SADC Barometer

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GOING FOR THE MDGs

If Africa is to witness a renaissance, the key challenge for states will be the eradication of poverty. As Robert Gilpin states, 'The intense desire of the majority of the human race to escape its debilitating poverty and join the developed world is a determining feature of international politics.' The key to the poverty prison might just lie with the Millennium Development Goals (MDGs), their achievement through regional economic development and state-civil society collaboration. This edition looks at the MDGs as they relate to SADC.

SADC places much emphasis on the MDGs, which is reflected in the Regional Indicative Strategic Development Plan (RISDP) that sees the imperative of aligning SADC's agenda with the MDGs.

The purpose of the RISDP, approved by the Heads of State in 2003, launched in March 2004 and closely linked to Nepad, is to deepen regional integration through a comprehensive programme of long-term economic and social policies and through the provision of strategic direction to SADC and its members. The RISDP accords top priority to poverty eradication (the main goal of SADC's integration agenda) and is the vehicle through which SADC can achieve the MDGs. The RISDP will be implemented over a 15 year period. The Plan is indicative in nature, outlining the necessary conditions for SADC to realise its integration and development goals. It is neither prescriptive nor is it a command plan, but sets targets that indicate major milestones towards the attainment of agreed goals. The RISDP will be implemented at a national level, with the SADC Secretariat playing a coordinating role. Given the SADC Secretariat's human and financial resource constraints, this will be a huge task.

Socio-economic progress in SADC has been hampered. In his 2004 annual report, the SADC executive secretary, Prega Ramsamy, stated that average annual regional economic growth had stagnated at 3.2% over the past two years. Ramsamy said that, 'If this situation is not reversed quickly it is hard to see how SADC is going to meet the MDGs'. At the same time, the Food and Agriculture Organisation (FOA) reported an increase in the number of undernourished people in developing countries and thereby jeopordising the MDGs. If the region is to achieve the MDGs, GNI per capita will have to grow at an average rate of 10% over the next few years — as opposed to the 6-7% envisaged by the secretariat.

Against the backdrop of stagnating economic growth (despite Mozambique and South Africa's growth rates of 7% and 5.3% respectively), what must SADC states do to begin realising growth that uplifts the population and creates jobs? It will require countries to identify the sectors in which they could have a competitive advantage and where well-thought-out and executed policy interventions may have the greatest impact. There is nothing that helps to galvanise countries more than their achievement of key objectives. The wish list does not have to be expansive, nor should it be the same in each country. Access to limited resources necessitates careful allocation and measurable outcomes.

Furthermore, regular consultation between SADC members, the secretariat, civil society and donor agencies must take place for implementation not to lose momentum. Such consultations should be in concert with regular progress appraisals in achieving the targets. This can be done in regional conferences and workshops. The UN's continued involvement, as custodian of the MDGs, will also be of vital impotance.

The onus is largely on the SADC member states to embrace the RISDP, to harmonise it with their national development plans and collaborate with civil society actors for the cross-fertilisation of ideas on achieving the goals set out in the MDGs.

Implementation of many of the strategies for attaining the targets of the RISDP started in 2004. It is therefore too early to assess its progress. Yet, it may be that halving poverty by 2015 is not possible; however, this does not mean that the exercise is futile, or that states should not accelerate implementation of key priorities so as to begin making headway on alleviating poverty and growing their economies.

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Addressing Poverty on a Global Scale

In September 2000, 191 countries adopted the Millennium Development Goals (MDGs) — targets for eradicating poverty and other sources of human deprivation as well as for the promotion of sustainable development. Two years later, at the Conference on Financing for Development, which was held in Monterrey, Mexico, leaders from developed and developing countries reached a compact on the MDGs, elevating them from commitments (promises) to a formal agreement. According to the compact, developing countries are to improve their domestic policies and governance structures, and developed countries are to increase their support, especially by opening up access to their markets and providing more and better aid. The target date for the achievement of the MDGs is 2015 — just over a decade away.

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The elevation of commitments to a compact is a crucial step forward for the attainment of the MDGs, because it indicates the seriousness of the global poverty problem and the need to eradicate it. In Africa, the MDGs find expression in the *Strategic Plan of the African Union Commission*, which was published in May 2004 and submitted to the policy organs of the African Union (AU) in July 2004. This plan states that it is necessary for Africa to become more competitive in the global economy if the continent is to attain the social and economic objectives defined by the MDGs. Obstacles are, among others, political instability, corruption and the difficulty in consolidating democracy — factors that contribute to the poverty trap of many less developed countries (LDCs).

At Monterrey, the EU committed itself to increase official development assistance (ODA) from 0.33% to 0.39% of gross national income (GNI) by 2006. Should this materialise, EU aid would rise from $29 billion to $39 billion per year. Nevertheless, delivery on this commitment varies widely across EU member states; and only four EU countries (Denmark, Luxembourg, the Netherlands and Sweden) have so far reached the higher 0.7% ODA per GNI target set by the UN. There should therefore be a stronger commitment from the rest of the EU to increase, in both quality and quantity, ODA to Africa. But despite half the population of the continent living in extreme poverty, no sub-Saharan African country is among the top ten recipients of EU aid. The organisation is giving more ODA to the so-called 'near-abroad', for instance, Morocco, Egypt and the states that made up the former Yugoslavia.

In June 2004, the EU and the UN Development Programme (UNDP) signed an agreement on a partnership to strengthen both organisations' ability to deliver efficient, high quality aid, focusing on the areas of governance, conflict prevention and post-conflict reconstruction. The EU Commissioner for Development and Humanitarian Aid, Poul Nielson, said on that occasion that: 'If we succeed in forging closer ties, the quality and effectiveness of our aid will improve to the benefit of the poor.' The UNDP Administrator, Mark Brown, focused specifically on the MDGs: 'As with the Commission's support for our continuing work on democratic governance, this [agreement] should also help move the world community a step closer to the achievement of the Millennium Development Goals.' Following this agreement, in September 2004, the European Commission and the UN Food and Agriculture Organisation (FAO) signed a strategic partnership agreement designed to reinforce their joint efforts to reduce poverty, promote agricultural development and fight hunger in developing countries.

Paul Hewson's (Bono) vision is to make poverty in Africa history.

One of the most important challenges regarding the achievement of the MDGs is that co-operation between rich and poor countries must not turn into a recital of broken promises. Both should be held to their commitments regarding the MDGs, since it is on these commitments that their achievement depends. In 2004, Kofi Annan stated that: 'The commitment of Governments, individually and collectively, to the Millennium Development Goals, and their integration into national and international development strategies, policies and actions is expected to produce improved development results.'

