

# Frequently Asked Questions about the Church, 0.7% giving and the Millennium Development Goals

## Where did the 0.7% figure come from?

0.7% is the percentage of the rich nations' Gross National Income that development economists and world leaders agree it will take to accomplish the MDGs by the target date of 2015. The figure emerged in 1969 from a Commission on International Development led by Canada's former prime minister, Lester Pearson. The U.S. did not agree to that figure then (though it was approved by the UN General Assembly, of which we are a member), but did sign on to it in 2002 as part of the Monterrey Consensus. Since then, the U.S. government has distanced itself from that figure.

## Is 0.7% anything but a number? Does it have any basis in reality? Has anyone crunched the numbers again since 1969?

The existence of any reasonable figure as a consensus benchmark is important. 35 years is not a long tradition geologically or even ecclesiologically, but it is significant. What is important isn't the absolute accuracy of the 0.7% figure but that it is the benchmark that has been agreed upon time and again for more than a generation. Most notably:

- \*1970 General Assembly Resolution
  - \*2000 Millennium Summit
  - \*2002 International Conference on Financing for Development (Monterrey, Mexico)
  - \*2002 World Summit on Sustainable Development (Johannesburg)
- (Source: UN Millennium Project)

The calculations were done in the '70s and numbers *have* been crunched continually since then. With all the variables involved in the global economy and in the state of global poverty (e.g. the AIDS pandemic didn't exist when the first figure was introduced) the price tag is not going to stay exactly the same. But when you are trying to rally nations and peoples around a promise, having a moving target is pretty unhelpful. The strength of the 0.7% figure is:

- \*It is doable
- \*At all times since it was first introduced it was enough to do what it promised (eradicate extreme poverty).
- \*It is -- to the best extent that all the nations of the world are able to reach a consensus pledge on *anything*-- something that has been universally and repeatedly agreed to.

Jeffrey Sachs, in his book The End of Poverty, uses two different calculations -- one based on World Bank figures and one based on UN Millennium Project and World Health Organization figures and formulas. Given that because baseline surveys of the extent of poverty (and thus the size of the task eradicating it) in many of the poorest, most war-torn countries are not available it isn't possible to exactly determine a price tag for the MDGs, estimates are on one hand (World Bank) it would take about 0.6% of donor nation GNP and on the other (UNMP) between 0.44% and 0.54% of GNP.

Another variable is that every year donor nations don't give aid at the 0.7% level, the figures change and go up. Any way you slice it, the exact price tag will always be an estimate and will always be a moving target.

But, as Sachs' says: "The point is that the Millennium Development Goals can be financed within the bounds of official development assistance that the donor countries have already promised." (TEOP, p. 299)

The 0.7% figure is not pulled out of a hat and it is not unrelated to reality. It is accurate to say that if all the rich nations gave 0.7% of their GNP, the MDGs would be achievable by 2015 (Sachs also points out that both sets of calculations don't take into account potentially costly difficulties in achieving the MDGs created by global climate change -- which very well could raise the price tag back to the 0.7% level). The numbers are continually re-crunched and while no figure can ever be 100% accurate, there has been no reason to call 0.7% inaccurate -- particularly given the number of variables involved.

In brief:

\*0.7% is not a random figure, it has been revisited regularly, and as a ballpark figure it has remained as reasonably accurate as one could hope.

\*0.7% is the benchmark that has been pledged almost universally for 35 years. Given that the figure over time is as accurate as could be hoped for, there is no reason to expect nations not to live up to their word.

\*Even if the figure were ratcheted down to the lowest possible estimate/best-case scenario, it would still be more than double what the United States currently gives.

\*Whether it's 0.44% or 0.7% or 0.99%, we're still talking about less than one percent of our wealth to lift 1.1 billion people out of poverty. Any figure we adopt surely represents the least we can do.

### **What kind of aid are we talking about? Where does it go?**

We're asking for 0.7% of our GNP to be spent in what is called "Poverty-Focused Development Assistance" (PFDA). This description from Bread for the World and The ONE Campaign should help explain:

"Poverty-focused development assistance is a catch-all phrase to describe those accounts within the U.S. foreign aid budget that most effectively provide assistance to poor countries to meet the challenges of reducing poverty and investing in broad-based economic development. These accounts fund the oral rehydration therapy, vitamin A supplementation and immunization programs that have halved childhood mortality between 1960 and 2000. They fund the building of schools, the training of teachers, and the supply of educational materials in the poorest parts of the world. These accounts provide anti-retrovirals -- life sustaining medication -- to hundreds of thousands of Africans who have AIDS....

