Advisory letter

Observations on the Sachs report

How do we attain the Millennium Development Goals?

April 2005

Advisory Council on International Affairs AIV

Dr B.R. Bot
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Re Presentation of advisory letter

Dear Mr Bot,

I am pleased to present you with the advisory letter *Observations on the Sachs report: How do we attain the Millennium Development Goals?* This letter was written on the AIV's own initiative. It focuses on the Sachs report and its publication coincides with preparations for the general parliamentary debate which will take place next week. The AIV is currently drafting a more detailed response to the report of the UN Secretary-General on UN reforms.

I am also sending this advisory letter to the Minister for Development Cooperation, the Minister of Defence and the Minister for European Affairs.

The AIV intends to publish this letter later this week.

Yours sincerely,

F. Korthals Altes
Chairman, Advisory Council on International Affairs

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OBSERVATIONS ON THE SACHS REPORT

Foreword

In January 2005 the UN Millennium Project Team published the report *Investing in Development: A Practical Plan to Achieve the Millennium Development Goals*, also known as the Sachs report after the team chairman, Dr Jeffrey Sachs.[1] The UN Secretary-General considers this report and that of the High Level Panel as important starting points for the recommendations he will be making to the UN summit of Heads of State and Government in New York in September 2005.[2] All three reports are likely to be influential, both at the preparatory stage and during the Summit itself. The Advisory Council on International Affairs (AIV) therefore notes with interest the Dutch government's response to both the Sachs report and the HLP report.[3]

This advisory letter focuses on the Sachs report and is being published to coincide with preparations for the forthcoming parliamentary debates on the subject. It is however provisional in nature since the AIV is also drafting a separate response to the Secretary-General's report, which will contain a more detailed examination of aspects relating to the Millennium Development Goals.

The working party which compiled this advisory report consisted of members of the AIV's Development Cooperation Committee. It was chaired by H.A.J. Kruijssen. The other members were F.D. van Loon, G.H.O van Maanen, Professor L.B.M. Mennes, A.N. Papma, Dr L. Schulpen and Professor S. van Wijnbergen. J.A. Nederlof provided editorial support.

1. General assessment

The AIV greatly values the enthusiasm and energy with which the report has been written. The MDGs were not after all carved in stone five years ago simply to become the object of studies and conferences, but to be pursued vigorously and creatively and to be attained within the foreseeable future. The report was written in this spirit. It makes a passionate plea to governments to create the right political climate for a range of actions designed to make an effective contribution to reducing poverty. In fact, it goes further: based on the assumption that some political prophesies are 'self-fulfilling' if they strike the right note, the report not only claims that the political framework is already in place and that the necessary funding can be generated relatively cost-effectively, but also that most proposals can be implemented within a relatively short space of time[4]. This is encouraging. However, the AIV wishes to point out that the MDGs themselves are not final goals, merely interim targets. They are a yardstick for measuring how far the international community is genuinely moving towards a structural reduction of poverty in general, and of inequalities within and between countries in particular. The MDGs and their associated programmes are an excellent way of gauging how well countries are managing to uphold fundamental human rights. A progress review will be conducted in 2015: if by then a substantial proportion of the world's population is still living in poverty and being denied the chance to lead a dignified existence, extra global measures will continue to be necessary. After all, even if we attain the MDGs, we will still only have eradicated half the world's poverty and

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1 The full text of the report can be found at <http://unmp.forumone.com/eng_full_report/MainReportComplete-lowres.pdf>. The points made in this advisory letter refer to the full text of the Sachs report and to the corresponding pages in the Overview.

2 High Level Panel on Threats, Challenges and Change: *A more secure world: our shared responsibility.* A/59/565 29 November 2004. See: <http://www.un.org/secureworld/report.pdf>.
Report of the Secretary-General of the United Nations: *In larger freedom: towards development, security and human rights for all.* A/59/2005, 21 March 2005. See: <http://www.un.org/largerfreedom/report-largerfreedom.pdf>.

3 Parliamentary Papers 26150, no. 17 of 25 February 2005.

4 The Secretary-General outlines the current situation in the summary to his report. He notes that little headway has been made so far in realising the agreements made in Monterrey and Johannesburg: ' …this has been promised but not delivered. That failure is measured in the rolls of the dead – and on it are written millions of new names each year'. Paragraph 32, p. 12.

hunger by 2015. What is more, any presentation of global poverty figures must be relativised. The strong economic growth of China and India, for example, partially conceals the economic stagnation of Sub-Saharan Africa. In addition, it is doubtful whether the improvement in income among some impoverished groups from one dollar a day (extreme poverty) to two dollars a day has made any real difference.[5] In short, then, while there has been some improvement in global terms, this is counterbalanced by deepening poverty in the more disadvantaged parts of the world, such as Sub-Saharan Africa.