Even so, it is not only governments and international organisations that have a responsibility to achieve the MDGs. Business and civil society will also have to pull their weight. Mohan Kaul, head of the Commonwealth Business Council, says that developing countries are unlikely to achieve the MDGs unless business plays a more active role in their economies. The council includes a number of big companies with investments in the Commonwealth, such as Anglo-American, Unilever, SABMiller and Hewlett-Packard. Support for the New Partnership for Africa's Development (Nepad) and finding new ideas for small business involvement in Africa should be the

The MDGs

Goal 1:	**Eradicate extreme poverty and hunger.**
Target 1:	Halve, between 1990 and 2015, the proportion of people whose income is less than $1 a day.
Target 2:	Halve, between 1990 and 2015, the proportion of people who suffer from hunger.
Goal 2:	**Achieve universal primary education.**
Target 3:	Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling.
Goal 3:	**Promote gender equality and empower women.**
Target 4:	Eliminate gender disparity in primary and secondary education preferably by 2005 and in all levels of education no later than 2015.
Goal 4:	**Reduce child mortality.**
Target 5:	Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate.
Goal 5:	**Improve maternal health.**
Target 6:	Reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio.
Goal 6:	**Combat HIV/Aids, malaria and other diseases.**
Target 7:	Have halted by 2015 and begun to reverse the spread of HIV/Aids.
Target 8:	Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases.
Goal 7:	**Ensure environmental sustainability.**
Target 9:	Integrate the principles of sustainable development into country policies and programs and reverse the loss of environmental resources.
Target 10:	Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation.
Target 11:	Have achieved, by 2020, a significant improvement in the lives of at least 100 million slum dwellers.
Goal 8:	**Develop a global partnership for development.**
Target 12:	Develop further an open, rule-based, predictable, non-discriminatory trading and financial system (includes a commitment to good governance, development and poverty reduction — both nationally and internationally).
Target 13:	Address the special needs of the least developed countries (includes tariff- and quota-free access for exports, an enhanced program of debt relief for HIPC and cancellation of official bilateral debt and more generous ODA for countries committed to poverty reduction).
Target 14:	Address the special needs for land-locked countries and small island developed states (through the Program of Action for the Sustainable Development of Small Island Developing States and 22nd General Assembly provisions).
Target 15:	Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term.
Target 16:	In co-operation with developing countries, develop and implement strategies for decent and productive work for the youth.
Target 17:	In co-operation with pharmaceutical companies, provide access to affordable, essential drugs in developing countries.
Target 18:	In co-operation with the private sector, make available the benefits of new technologies, especially information and communications.

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main objectives of the relationship between business and government.

The MDGs are also an opportunity for advocacy groups and ordinary citizens in rich and poor countries to assess the progress made in relation to clear objectives, deadlines and benchmarks and so assist in the achievement of the MDGs. For example, Paul Hewson (Bono), U2 frontman and founder of the anti-poverty interest group, Data (Debt, Aids, Trade, Africa), recently appealed to British Prime Minister Tony Blair to 'double aid' to Africa to 'make poverty history'. Pressure to achieve the MDGs, from whatever source, seems to be paying off. For instance, US President George W Bush announced the Millennium Challenge Account (MCA) before the Monterrey conference to boost the resources for achieving the MDGs and reward sound policy decisions that support economic growth and reduce poverty.

Between 2004 and 2006, the MCA will receive about $10 billion in ODA funding ($1.7 billion in 2004, $3.3 billion in 2005 and $5 billion in 2006). However, in the 2004 financial year congress authorised $1 billion to fund the MCA (falling short by $700 million).

Nevertheless, a number of challenges and developments on the international stage are threatening the accomplishment of the MDGs. These are the current situation in Iraq; the US-declared 'war on terror' after the 9/11 attacks in 2001; the human rights violations in Sudan's Darfur region; and the HIV/Aids pandemic. With the exception of HIV/Aids, the other events may not seem to be directly related to the MDGs, but in fact they direct international attention — and scarce resources — away from the problems the MDGs are designed to solve.

With regard to HIV/Aids, the pandemic strikes at the heart of the most cardinal factor in the achievement of the MDGs — human resources. Arresting its spread must be the focal point of developing states as it undermines their ability to implement developmental policies and effect socio-economic delivery.

How useful are benchmarks such as the MDGs, given that it is unlikely that they will be attained by 2015? On the one hand, they help to focus the minds of both the North and the South

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GOAL 1: ERADICATE EXTREME POVERTY AND HUNGER Target 1: Halve, between 1990 and 2015, the proportion of people whose income is less than $1 a day Target 2: Halve, between 1990 and 2015, the proportion of people who suffer from hunger					
Country	Total population in millions (2001)	Population living below US$1 a day (%) (1990-2000)	Total population living below US$1 a day in millions (2001)[a]	Undernourished people (as % of population) (1998-2000)	Total number of undernourished people in millions (2002)[b]
Angola	12.80	n/a	n/a	50.0	6.4
Botswana	1.70	23.5	0.39	25.0	0.42
DRC	49.80	n/a	n/a	73.0	36.35
Lesotho	1.80	43.1	0.78	26.0	0.47
Madagascar*	16.40	49.1	8.05	40.0	6.56
Malawi	11.60	41.7	4.83	33.0	3.82
Mauritius	1.20	n/a	n/a	5.0	0.06
Mozambique	18.20	37.9	6.89	55.0	10.01
Namibia	1.90	34.9	0.66	9.0	0.17
South Africa	44.40	<2.0	<0.88	n/a	n/a
Swaziland	1.10	n/a	n/a	12.0	0.13
Tanzania	35.60	19.9	7.08	47.0	16.73
Zambia	10.60	63.7	6.75	50.0	5.3
Zimbabwe	12.80	36.0	4.6	38.0	4.86
Developing country average	4,863.80	n/a	n/a	18.0	875.48
Sub-Saharan Africa average	626.40	n/a	n/a	33.0	206.71

[a] Calculated by using the total population in millions and the percentage of the population living below US$1 a day
[b] Calculated by using the total population in millions and the percentage of the undernourished population
n/a Not available
Source: Human Development Report, 2003
*Madagascar is not yet a member of SADC, but may be admitted in 2005.

on the most critical areas for poverty eradication. On the other hand, as with all targets that seem unattainable in the timeframe provided, there is the danger that they may become merely abstract ideals rather than benchmarks against which to measure real progress.

Clearly, the targets need to be 'populated' by a context that enables them to be achieved. In that sense, Nepad's African Peer Review Mechanism (APRM) focuses on improving the broader institutional governance context in Africa to help in the provision of more effective social and economic services by states — which are linked to targeted development aid and debt reduction. In this context, politicians are sometimes their country's worst enemies. According to Robert Guest, writing in *The New York Times*, debt relief won't help the most poorly governed countries in Africa, like Angola and Zimbabwe, because their leaders will in all probability squander the money it frees up. Guest argues that this is one of the reasons why Africans are poor: 'their leaders keep them that way'.

In September 2004, world leaders gathered in New York for the Innovative Sources of Finance to Alleviate Hunger and Poverty meeting, to pave the way for next year's summit to assess progress towards the MDGs. The aim of the meeting was to mobilise the international community against poverty at the highest level.

Nevertheless, poverty does not discriminate and ignores state boundaries. The input and commitment of the world's leaders are crucial, but so is the input and support of civil society (for example NGOs, churches, business, etc.). Civil society has the capacity to transcend state boundaries and move beyond the short-term pressures of politics.

With the MDGs, the world's state and non-state actors have pledged their commitment to eradicate poverty on a gloabl scale. The causes and challenges of poverty are numerous; for instance, natural and human induced disasters.