"The programs funded by poverty-focused development assistance try to integrate lessons learned about effective assistance. Some of these programs are engaging local citizens to determine priorities and monitor the implementation of programs. Others are putting more responsibility and ownership in the hands of national governments that have been democratically elected, have demonstrated that they govern well, and have the interests of the people at heart. Most of the programs work directly with the poorest communities -- through U.S. and local non-governmental organizations, such as Catholic Relief Services, CARE and Save the Children."

### **Isn't most aid misdirected by corrupt governments?**

Corruption is a problem in most governments (even a cursory glance at the news shows us that our government is no exception). But we and other donors are getting much more successful at improving the effectiveness of our aid. The Millennium Challenge Account, proposed and set up by President Bush, directs PFDA only to countries that have a proven record in fighting corruption. In addition, the biggest danger of misdirection of aid occurs with aid given for political and military purposes (the vast majority of foreign aid) rather than development aid. In addition, poverty-focused development assistance actually helps combat corruption -- supporting healthy economies and building infrastructure for societies which in turn enable the rule of law and the ability to enforce it, accounting procedures and the technology to implement them effectively and other foundations of good government.

Maureen Shea, director of our own Office of Government Relations has this to say about safeguards and corruption vis. a vis. foreign aid:

"In terms of foreign aid, there are many mechanisms in place for transparency and accountability. If anything, given how small the figures are, scrutiny of foreign aid spending is in inverse proportion to its size! It is also important to remind people that our giving encourages other countries to do so as well, so that we really do leverage giving.

### **How close is the U.S. to giving 0.7%**

The U.S. gives approximately 0.16% -- but that figure also includes economic assistance for political allies (Egypt and Jordan) and for the drug war. Five nations (Norway, Luxembourg, Denmark, Sweden and the Netherlands) give at 0.7% or above. The U.S. ranks next to last (only Italy gives a lower percentage of GNI).

### **We're asking for 0.7% of our GNP, but that's different from the federal budget. How much of the federal budget goes to PFDA?**

According to estimates drawn by Bread for the World from the House Committee on Appropriations and the White House Office of Management and Budget, 0.39% of the 2005 federal budget went to PFDA. Compare that to 19.1% on national defense, and 7.29% on interest on the national debt.

### **Hasn't the Bush administration done more than any other to work toward the MDGs?**

The Bush administration, with its G8 partners, has made historic progress in debt cancellation and has given more money than any previous administration to combat HIV/AIDS and malaria. Great credit must be given there. At the same time, the gap between rhetoric and reality is widening. What has actually been done has been far less than is needed and far less than was originally promised. In 2002, President Bush stood in front of cameras and pledged U.S. funding for the goals would reach \$5 billion by 2006 (<http://www.whitehouse.gov/news/releases/2002/03/20020314-7.html#>). The president is now asking Congress for a mere \$3 billion in the 2006 budget (<http://usinfo.state.gov/ei/Archive/2005/Feb/11-223970.html>), and the 2007 budget contains cuts in several key development and AIDS prevention programs.

### **But can we afford to give more when we have problems at home and national security crises abroad?**

We can't afford not to. . In his recent State of the Union address, the president made a brief yet compelling case for our moral imperative to address global poverty and the AIDS pandemic and drew a clear connection between those situations and the proliferation of global terrorism. General Colin Powell, former Vice President Al Gore, Bill Gates, a report from the Congressional Budget Office ([http://borgenproject.org/National\\_Security\\_and\\_Poverty-reduction.html](http://borgenproject.org/National_Security_and_Poverty-reduction.html)), and the report of the 9-11 Commission ([http://borgenproject.org/Poverty\\_and\\_Terrorism.html](http://borgenproject.org/Poverty_and_Terrorism.html)) agree that eliminating global poverty is a critical piece of any U.S. national security policy. Powell and Gore both called the AIDS pandemic the single greatest threat to world and national security in the world today.