The writers of the report have clearly struggled with a number of dilemmas. For example, they strongly urge developing countries and the international donor community to take up their responsibilities. Yet they are not always clear about how this should relate to the external targeting of development processes which the report also advocates. The AIV believes it is important to point out that local ownership and sustainable development are inseparably linked and that donors should not simply 'jump in' if they feel that things are not moving fast enough. Development only has a national support base if the private sector and civil society are also fully involved. The Sachs report addresses the former but gives insufficient attention to the latter.

A second dilemma is the need to set priorities despite the wide-ranging nature of the poverty problem. The report describes a wealth of instruments but fails to indicate which choices would make the biggest contribution to achieving the MDGs in the short term. The recommendation relating to 'quick wins' and 'fast track countries' suggests that rapid results can be achieved, yet underestimates the complexity of the problems.

A third dilemma involves financing. An increase in ODA funding is urgently needed and the international community needs to meet its commitment to set aside 0.7% of GNP as soon as possible. The Sachs report explicitly calls for this, yet after advocating an initial funding boost in 2006 it recommends a lower growth rate in the years leading up to 2015. It is also clear that the MDGs will only be realised if the level of domestic savings and foreign investment goes up. The AIV therefore feels that Official Development Aid should be used partly to boost capacity in developing countries by acting as a lever to encourage domestic savings and foreign investment.[6]

In the sections below, the AIV will look more closely at those aspects of the Sachs report which are particularly vital for successful poverty reduction. It will relate these aspects to Dutch government policy as described in the policy document *Mutual interests, mutual responsibilities: Dutch development cooperation en route to 2015* and in the government report on the eighth Millennium Development Goal.[7] The AIV will focus on issues requiring the most urgent global attention in conjunction with current Dutch policy.

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5 S. Chen and M. Ravallion: *How have the world's poorest fared since the early 1980s?* in: Policy Research Paper 3341, World Bank, Washington DC, 2004, p. 23. The authors concluded that although approximately 390 million people had boosted their income from 1 dollar a day to 2 dollars a day between 1984 and 2001, '… they are still poor by the standards of middle-income developing countries'.

6 In his report, the UN Secretary-General makes the following comment: 'In the follow-up to the March 2005 Paris High-level Forum on Aid Effectiveness, donor countries should set, by September 2005, timetables and monitorable targets for aligning their aid delivery mechanisms with partner countries' Millennium Development Goals-based national strategies'. Paragraph 53, p. 17.
The World Bank's *Global Monitoring Report 2005*, published on 12 April 2005, includes an analysis of absorption capacity for aid. This concluded that Sub-Saharan Africa compared unfavourably with Asia. Whereas the five biggest Asian countries were able to absorb a doubling of aid straightaway, the report said of those in Sub-Saharan Africa that 'Overall (they) were found to have the capacity to use additional aid productively if they continued and strengthened their reforms'.
<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/GLOBALMONITORINGEXT/0,,contentMDK:20445926~pagePK:64022011~piPK:292245~theSitePK:278515,00.html>

7 Parliamentary Papers: 29234, no. 1, October 2003 and Parliamentary Papers 040182, 25 May 2004, with appendix. The eighth Millennium Development Goal is to 'develop a global partnership for development'.

2. Good governance and security

In previous advisory reports, the AIV has indicated how it sees the relationship between good governance, security and development.[8] It feels that an integrated approach is needed, since in a complex field of this kind the various elements are interdependent. The AIV believes it is unnecessary to categorise these elements and link them to separate funds, and that this makes an integrated approach more difficult to achieve.

The Sachs report is written from the perspective of poverty reduction and cites good governance and security as fundamental prerequisites for development. The AIV appreciates this, but notes that this approach could also compromise flexibility. After all, imposing conditions on developing countries could prevent many of them from qualifying for international aid. Even worse, it could accelerate the downward spiral of these countries, giving rise to huge regional, global security and hence development risks. The AIV wishes to make one or two remarks in this regard.