Plans to achieve the MDGs will rely on the human and financial resources of countries, as well as on individual and collective accomplishments. The value of the MDGs may not be in whether they will all have been attained by 2015, but how far down the road they will have encouraged countries to go in the quest to alleviate poverty.

Richard Meissner, SAIIA

Achieving the Millennium Development Goals in SADC

With little more than a decade remaining to achieve the global target of halving poverty by 2015, it is little wonder that there is considerable anxiety about whether the Millennium Development Goals (MDGs) can be attained. While the 2005 Millennium Development Goals Summit will assess progress and identify priority areas for the next decade, the Southern African region warrants its own consideration of its track record in this regard.

After several decades of political and military confrontation and unrest, accompanied by economic decline and social instability, the region is now experiencing a degree of political stability with increased prospects of economic recovery. The cessation of hostilities in Angola and the peaceful elections in Lesotho in 2002 herald possibilities for greater integration and co-operation in the region. Economically, despite the imbalances among states and the relatively small market size, the region has an aggregate gross domestic product (GDP) of $226.1 billion. This is more than double that of the Economic Community of West African States (Ecowas), and more than half the aggregate GDP of sub-Saharan Africa. This bodes well for the Southern African Development Community (SADC) countries reaching their MDG targets in the longer term.

Nevertheless, challenges abound. While SADC countries may share a common vision of rapid economic and political progress, and a commitment to a common development path, the region is fraught with crises that undermine sustainable development and hence the attainment of the MDGs. Politically, the peace dividends obtained, especially in Angola, have been offset by the ongoing political and economic crises in Zimbabwe, and by the lack of basic democratic freedom in Swaziland. Moreover, recent socioeconomic gains may be reversed by the deepening effect of HIV/Aids. The pandemic, together with other diseases such as tuberculosis, malaria and cholera, is causing increased mortality rates, a skewed demographic profile and a growing number of orphaned and vulnerable children. Alongside these concerns is the issue of human security and the creation of an environment necessary for furthering human development. Food security, for example, is fundamental to the development and maintenance of human security. Acute food shortages in many parts of SADC, together with fairly high levels of internal migration, are placing a strain on the region's natural resource base. This is compounded by long-term livelihoods failure and periodic drought and flooding. In several SADC countries, food shortages have led to hunger and a burgeoning informal market. These problems already play a major part in regional relationships and they will intensify as the HIV/Aids crisis worsens. Generally, the region's poverty seems to be deepening as a result of widening inequality; weak political, social and economic governance structures; and a burgeoning health crisis.

In light of these considerations, this article:

- provides an overview of where countries in the sub-region stand in relation to the MDGs;
- provides a brief reflection on policy and programmatic responses; and
- identifies some of the important is-

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GOAL 2: ACHIEVE UNIVERSAL PRIMARY EDUCATION
Target 3: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling

Country	Net enrolment ratio in primary education (%) (2000–2001)	Literacy rate of 15 to 24 year-olds (%) (2001)
Angola	37	n/a
Botswana	84	88.7
DRC	33	82.7
Lesotho	78	90.8
Madagascar*	68	80.8
Malawi	101	71.8
Mauritius	95	94.0
Mozambique	54	61.7
Namibia	82	91.9
South Africa	89	91.5
Swaziland	93	90.8
Tanzania	47	91.1
Zambia	66	88.7
Zimbabwe	80	97.4
Developing country average	82	84.8
Sub-Saharan Africa average	59	77.9

n/a Not available
Source: Human Development Report, 2003
*Madagascar is not yet a member of SADC, but may be admitted in 2005.

GOAL 3: PROMOTE GENDER EQUALITY AND EMPOWER WOMEN Target 4: Eliminate gender disparity in primary and secondary education preferably by 2005 and in all levels of education no later than 2015				
Country	Ratio of girls to boys in primary, secondary and tertiary education (2000-2001)[a]			Ratio of literate females to males ages 15 to 24 (2001)
	Primary education	Secondary education	Tertiary education	
Angola	0.88	0.83	0.64	n/a
Botswana	0.99	1.06	0.89	1.09
DRC	0.90	0.52	n/a	0.86
Lesotho	1.02	1.18	1.74	1.19
Madagascar*	0.96	0.96	0.83	0.92
Malawi	0.96	0.75	0.38	0.76
Mauritius	0.97	0.92	1.32	1.01
Mozambique	0.77	0.65	0.79	0.63
Namibia	1.00	1.12	1.23	1.04
South Africa	0.94	1.10	1.24	1.00
Swaziland	0.95	1.00	0.88	1.02
Tanzania	1.00	0.81	0.31	0.95
Zambia	0.93	0.80	0.46	0.95
Zimbabwe	0.97	0.88	0.60	0.97
Developing country average	n/a	n/a	n/a	0.91
Sub-Saharan Africa average	n/a	n/a	n/a	0.89

a Calculated as the ratio of girls' enrolments to boys'
n/a Not available
Source: Human Development Report, 2003
*Madagascar is not yet a member of SADC, but may be admitted in 2005.

sues for decision makers in scaling up the response.

The Millennium Development Goals

The MDGs embody the aspiration for human betterment that became the focus of international debate on economic development after the Cold War. Starting from 1990, the numerical and time-bound targets of the eight development goals reflect the fact that:

- escaping poverty requires investment in both human and physical capital; and
- poverty is multidimensional, involving not only income, but also lack of food security, health, education, gender equality, environmental management and access to basic amenities.

Progress in the region

According to the 2002 UN Development Programme (UNDP) and UN Children's Fund (Unicef) *MDG Africa Report*, a number of SADC countries, especially Botswana, Mauritius, Mozambique and Tanzania, have achieved sustained annual GDP growth rates close to 7–8%, which is critical for meeting the poverty target by 2015. There are encouraging signs in other areas too: some member states registered positive changes in school enrolment and adult literacy, though average life expectancy has dropped.

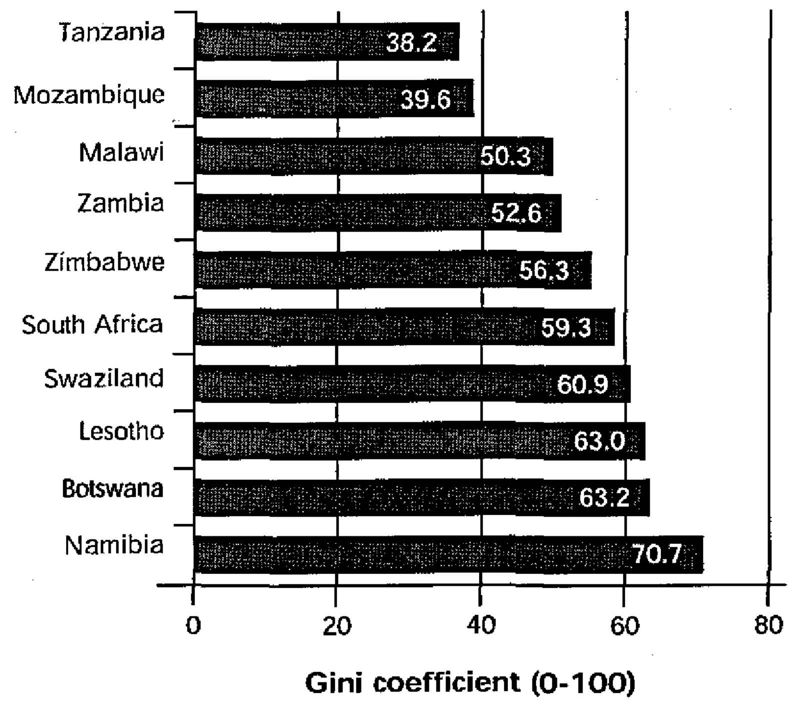
Poverty and inequality

Increasingly, poverty and inequality are seen as overarching challenges facing social development in the region. The poverty situation is largely reflected in the low levels of income and high levels of human deprivation. Average GNP per person for the region stood at $932 in 2000, with considerable variation between countries. The GNP of Botswana, the highest ranked country, was 33 times larger than that of the DRC, being the lowest ranked country.

