9 million in 2007 — despite population growth.

In sub-Saharan Africa, where child mortality remains the highest across all regions, recent survey data show remarkable improvements in key interventions that could yield major breakthroughs for children in the years ahead. Among these interventions is the distribution of insecticide-treated bed nets that have reduced the infection rate of malaria – a major killer of children.

As a result of investments in ‘second chance’ immunizations, dramatic progress is also being made in the fight against measles.

The estimated number of AIDS deaths worldwide appears to have peaked in 2005 at 2.2 million, and has since declined to 2 million in 2007, partly due to increased access to antiretroviral drugs in poor countries.

Despite these and other successes, the MDG Report concludes that progress has been too slow for most of the targets set in 2000 to be met by 2015, unless efforts are stepped up.

Greater political will must be mustered to improve maternal health and reduce maternal mortality – the goal on which the least progress has been made -- particularly in sub-Saharan Africa and Southern Asia.

Secretary-General Ban concludes that, “Rather than retreat, now is the time to accelerate progress towards the MDGs and to strengthen the global partnership for development. Managing the economic crisis can – and should – be turned into an opportunity to make the structural changes needed to forge a path towards equitable development and sustainability, including addressing the climate change problem. Nothing less than the viability of our planet and the future of humanity are at stake.”

The Millennium Development Goals Report is the most comprehensive global MDG assessment to date. It is based on a set of data prepared by over 20 organisations both within and outside the United Nations system, including the World Bank and Organization for Economic Cooperation and Development (OECD). The project is overseen by the UN Secretariat’s Department of Economic and Social Affairs.

For more information, see www.un.org/millenniumgoals or http://mdgs.un.org/unsd/mdg/

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