The Sachs report recommends that aid should prioritise countries that are pursuing good governance.[9] Those that have not yet managed to achieve this due to lack of financial or other resources should be offered funding for programmes to improve the quality of governance, administration of justice, human rights and private sector development. The report argues against making substantial investments in poverty reduction in these countries until these improvements have been made. According to the report, the impact of aid on poverty reduction in general terms depends largely on the degree to which it stimulates economic growth. Recent studies have shown that aid is more effective in countries where there is already good governance. The studies also found that aid is more effective in stimulating economic growth in countries where it has first been used to improve local policy and achieve stability. In addition, aid significantly boosts the quality of local policy if measures have been taken to strengthen security and respect for human rights. The AIV feels that the Sachs report's recommendation to invest in a number of 'fast track' countries (i.e. those with a particularly strong commitment to achieving the MDGs) can therefore only apply to those that meet the criterion of good governance or are pursuing an objectively verifiable policy to improve their governance. In countries without these policies, such development financing will have little detectable effect on poverty reduction. Donors should therefore take measures to ensure that the aid they are providing is genuinely helping to improve governance, and that the conditions for an effective approach to the poverty problem are being satisfied. This specifically includes creating the necessary infrastructure and taking measures to further economic development and attract foreign investment.

The Sachs report assumes that development aid can make a significant contribution to conflict prevention, conflict management and post-conflict reconstruction. It concludes, among other things, that swift action and positive incentives in the form of more aid are more effective than sanctions. Yet research has shown that aid for poverty reduction is only effective in post-conflict situations, and then only if very large amounts are given for periods of between four and seven years.[10] The AIV therefore feels that this recommendation needs to be qualified. Aid that is specifically designated for poverty reduction may not immediately be effective in countries with high levels of political instability and economic vulnerability, but under specific circumstances, and provided it is highly targeted, it can help to encourage better conditions for stability and future economic growth. The AIV recommends

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[8] AIV advisory report no. 30: *A human rights-based approach to development cooperation*, April 2003; AIV advisory report no. 34: *The Netherlands and crisis management: three issues of current interest,* March 2004 and AIV advisory report no. 35: *Failing states: a global responsibility,* May 2004.

[9] Sachs report, p. 110. Overview p. 35. See also the report of the UN Secretary-General, paragraph 36, p. 13: '...the Millennium Development Goals will not work in practice unless supported by States with transparent, accountable systems of governance, grounded in the rule of law, encompassing civil and political as well as economic and social rights, and underpinned by accountable and efficient public administration'.

[10] P. Collier and A. Hoeffler: *Conflicts,* in: B. Lomborg (ed), Global Crises, Global Solutions, Cambridge University Press, UK, 2004, pp. 129-156. This study is based on an analysis of civil wars in low-income countries between 1965 and 1999.

that certain funds should therefore be used to complement ODA expenditure which is dedicated to attaining the MDGs, especially where donors fail to satisfy the ODA norm.

3. Priority for Africa

The Sachs report devotes special attention to Africa, a focus which is endorsed by the recent report of the Commission for Africa, set up by the British government.[11] Sachs suggests various reasons why Africa is lagging behind, but does not see lack of good governance as a primary cause. The AIV is not convinced by these arguments.[12] To begin with, studies have shown that the factors cited in the report are not unique to Africa and therefore do not explain why it is so far behind the rest of the world.[13] Nor are these factors relatively more important than lack of good governance. The AIV therefore feels that Africa's situation is more probably due to a combination of factors and that good governance and stability should be given far more emphasis as key factors for success or failure.[14]

Of the other causes of stagnation mentioned in the report, the AIV feels that HIV/AIDS should be given urgent and specific attention. Failure to put in place, or to recognise the need for, adequate programmes to prevent infection, treat victims and tackle the social and economic consequences of this poverty-related disease is threatening to put Africa back several decades. Unless Africa's AIDS epidemic is contained, any progress towards attaining the MDGs there will be short-lived. The AIV regards the HIV/AIDS situation in Africa as so serious that failure to launch sufficiently coherent programmes to fight the disease must, in its view, be a negative indicator for good governance. It therefore calls on developing countries to give far higher priority to the fight against HIV/AIDS, in conjunction with measures to promote good governance. Initiatives such as those put forward by the Netherlands during its EU presidency should be given strong international backing.