About 40% of SADC's population lives below the poverty line of $1 a day, and about 70% below $2 a day. Poverty is particularly acute among vulnerable groups such as households headed by the elderly, women or children. Levels of human poverty (as measured using the UNDP's Human Poverty Index) vary among member states and have fluctuated over the last decade, ranging from 52% of the population to a low of 11.3%. Zimbabwe, Zambia and Mozambique were worst affected in 2002, and a total of seven countries had a level of human poverty above the regional average of 40.9%. Human poverty in SADC has increased since the late 1990s in all countries except Mozambique and Mauritius.

Poverty is compounded by high levels of inequality in most SADC countries, with a number of countries having Gini coefficients that place them among the most unequal societies

Figure 1: Income distribution



Source: World Bank (2004), *World Development Report 2005.*

in the world (see Figure 1). The higher the Gini coefficient, the more unequal the society. Only Mozambique and Tanzania have Gini coefficients below 0.50, but both have high levels of absolute poverty. Recent research also indicates that inequality between rural and urban areas remains an issue, with average living standards in rural areas far below those in urban areas, in addition to the considerable inequalities within both rural and urban areas. This is disconcerting, given the mounting evidence that the prospects for reducing poverty are better for countries with low levels of income-inequality.

Food security and access to basic services

The greatest deprivation is mainly in the areas of low access to safe drinking water and child malnutrition. Almost half of member states' indicators on these components of human poverty are below the regional average. In terms of poor access to safe water, Angola, Mozambique, Lesotho, Malawi, Zambia and Swaziland are most affected.

For seven SADC members, more than a fifth of children under five years of age are underweight. A country's level of development appears to play a critical role in determining child health outcomes, with all middle-income countries in the region except Namibia having a significantly lower incidence of underweight children. The same pattern can be observed with regard to child stunting, with the conflict-affected societies and low-income countries in the region clearly worse off. Overall, undernourishment shows signs of mixed progress since the 1990s. Whereas Malawi, Mozambique and Angola have demonstrated encouraging signs of overcoming the nutritional gap, the DRC, Tanzania and Botswana have recorded reversals.

Generally, food insecurity remains high in the region, affecting one third or more of the population in seven SADC states. The prognosis looks bleak, given that progress towards reversing this trend has been arrested by economic downturns, the interaction between HIV/Aids and food insecurity producing a 'new variant famine', protracted instability in Zimbabwe and the DRC, weak governance structures, erratic climatic conditions and a refugee crisis. The problem is exacerbated by rapid urbanisation, unsustainable livelihoods, human mismanagement and population growth. Generally, hunger is inextricably linked to poverty, but instead of focusing on food production, the emphasis needs to be on its sustainability, accessibility, affordability and utilisation.

HIV/Aids

The SADC region faces a severe HIV/Aids pandemic. Globally, there are 37.8 million people infected with the disease and over 14 million of them live in SADC. The pandemic has affected virtually every aspect of the lives of SADC's population, with some countries in the region now having among the highest levels of infection in the world. Factors contributing to the spread of the disease include, poverty, gender inequality, intergenerational sex, illiteracy, stigma and discrimination, alcohol abuse and lack of communication about the disease due to cultural barriers.

The pandemic has had a direct impact on child and adult mortality rates and, as it mainly affects the age group that is most central to household and economic activities, it is likely to undermine socioeconomic development and worsen poverty. Poor households have to divert scarce resources away from basic needs to pay for medicines, care and funerals. Lack of access to safe water and sanitation increases the danger of infections, accelerating the progress of the disease. Other negative effects include declining school enrolment among girls, rising food insecurity, reduced savings and investment, and increasing numbers of orphans (nearly six million, con-

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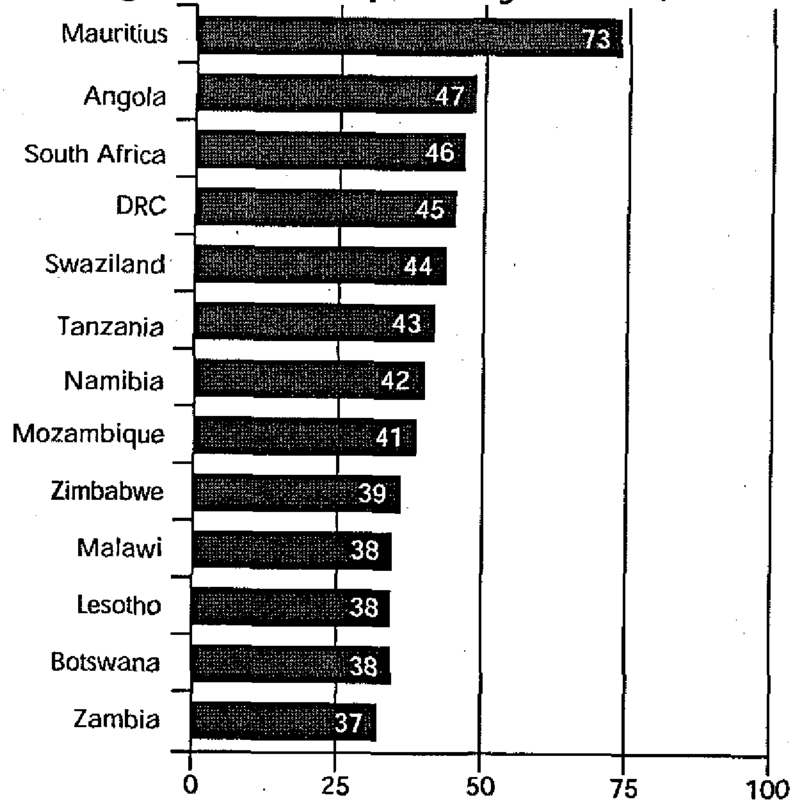
stituting 39% of the world total) and child-headed households.

HIV/Aids has the potential to undermine the likelihood of attaining many of the MDG targets. Of particular concern is the burden HIV/Aids is placing on healthcare systems across the region. This is resulting in poor health services because of inadequate human and financial resources, which in turn is due to factors such as absenteeism, low staff morale, rising patient loads, insufficient reliable equipment and affordable medicines, and staff losses. However, HIV/Aids is not just a healthcare issue. For example, it also threatens the education sector. In Zambia, during the first ten months of 1998, 1,300 teachers died, which was twice the number of deaths reported in 1997. The pandemic is also reducing life expectancy in the region, which (except for the island states) is below 50 years (Figure 2).