### **Why should the church embrace 0.7% giving?**

For us, 0.7% is:

**\*A first step** – Even the poorest among us live in greater wealth than the one-sixth of the world's population who live on less than \$1 a day. Giving 0.7% of our income is within everyone's reach because it's proportional. It might require some sacrifice, but it truly is the least we can do – less than 1% of what we have to lift people out of extreme poverty. In Matthew 25, Jesus lays out the criteria by which we will be judged – living into what Desmond Tutu calls "God's preferential option for the poor." 0.7% giving is a quick win. An easy way to put our feet on the path of living this Gospel imperative not just locally but globally.

**\*A symbol** – Anyone can sign a petition. Anyone can hold an opinion or read a pamphlet. In our society, we value things with our money. Giving even as small an amount as 0.7% to work that supports the MDGs represents our tangible commitment to this mission. It also gives us moral standing to tell our nation's leaders that our nation should do the same. At a time when mainline denominations are flagging, this is an opportunity to make a positive and inspirational statement that the Episcopal faith is a *lived* faith. That in a time where religious institutions are suspect for talking a talk without walking a walk, that the Episcopal Church has closed the gap between rhetoric and reality.

**\*A doorway** – Giving 0.7% is not just about writing a check. It's about building a relationship. EGR encourages people to use their 0.7% gift as an opportunity to discern where they fit into God's mission of global reconciliation – as an opportunity to build relationship with other people and organizations who are making the MDGs a reality. At its best, the 0.7% gift is more than a check but a doorway to a relationship that will bear fruit long after the money is spent.

The last point is particularly important. The 0.7% gift is an opportunity for a diocese, congregation or individual. You can write a check to ERD or some other such organization – and that is an amazing way to have our money used incredibly effectively. But for those who wish to go deeper, there is the opportunity to do much more. The research and conversation about where to spend the money is in itself an invaluable educational experience. For dioceses and congregations that have people who are currently involved in MDG-related ministries, it is a way to support them. For dioceses involved in companion relationships, it becomes a resource for common mission.

At every level, 0.7% giving for the MDGs is an opportunity for transformation.

**We already give at least 0.7% of its budget internationally to things that the MDGs address. Does this count?**

When we talk about 0.7% going toward the MDGs, that means that money can go to anything that directly contributes toward any of the MDGs happening. It can be a college student in North Carolina giving to a school fees fund in a Liberian refugee camp (MDG#2 - Universal primary education). It can be the Diocese of Missouri giving to nutrition programs in their companion diocese that contribute to child health (MDG #1 - eradicate extreme poverty and hunger; MDG#2 - reduce child mortality). It can be a congregation in San Diego writing a check to ERD, who will use it in their work with HIV-positive women in South Africa (MDG #6 - Combat HIV/AIDS, malaria and other diseases). Whatever you are currently doing in these arenas certainly "counts".

Some things are trickier. Does airfare for pilgrimages "count"? Well, maybe the biggest value comes not in having a strict chart with a "counts" and "doesn't count" column but in each person, congregation, diocese and the whole Church having the conversation about what really meets the Spirit of the commitment. Having those prayerful conversations is the best way to have the 0.7% be not just a check or an obligation filled but an active process of discernment of God's will for us to be part of global reconciliation.

Beyond that, though, our hope is that individuals, congregations, dioceses and our national church structures will -- even if they can do the math and already add up that they are meeting the 0.7% level of giving -- **use this as an opportunity to do a new thing and make an explicit statement by inserting a new line item with new money in their budgets that specifically represents 0.7% for the MDGs.** We urge this because:

\*Ongoing ministries are important, but there is a great educational and mission benefit to every year examining where money not earmarked for a specific ministry but instead to somehow address the MDGs might be spent (it's also a LOT of fun awarding that money after starting from a tabula rasa each year).

\*When you think about it, we're talking about less than one percent. Much like the tithe, we should really be talking about this as a minimum standard of giving.

\*There is value in advocacy and education to have a distinct line item in the budget so that the MDGs are always in front of us and we can point to it as integral to our mission.

\*In ecumenical and interfaith efforts around the MDGs, it makes it clearer and easier for us to speak with authority as standard-setters and bearers for engaging this important work.