4. Increasing the flow of capital to developing countries

The key message of the Sachs report is that poverty can be eradicated provided sufficient funding is set aside for large-scale investment in, for example, capacity building, infrastructure, education and health care. However, the report assumes that the political willingness to implement the proposed changes exists and does not appear to acknowledge that both this and the capacity of countries in the South to absorb such investment are fundamental prerequisites for success. The AIV wishes to make a number of remarks in this regard.

One of the key aspects examined by the report is funding and how to generate it. The report correctly takes its cue from the conclusions reached by the Monterrey consensus, one of which is that the starting point must be to increase the capacity of developing economies to use their domestic savings more productively. Not only are domestic savings the main source of investment, even in the poorest

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11 Report of the Commission for Africa: *Our common interest*. March 2005. See <http://www.commissionforafrica.org/english/report/thereport/cfafullreport.pdf>. See also the specific focus on Sub-Saharan Africa in the report of the UN Secretary-General, notably in relation to the fight against HIV/AIDS, box 4, pp. 23 and 24.

12 In this context, see also AIV advisory report no. 17: *Africa's struggle: security, stability and development,* January 2001, and AIV advisory report no. 35: *Failing states: a global responsibility,* May 2004.

13 Sachs report p. 148 *et seq*. Overview p. 32. Five causes are cited: 'very high transport costs and small markets; low-productivity agriculture; very high disease burden; a history of adverse geopolitics; very slow diffusion of technology from abroad'.

14 The Commission for Africa report states that 'Africa's history over the last fifty years has been blighted by two areas of weakness. These have been capacity – the ability to design and deliver policies; and accountability – how well a state answers to its people.' (p. 12). The report also stresses the need to improve education and healthcare systems, provide aid for children, create better irrigation systems, encourage more trade throughout the continent and realise major infrastructure projects. Donors should at least double the volume of aid they provide, cancel the debts of developing countries, lift trade restrictions (notably on cotton and sugar), increase investments in higher education and in the fight against HIV/AIDS, and set aside an annual USD three billion for security (e.g. peacekeeping missions).

countries, but national measures geared towards a more effective deployment of these savings are a basic requirement for the productive absorption of investment from abroad.[15] A whole range of national barriers to foreign investment will also need to be lifted. The AIV feels that these aspects should be given specific attention in international talks over the coming months. The report assumes an increase in the domestic savings available for investment of 4% of GNP. The AIV however feels that this is an unrealistic target for a number of countries.[16] Nor should it be forgotten that external aid can sometimes have a negative impact on domestic savings, especially in countries receiving a relatively large volume of aid.

The Sachs report devotes considerable attention to the public sector and hence to the need to boost tax revenue and reallocate priorities within national budgets.[17] At least as important, however, is the need to make better use of savings in the private sector. This is also specifically addressed by the report, thereby effectively underlining the fact that the private sector has an important role in driving development. The report however argues that only ODA grants should be used to meet outstanding financing needs after optimal use of domestic savings, since the poorest countries cannot afford to run up debts.[18] This appears to overlook the fact that there is more than one route by which external savings can reach poor countries and contribute to their development. While it is true that direct investment by foreign companies (Foreign Direct Investment, FDI) is more useful to middle-income countries than to the poorest developing countries, it should still be encouraged since it stimulates direct productive investment and strengthens the tax base of recipient countries without weakening their debt position.[19]

There have been various proposals in recent years for new ways to fund increased ODA. One of these is the International Financing Facility (IFF), proposed by the UK government. This is a plan to use the international capital markets to mortgage future ODA contributions from rich countries. The system will enable a far larger volume of ODA to be made available more quickly. The report sees this as a better option than introducing new global taxes.[20] Nevertheless, the AIV sees major drawbacks to the IFF, such as interest and other operationalisation costs and the fact that it would reduce the stability of future ODA funding flows. In effect, the increase would be illusory. The AIV also expects Eurostat to raise serious objections to the scheme.

Funding requirement

The report calculates the level of ODA funding that will be needed to achieve the MDGs.[21] Specific investments in MDG-related measures will require an increase in funding from 0.23% of GNP in 2002 to 0.44% by 2006 and 0.54% by 2015. Within the 0.7% norm, 0.16% will need to be earmarked for activities that are not directly related to achieving the MDGs, such as safety and the environment in

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15 The Netherlands' initiative to encourage public-private partnerships for the growth of the financial sector within development cooperation ties in with this.