Figure 2: Life expectancy at birth, 2002



Source: World Bank (2004), *World Development Report 2005.*

Education and gender equality

The SADC region saw some progress in educating its children during the 1990s. In Malawi and Mozambique, substantive gains were noted, while Lesotho witnessed more modest gains. The DRC and Angola saw sizeable reversals, whereas Zambia posted a modest decline. Only Malawi, Mozambique and Lesotho are on track to make primary education universal by 2015. For the others, a continuation of the progress recorded during the 1990s will be insufficient to meet this goal. Education and gender equality are intended to place girls in control of their own destinies and achieve greater parity between men and women in the spheres of economic growth, poverty reduction and overall human development. Regarding this, progress on the gap between girls' and boys' net primary enrolment ratios during the 1990s appeared mixed.

In Lesotho, Namibia and Tanzania, the enrolment of girls is equal to, or larger than that of boys. In all but Angola and Mozambique, the enrolment of girls exceeds 90% of that of boys. The DRC and Malawi show notable improvements. However, there are some

GOAL 4: REDUCE CHILD MORTALITY
Target 5: Reduce by two-thirds between 1990 and 2015, the under-five mortality rate

Country	Under-five mortality rate (per 1,000 live births) (2001)	Infant mortality rate (per 1,000 live births) (2001)
Angola	260	154
Botswana	110	80
DRC	205	129
Lesotho	132	91
Madagascar*	136	84
Malawi	183	114
Mauritius	19	17
Mozambique	197	125
Namibia	67	55
South Africa	71	56
Swaziland	149	106
Tanzania	165	104
Zambia	202	112
Zimbabwe	123	76
Developing country average	90	62
Sub-Saharan Africa average	172	107

n/a Not available
Source: Human Development Report, 2003
*Madagascar is not yet a member of SADC, but may be admitted in 2005.

GOAL 5: IMPROVE MATERNAL HEALTH Target 6: Reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio		
Country	Maternal mortality ratio (per 100,000 live births) (1995)	Births attended by skilled health personnel (%) (1995-2001)
Angola	1,300	23
Botswana	480	99
DRC	940	61
Lesotho	530	60
Madagascar*	580	47
Malawi	580	56
Mauritius	45	n/a
Mozambique	980	44
Namibia	370	78
South Africa	340	84
Swaziland	370	70
Tanzania	1,100	36
Zambia	870	47
Zimbabwe	610	73
Developing country average	463	56
Sub-Saharan Africa average	1,098	38

n/a Not available
Source: Human Development Report, 2003
*Madagascar is not yet a member of SADC, but may be admitted in 2005.

worrying signs, especially in Lesotho, where the ratio of girls to boys in primary education is declining because of changing livelihood patterns and HIV/Aids, which has pushed girls into the role of caregivers, thereby reducing their enrolment in schools.

Concerning gender equality, indications are that there has been progress in achieving greater representation for women in government and intergovernmental structures in some SADC countries, with a few member states, especially South Africa, having surpassed the target of at least 30% women representation in parliament and cabinet by 2005.

Nevertheless, there are still challenges in this area. Women, who constitute the majority of the poor in the region, have lesser access to and control over productive resources such as land, livestock, credit and modern technology. In addition, they have limited access to adequate health facilities, formal education and employment, and are over-represented in the informal sector, where returns are extremely low and unreliable. Moreover, laws exist in most member states that restrict women's legal capacity, and have a direct bearing on their income-earning capacities.

What is being done?

To address these challenges, governments in the region have initiated several complementary programmes. The first is the adoption of the SADC Regional Indicative Strategic Development Plan (RISDP), which provides member states with a strategic framework for social and economic policymaking over the next 15 years. Its objective is to deepen integration and accelerate poverty eradication and the attainment of other economic and non-economic development goals. Aligned to Nepad priorities and the MDGs, as well as complementing other development initiatives for promoting social development like the Poverty Reduction Strategy Papers (PRSPs), the Highly Indebted

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GOAL 6: COMBAT HIV/AIDS Target 7: Have halted by 2015 and begun to reverse the spread of HIV/Aids		
Country	Maternal mortality ratio (per 100,000 live births) (1995)	Births attended by skilled health personnel (%) (1995-2001)
Angola	n/a	n/a
Botswana	33.3	31.4
DRC	n/a	n/a
Lesotho	22.0	16.1
Madagascar*	n/a	n/a
Malawi	n/a	n/a
Mauritius	n/a	n/a
Mozambique	16.1	7.9
Namibia	17.9	n/a
South Africa	24.1	n/a
Swaziland	39.4	n/a
Tanzania	n/a	15.0
Zambia	11.6	n/a
Zimbabwe	32.2	n/a
Developing country average	n/a	n/a
Sub-Saharan Africa average	n/a	n/a

n/a Not available
Source: Human Development Report, 2003
*Madagascar is not yet a member of SADC, but may be admitted in 2005.

Poor Countries (HIPC) Initiative and the World Summit on Sustainable Development, the RISDP sets targets that indicate major milestones towards the attainment of agreed goals. The key interventions include:

- developing and implementing a common system of data collection on the supply and demand of critical human resources and the development of effective labour market information systems to enhance employment and productivity;
- developing reporting systems and guidelines for monitoring the implementation of global commitments and declarations such as the MDGs;
- developing a regional programme for joint production/procurement of affordable and quality essential medicines for addressing major diseases such as HIV/Aids and a mechanism for reducing infant, under-five and maternal mortality rates; and
- developing mechanisms for the exchange of experiences and best practices in the major areas of social development.

At the country level, individual member states have begun to prepare national visions, which articulate long-term objectives and targets, in addition to MDG reports that outline progress over the last decade. At the global level, the UNDP is involved in highlighting the progress towards meeting the MDGs. In July 2003, the UNDP's Southern Africa office hosted the MDG Forum for Southern Africa to give momentum to the MDG campaign at the national and regional level. The forum emphasised that the key factors that will determine success in accelerating progress toward meeting the MDGs are:

- country-level ownership of development policies and practices, which requires accountability, transparency and reliance on domestic resources before requesting external support;
- participation that includes all actors in the development process;
- institutional and human capacity building;
- partnership building; and
- monitoring of the MDG process.

Conclusion: What needs to be done?

Realistically, SADC needs to customise the MDG targets to reflect national circumstances and priorities, which will increase the sense of national ownership and adapt development objectives to the socioeconomic and political realities of each country. For example, countries facing an acute HIV pandemic cannot be expected to achieve the same levels of progress as those not confronting one.

Another problem is the inconsistency in reporting whether countries are on track to meet the MDGs. UNDP and national MDG reports have shown considerable differences, raising concerns about the reliability and credibility of indicators being used. Global, regional and national frameworks, strategies and processes must be harmonised so that accurate predictions and evidence-based policy decisions can be made.

Of critical importance here is *Goal 8: Towards a Global Partnership for Development.* The prospects of achieving the MDGs depend on the extent to which SADC countries, and African countries generally, can increase participation in the global economy. More engagement is needed around the issue of financing the MDGs, e.g. through increased official development assistance (ODA), trade and the mobilisation of domestic resources. Linked to this is the problem of debt burden, which is another constraint on SADC countries. The issue is whether the interim relief countries like Mozambique, Malawi, Zambia and Tanzania are currently receiving is sustainable in a post-HIPC period. The central question is that of debt relief versus debt cancellation. Moreover, the role of global partners in development should be more focused on facilitation and co-ordination and less on owning the process. Therefore, Goal 8 should be implemented in a way that cultivates empowerment and recognises that solutions to the sub-region's development challenges lie with the region's citizenry and its governments. This means space should be provided for countries to articulate home-grown solutions compatible with their needs and priorities. Support should not carry conditionalities that compound the region's development challenges.

Finally, SADC has many shared resources, which, if appropriately marshalled through joint efforts, can realise some of the MDGs. What, of course, is needed is pragmatic thinking and institutionalisation of the MDG targets into policy processes.

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The Environment and Poverty

'Growth in income and productivity is required to eliminate poverty in developing countries, but it needs to be environmentally sustainable. Over the longer run, economic growth is unlikely to be sustained unless attention is paid to assets such as fresh water and fish stocks. Even in the short to medium run, addressing the objectives for growth and the preservation or restoration of environmental assets can be critical to raising production and incomes.' For instance, in Madagascar, the conversion of forests to mostly unsustainable low-yield agriculture has been costly. With the majority of its population being poor, productivity growth in agriculture is critical to reducing poverty. However, agricultural production has been declining over the past 40 years because of degraded cropland and silted waterways.

World Bank, 2003

SADC and MDGs: The Trade Dimension

A few years after all the pledges of support and expressions of solidarity with the developing world have been made, questions inevitably arise. Are developed countries' policies towards the Southern African Development Community (SADC) region in *sync with the spirit of the Millennium* Declaration? In particular, is there any progress on the accessibility to both developed country markets and essential medicines pursuant to Goal 8 of the Millennium Development Goals (MDGs)?

Market access: An overview

The potential of foreign trade to lift millions of people out of poverty is widely accepted. The challenge is to create an enabling environment for poor countries to trade their way out of poverty. Accordingly, the MDGs call for tariff- and quota-free access of the products of least developed countries (LDCs) to developed countries' markets and an open trading and financial system that is rules-based, predictable and non-discriminatory.

Some developed countries have demonstrated an appreciable measure of commitment to help poor countries meet the MDGs by introducing relatively generous preferential trade schemes for these countries. From a Southern African perspective, the EU's Everything But Arms (EBA) arrangement for LDCs and the US's Africa Growth and Opportunity Act (AGOA) for sub-Saharan Africa are perhaps the most notable.

At least six SADC countries are eligible for quota- and tariff-free access for all their products to the EU under EBA. Only three products have been excluded: bananas, rice and sugar, but they will enjoy full access by 2009. Nevertheless, due to stringent rules of origin, less than 50% of the scheme is currently utilised. Therefore, the value of EBA could be improved if the rules of origin are relaxed.

AGOA is even more important for the region, as all SADC states are beneficiaries (except Zimbabwe). It is a shining example of how a preference scheme can lead to job creation, economic growth and consequent welfare gains in recipient countries. Lesotho, Botswana and Mauritius have *all recorded an increase in exports,* especially in the garment sector, as a result of the Act, even though a limited number of tariff lines get preferences.

'Let us recognize that extreme poverty anywhere is a threat to human security everywhere.'

Kofi Annan

In Lesotho alone an estimated 10,000 jobs have been created because of AGOA. Its flexible rules of origin allow LDCs to source fabric from the cheapest international supplier and still be eligible for the preference.

However, the garment sector benefits presently enjoyed by some SADC countries under AGOA are threatened by the imminent expiry of the quota system in terms of the World Trade Organisation's (WTO) Agreement on Textiles and Clothing. Competitive countries like China and India, currently limited by quotas in the EU and the US, are poised to swallow most, if not all, of the market share in this sector when the quotas are removed.

For the longer-term benefit of these countries, preference givers should focus more on preparing their beneficiaries to compete at a global level through trade capacity building and skills development, and to enable them to achieve maximum benefits from tariff and quota-free access while global trade barriers last. For this reason, the US should consider extending flexible rules of origin currently offered to LDCs to all AGOA beneficiaries and increase the number of tariff lines covered by the preference.

Nonetheless, progressive most-favoured nation (MFN) liberalisation is inevitable, and as tariff walls continue to fall and quotas disappear, the value *of preferences is bound to decline.* Greater emphasis should therefore be placed on addressing the protectionist trade policies in developed countries, especially concerning agriculture.

For SADC countries, agricultural trade reform in rich countries is critical, since more than 70% of their populations derive a living from agriculture. Thus developed country policies that throttle this sector are clearly undermining the MDGs, particularly Goal 1, which aims at halving poverty by 2015, and Goal 8, which aims at a global partnership for development. Although the WTO's July 2004 Framework Agreement was a breakthrough, insufficient political will by key developed countries to make substantial concessions has slowed down the Doha trade negotiations.

Access to medicines: Achievements, challenges and the way forward

Target 17 of Goal 8 on global partnership emphasises the need to co-operate with pharmaceutical companies to make essential drugs available and affordable to the poor. Striking a balance between the interests of pharmaceutical companies and the needs of poor patients in developing countries has been a formidable challenge especially for the WTO.

SADC is facing a severe health crisis, with nine of its member states featuring in the ten African countries with the highest HIV/Aids prevalence rates. Malaria and tuberculosis also continue to wreak havoc in the region, leading to reduced economic productivity, high infant mortality rates and plummeting life expectancy.

Among other obstacles, lack of

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access to drugs for HIV/Aids and other diseases in Africa is attributed to the high cost of medicines and the unwillingness of multinational drug companies to allow governments to obtain cheaper generic versions of their patented drugs to meet health crises.

In this respect, the adoption of the Doha Declaration on Trade Related Intellectual Property Rights (TRIPS) Agreement and Public Health by WTO member states in November 2001 was widely hailed as a positive step. This declaration gave developing countries the right to override patent legislation on essential medicines in order to protect public health and promote access to medicines for all. Following this decision, on 30 August 2003, the WTO reached an agreement on how to implement the declaration — in the form of an interim waiver allowing, under strict regulation, the production, export and import of essential medicines for developing countries pending the amendment of TRIPS.

The interim decision confirms the rights of developing countries to license domestic production of cheaper generic versions of vital drugs and to import these if manufacturing capacity is lacking, while simultaneously protecting the rights of pharmaceutical companies against abuse of the system for commercial gain, i.e. the diversion of generics to developed country markets. This is clearly an important decision for a country like South Africa that has had running battles with pharmaceutical companies over patent rights.

However, the technicalities involved in complying with the agreement render it of little use. For example, the Africa–Europe Faith and Justice Network identifies 12 cumbersome procedural steps, incompatible with the idea of an 'expeditious' solution, necessary to obtain a licence to import the generics. Under these conditions, very few generic manufacturers are in a position to make effective use of the interim waiver. Thus, the present WTO 'solution' does not go far enough to make essential drugs available to the poor.