16 In footnote 6 of its *Global Monitoring Report 2005*, the World Bank notes that Sub-Saharan Africa will need to double its growth to 7% to attain the MDGs. It is thought unlikely that the region will even get close to achieving such a growth rate.

17 The United Kingdom and the G-7's proposals for relieving debts to multilateral financial institutions fall into this category.

18 While the assertion that the poorest countries cannot afford to incur debt is theoretically sound, this would effectively involve the withholding of credit. Such a stance would be a death sentence for economic growth. One of the aims of a development policy should therefore be to take steps to restore the creditworthiness of these countries.

19 World Bank *Global Monitoring Report 2005* (footnote 6): 'For most Sub-Saharan countries, the prospects of attracting FDI are constrained. Costs as a share of lost sales are two to three times larger in Kenya, Tanzania and Zambia than in China and Brazil.'

20 The UN Secretary-General's report also acknowledges the positive aspects of the IFF as a way of boosting ODA in the near future, but points out that other additional and structural measures are needed. Paragraph 31, p. 17.

21 Sachs report, p. 251; Overview, p. 57. Similar figures appear in the UN Secretary-General's report. Paragraph 48, p. 16.

the Clean Development Mechanism. The AIV questions these calculations since it feels that juggling with figures and working with averages compromises the international community's firm commitment to allocate 0.7% of GNP to ODA.[22] Compartmentalising ODA will also stand in the way of an integrated approach to security and development.

The individual EU Member States will need to adjust their ODA commitments in the context of the Barcelona Agreements by increasing the minimum norm agreed for each country from 0.39% in 2006 to 0.44% in 2006 for MDG-related activities.[23]

5. The multilateral channel

The Sachs report contains some harsh criticisms of what it sees as the low quality of bilateral and multilateral aid.[24] Various studies have been carried out in the Netherlands to gauge the effectiveness of Dutch development aid on poverty reduction. These studies have concluded that some International Financial Institutions (IFIs), notably the World Bank and certain regional development banks, are doing comparatively well.[25] Yet although *Mutual interests, mutual responsibilities* describes the benefits of channelling aid through the IFIs and other multilateral institutions, the volume of Dutch aid via these institutions is declining (partly as a result of the Ferrier motion). The AIV regrets this trend and advises the Dutch government to consider increasing funding to the IFIs. Additional funding for other UN bodies should only be considered once they have shown that they can improve the quality and effectiveness of their performance.

The report also makes various suggestions for improving coordination within the UN, for example by encouraging greater cooperation from the UN General Secretariat (UN Development Group). The AIV will be returning to this in its response to the UN Secretary-General's report. However, it urges the UN to avoid any increase in bureaucracy since this rarely improves output. To promote local ownership and a more effective use of funding, the AIV would prefer to see coordination and cooperation take place at individual country level and not, or at least far less, within the head offices of the multilateral institutions.

The heavy burden imposed on developing countries by inadequately coordinated donor actions must also be reduced as quickly as possible. The common practice of dialogue between bilateral donors with little input from multilateral organisations must stop. A more inclusive dialogue should also involve the private sector and private donors. Obviously, such talks should respect the individual input of each actor and lead to shared implementation.

6. Non State Actors

Governments are given considerable attention in the Sachs report due to its emphasis on the importance of good governance. Civil society, by contrast, is somewhat neglected. The report states that civil society is making a positive contribution to development by acting as a 'countervailing power' in achieving, enforcing and upholding respect for human rights.[26] However, this contribution is

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22 In footnote 6 of its *Global Monitoring Report 2005*, the World Bank notes that despite all the commitments that have been made so far, the volume of aid for 2010 is still below 0.32%, which is less than it was in the early 1990s.

23 See also the European Commission memorandum of 12 April 2005 (COM(2005)) 133 final (<http://europa.eu.int/comm/development/body/tmp_docs/communication_mdgs_financing_for_development_12_04_2005_en.pdf#zoom=100>), which calls on each Member State to raise its ODA allocation from 0.44% in 2006 to 0.51% in 2010, and to 0.7% in 2015.

24 Sachs report, p. 196 *et seq*. Overview, p. 38 *et seq*.

25 Interministerial Policy Review: *The effectiveness and coherence of development cooperation*, no. 1. The Hague, 2003, pp. 45-46.

26 The UN Secretary-General's report states: 'Not only is civil society an indispensable partner in delivering services to the poor at the scope required by the Millennium Development Goals but it can also catalyse

not explored any further. The AIV holds the opinion that civil society in fact plays a far more diverse role in working towards and securing the MDGs than is suggested by the report. Long before the Copenhagen Social Summit in 1995, for example, civil society organisations were already keeping aspects of the MDGs[27] on the political agenda through a series of national and international campaigns.

Civil society organisations also make a direct contribution to the MDGs by implementing aid programmes in weak or failing states or in countries that are unwilling or unable to prioritise serious problems such as HIV/AIDS. They work at local level to help build and strengthen institutions in countries in the South where government-to-government dialogue is not possible. This improves the chances of a more equable distribution of public funding.

The private sector also receives attention in several places in the report. The AIV sees this as crucial, given that poverty reduction is largely a matter of creating opportunities for people to generate an adequate income in both the formal and informal sectors. The AIV wishes to draw attention to a well-documented practice which highlights the importance of expansion of both the formal and informal sectors as drivers of economic growth. The Sachs report persuasively argues that the problems of rural and urban areas alike can only be resolved through substantial investments in infrastructure, middle-management training and good governance. Without this investment, the 'market' cannot make a structural contribution to resolving problems. This analysis appears to assume that recipient governments, guided and supported by the international donor community and large amounts of ODA, will be capable of making the necessary investments and carrying through the appropriate measures. However, it is difficult to find examples of countries where this formula has proved successful. By contrast, countries such as China, India and Ghana – where the government has given the private sector sufficient scope to attract capital and enterprise, which has in turn strengthened the public sector – have been far more successful. The World Bank's *Global Monitoring Report 2004* also calls for priority to be given to improving the business climate.[28]

The Sachs report makes no mention of the informal sector. Yet it is here that the bulk of the poverty being targeted by the MDGs is concentrated. Nor does it address the issue of microcredit or microfinancing, even though their effectiveness for the informal sector is now widely acknowledged. So much so, in fact, that the UN and UNDP, the initiators of the Millennium Project, have declared 2005 the International Year of Microcredit. The AIV sees this omission as a painful example of lack of coordination within the UN.

7. Recommendations

1. The Millennium Development Goals provide specific benchmarks by which to gauge poverty reduction measures based on universally recognised human rights. Progress should therefore be monitored not just at the global macro-level but above all at the level of individual countries and target groups. Conclusions must be drawn for the relevant actors at each of these levels: international, national, local, government, civil society and the private sector.
2. Drafting national plans and creating implementing capacity are essential for achieving the MDGs at national level. Allocating (additional) ODA funding to the MDGs will only be effective if this condition is met.

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action within countries on pressing development concerns, mobilising broad-based movements and creating grass-roots pressure to hold leaders accountable for their commitments'. Paragraph 38, p. 13.

27 Such as the eradication of child labour and the need for education, reproductive rights, affordable medicines, debt relief, sufficient funding for aid and fair trade.

28 Paragraph 37, p. 13 of the UN Secretary-General's report states that '…without dynamic, growth-oriented economic policies supporting a healthy private sector capable of generating jobs, income and tax revenues over time, sustainable economic growth will not be achieved'.

3. Higher priority must be given to the growth of the financial sector. ODA must therefore be used partly as a lever to improve the business climate in developing countries.
4. The ODA norm (0.7% of GNP) must be fully upheld. The targets for an MDG-related increase in ODA, as laid down in the Sachs report, should be adopted both by the EU as a whole and by individual member states as a minimum norm. Recent proposals by the European Commission on this point should be tightened. National development cooperation budgets should be aligned to the MDGs so that progress can easily be monitored and discussions on other development-relevant activities can be matched to clear financial parameters.
5. Government-to-government ODA for the MDGs will only be effective if the developing country concerned is sufficiently stable and pursuing a policy of good governance. Where this is not the case, assistance can be given in the form of emergency aid and support through NGOs. Activities aimed at conflict prevention or conflict management can create the right conditions to attain the MDGs.
6. Clearer priority should be given to Africa and especially to the need for good governance and the fight against HIV/AIDS. In this context, the AIV wishes to propose an additional criterion for good governance, namely the degree to which a government is able and willing to tackle the HIV/AIDS epidemic within its own borders. Priority for Africa should, however, not be translated into a fixed percentage of ODA for the continent.
7. International donor coordination and cooperation should preferably be concentrated at country level and not at the level of the head offices of multilateral institutions.