Some developed countries have demonstrated an appreciated measure of commitment to help poor countries meet the MDGs.

Although patent problems have attracted considerable attention, they do not necessarily constitute the biggest impediment to drug access in the region — less than 5% of the drugs on the World Health Organisation (WHO) Model List of Essential Drugs (2001) are under patent protection anywhere in the world. Apart from that, prices of anti-retrovirals have dropped by approximately 95% recently. Despite this, only a few privileged people have access to treatment in Southern Africa.

This is mainly because of weak health delivery systems in the region. Thus, even when medicines are affordable, they often do not reach people who need them the most. In some cases, lack of research into treatment for diseases that primarily affect poor countries, like malaria, results in patients accessing ineffective medicines. Donor funding is needed to enable pharmaceutical companies to research these diseases, as the cost of bringing a drug onto the market is often prohibitive. These are serious obstacles that require considerable financial resources to address.

A plethora of initiatives to improve access to drugs, especially to fight HIV/Aids, are currently being undertaken by state and non-state actors. Even so, insufficient funding and/or delays in funding allocation hamstring such initiatives. For example, when the Global Fund on Aids,

GOAL 7: ENSURE ENVIRONMENTAL SUSTAINABILITY
Target 10: Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation

Country	Population with sustainable access to an improved water source (2000)		Urban population with access to improved sanitation (%) (2000)
	Rural (%)	Urban (%)	
Angola	40	34	70
Botswana	90	100	88
DRC	26	89	54
Lesotho	74	88	72
Madagascar*	31	85	70
Malawi	44	95	96
Mauritius	100	100	100
Mozambique	41	81	68
Namibia	67	100	96
South Africa	73	99	93
Swaziland	n/a	n/a	n/a
Tanzania	57	90	99
Zambia	48	88	99
Zimbabwe	73	100	71
Developing country average	69	92	77
Sub-Saharan Africa average	44	83	74

n/a Not available
Source: *Human Development Report, 2003*
*Madagascar is not yet a member of SADC, but may be admitted in 2005.

Tuberculosis and Malaria, was established in 2001, UN Secretary-General Kofi Annan asked for $7–10 billion per year from donors, but only $2–3 billion was made available during a four-year period.

Furthermore, often the whims of donor governments and not the region's health crisis seem to dictate which countries should benefit from aid. For instance, the US government's 2003 $15 billion Emergency Plan for Aids Relief, besides being aid that is tied with strings attached, does not include some of the countries where HIV/Aids is causing a humanitarian catastrophe, namely Lesotho, Swaziland, Malawi and Zimbabwe.

To provide more resources for Africa's development, calls for more aid in terms of both volume and quality should be taken seriously. Much still needs to be done. The need for increased co-operation among donor governments, NGOs, pharmaceutical companies and SADC states to increase drug accessibility and strengthen health infrastructure cannot be overemphasised.

Nkululeko Khumalo, SAIIA

GOAL 8: DEVELOP A GLOBAL PARTNERSHIP FOR DEVELOPMENT (OFFICIAL DEVELOPMENT ASSISTANCE)

Target 13: Address the special needs of the least developed countries (includes tariff- and quota-free access for exports, an enhanced program of debt relief for HIPC and cancellation of official bilateral debt and more generous ODA for countries committed to poverty reduction)

Country	Net official development assistance (ODA) total and to least developed countries, as a percentage of OECD/DAC		Untied bilateral ODA (as % of total) (2001)
	As % of GNI (2001)	To least developed countries (as % of donor's GNI) (2001)	
Australia	0.25	0.05	59
Austria	0.29	0.05	n/a
Belgium	0.37	0.12	90
Canada	0.22	0.03	32
Denmark	1.03	0.33	93
Finland	0.32	0.09	87
France	0.32	0.08	67
Germany	0.27	0.06	85
Greece	0.17	0.02	17
Ireland	0.33	0.17	100
Italy	0.15	0.04	8
Japan	0.23	0.04	81
Luxembourg	0.82	0.26	n/a
Netherlands	0.82	0.25	91
New Zealand	0.25	0.07	n/a
Norway	0.83	0.28	99
Portugal	0.25	0.11	58
Spain	0.30	0.03	69
Sweden	0.81	0.22	86
Switzerland	0.34	0.10	96
United Kingdom	0.32	0.11	94
United States	0.11	0.02	n/a
Development Assistance Committee	0.22	0.05	79

n/a Not available
Source: Human Development Report, 2003

Aiding Debt: Some Facts and Figures

In 2002, total developing country debt stood at US$4.6 billion, with sub-Saharan Africa's debt alone amounting to US$2.1 billion, or 45.6% of the total. This debt has accumulated since the 1970s and the 1980s when developing countries borrowed heavily against high resource prices to fund development projects, subsidise food imports, expand welfare programmes and service previously incurred debt — many of the development projects, like airports, industrial complexes and suburban projects brought very few benefits because of poor planning.

Since 1994, there has been a very marginal reduction in Africa's medium and long-term debt. Even so, at present 41 countries are to be considered for eligibility under the Highly Indebted Poor Countries (HIPC) Initiative by the boards of the IMF and World Bank. Of these countries, seven are SADC members: Angola, the Democratic Republic of the Congo (DRC), Madagascar (a candidate member of SADC), Malawi, Mozambique, Tanzania, and Zambia.

The HIPC initiative, which was launched in 1996, is a collaboration between the World Bank and IMF. Its aim is to reduce the extreme debt burden carried by the world's poorest countries. As of September 2004, 27 of the 41 countries have been identified to receive debt relief under the HIPC. Of these 27 countries, six are SADC members: the DRC, Madagascar, Malawi, Mozambique, Tanzania and Zambia. Only Madagascar, Mozambique and Tanzania have achieved 'completion point' status (i.e. the international community commits to provide sufficient assistance by this stage for the country to achieve debt sustainability). The DRC, Malawi and Zambia have reached 'decision point' status (i.e. the executive boards of the World Bank and the IMF formally decide on a country's eligibility. The international community then commits to provide sufficient assistance by the 'completion point' for the country to achieve the debt sustainability calculated at the 'decision point').

For a country to be considered for the HIPC initiative it must, firstly, face an 'unsustainable' debt situation (i.e. debt-to-export levels above a fixed ratio of 150%) after the full application of the traditional debt relief mechanisms, such as the application of the Naples terms under the Paris Club agreement. Secondly, it is only eligible for highly concessional assistance from the International Development Association (IDA), the part of the World Bank that lends on highly concessional terms, and from the IMF's Poverty Reduction and Growth Facility (PGRF). Lastly, a country may be considered if it has established a track record of reform and developed a Poverty Reduction Strategy Paper (PRSP) that involves civil society participation.

The Paris Club, comprising 19 members including Canada, Denmark, France, Germany, Japan, the Netherlands, Norway, the UK and the USA aims to help those countries that face debt repayment problems by either rescheduling debt or reducing debt service obligations. Since 1983, the total amount of debt covered in agreements by the Paris Club creditors has been US$350 billion.

The Paris Club of creditors participates in the HIPC initiative during the first phase when a country is qualifying for assistance. During this phase, the country will continue to receive debt relief from Paris Club creditors and other official bilateral and private creditors, as well as traditional concessional assistance from all the relevant donors and multilateral institutions. In the second phase, on a case-by-case basis, Paris Club creditors may provide interim relief between the decision point and the expected date for the completion point, through a flow treatment with a 90% debt reduction. At the completion point, remaining assistance is provided through a reduction in the stock of eligible debt of up to 90% in present value terms by the Paris Club, subject to fair burden sharing, with at least comparable action by other countries. Many Paris Club creditors have announced that they will also provide debt forgiveness and above HIPC initiative assistance, particularly on ODA debt.

Sources:
Paris Club: www.clubdeparis.org
The World Bank: www.worldbank.org

Conference Notices

Strengthening Parliamentary Democracy in SADC Countries Conference, 10 February 2005, BMW Pavilion — V&A Waterfront, Cape Town. The research and conference programme is funded by the Royal Danish Embassy in Pretoria. To book please contact Tim Hughes at hughes@researchsa.com.

Opposition Parties and Democracy in Africa: The Role and Challenges, 25 January 2005, Jan Smuts House, Johannesburg. This conference is funded by the Ford Foundation. To book please contact Lerato Mbele at mbelel@saiia.wits.ac.za.

GOAL 8: DEVELOP A GLOBAL PARTNERSHIP FOR DEVELOPMENT
Target 15: Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term

Country	Total external debt US$ millions (2002)**	External Debt (% of GNI, 2002)**	Debt relief under the HIPC initiative, cumulative US$ million (2003)	Debt service as a percentage of exports of goods and services (1997-1999) (most recent figures)		
				1997	1998	1999
Angola	10,134	120	n/a	19.3	30.8	21.5
Botswana	480	8	n/a	3.4	3.3	2.7
DRC	8,726	171	10,389	n/a	n/a	n/a
Lesotho	637	45	n/a	16.0	20.6	23.5
Madagascar*	4,518	33	1,500	26.9	15.1	18.2
Malawi	2,912	51	1,000	n/a	n/a	n/a
Mauritius	n/a	n/a	n/a	11.3	12.1	10.0
Mozambique	4,609	27	4,300	20.5	19.5	n/a
Namibia	n/a	n/a	n/a	n/a	n/a	n/a
South Africa	25,041	22	n/a	17.9	12.7	14.4
Swaziland	n/a	n/a	n/a	2.9	2.2	3.1
Tanzania	7,244	19	3,000	13.7	21.5	16.6
Zambia	5,696	127	n/a	n/a	n/a	n/a
Zimbabwe	4,066	n/a	n/a	n/a	n/a	n/a

n/a *Not available*
Source: *Madagascar is not yet a member of SADC, but may be admitted in 2005.
**World Development Report, 2005; UN Statistics Division, 2004

From Washington to Monterrey

In 2002, at the International Conference on Financing and Development held in Monterrey, Mexico, 170 states adopted the so-called Monterrey Consensus. The aim of the conference was to agree on concrete action rather than make rhetorical declarations on the fight against world poverty. Although there is ironically no consensus among the partners on how to reach its objectives, the goals are nonetheless to:

- increase private foreign direct investment (FDI) and official development assistance (ODA);
- fight corruption;
- reduce debt;
- grant better market access for developing countries;
- ensure sound macroeconomic policies; and
- strengthen international tax co-operation.

The Monterrey Consensus recognised the need for a substantial increase in ODA, but did not endorse the UN Secretary-General's call for doubling ODA from \$53 billion to at least \$100 billion a year. The US, for instance, blocked language in the text that would have committed rich countries to the UN target of raising development aid to 0.7% of GNI from the 0.22% average. Nevertheless, FDI to developing countries from the 22 members of the OECD almost tripled from \$41.6 billion in 1993 to \$119.5 billion in 2000. It is, nevertheless, argued by critics that FDI is not socially sustainable, because it is profit-driven rather than development-driven. Yet, FDI does not have to be repaid like World Bank loans.

Regarding good governance and an enabling business environment, the Consensus states that, 'To attract and enhance inflows of productive capital, countries need to continue their efforts to achieve a transparent, stable and predictable investment climate, with proper contract enforcement and respect for property rights, embedded in sound macroeconomic policies and institutions that allow businesses, both domestic and international, to operate efficiently and profitably and with maximum development impact.'

Should the leaders of the world succeed in making these goals a reality, the Monterrey Consensus could replace the Washington Consensus, which focused on economic policy and trade liberalisation and the effectiveness of which has been questioned. The Monterrey Consensus, on the other hand, could stand for a more encompassing, holistic approach: economic and human development, together with additional financial resources from donor countries.

Sources: *Matthias Georg Wabl, UN Chronicle No. 1, 2002. Sean D Murphy, The American Journal of International Law, July 2002. Hilary French, UN Chronicle No. 2, 2002.*

For the Record

'In order to provide the additional 50 billion dollars which the UN says is required to meet the Millennium Development Goals, we need donor countries to increase aid and debt relief, to front load it and to direct more of it to the poorest countries which need it — in Africa. The UK has shown the way. We have more than doubled our aid budget since 1997. We wish to continue increasing aid at this rate, which would mean that the UK would reach the 0.7% UN target in 2013. As a result of this, we will be able to increase aid directly for Africa to $1 billion next year. This will enable us to lift one million people in Africa permanently out of income poverty each year.'
Tony Blair, UK Prime Minister, October 2004

'The UK will also continue to push for further debt relief, to help African states to throw off the heavy shackles of obligation, and reinvest resources in the future — in health and education. The Heavily Indebted Poor Countries Initiative has, to date, delivered over $70 billion in debt relief for 27 countries, 23 of them in Africa, in the process reducing their debts by around two-thirds on average. G8 leaders recently agreed to extend the HIPC Initiative by two years, potentially allowing a further 10 eligible HIPC countries to benefit to the tune of up to $30 billion. We will continue to push the G8 on this. The UK has said that it will relieve those countries still under the burden of debt to the World Bank and the African Development Bank, by unilaterally paying our share of the cost of servicing this debt, i.e. 10%. Again, we will push others to do the same, just as we will push for the cancellation of debts owed to the International Monetary Fund by the revaluation of IMF gold.'
Hilary Benn, UK secretary of State for International Development, June 2004

'Lower than expected state revenue for 2003/04 has pushed Namibia's budget deficit to a high of 7.5%. This means that the country's debt is increasing, forcing the state to borrow more to make ends meet. At the end of March 2004, Namibia's debt stood at N$ 10.2 billion, or 30.9% of GDP.'
The Namibian, 2 December 2004

'Government should focus on increasing productivity and earnings in agriculture and other activities on which large numbers of the poor depend, and not simply on emerging dynamic sectors such as information technology that employ relatively few people.'
Francis Williams, *Financial Times* (UK), 8 December 2004

'Hunger is associated in the minds of many Americans with famine. But many hungry people live where there is enough food; they simply cannot afford it or are unable to get it because of political instability.'
United Nations
Elizabeth Weise, *USA TODAY*