

Millennium Villages and Strategic Financial Management Vantage: Gate – Sachs Entrepreneurial Analytical Intersect

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Abstract

This study examines the millennium villages project (MVP) concept in the light of strategic financial management – driven sustainable expansion, extension and sensation yearnings. Thus far, highly plausible millennium development goal (MDG) – related outcomes of the MVPs have been posted by Jeffrey Sachs, the lead initiator, which equally captures the *Ikaram MVP* in Ondo State of Nigeria. Nonetheless, reservations from concerned international watchers, including Bill Gates, border on perceived heightened idealism. The thrust of this study represents constructive *projected* and *expected* possibility intersect from both sides of the divide. This meaningful cross-fertilization should foster socio-entrepreneurial concord rather than discord among workers and watchers. It should go all the way to power the MVPs on the path of ultimate concretization of the MDGs as well as consummate actualization of the strategic financial management social-economic synergy, particularly in terms of sustained welfare of operatives, executives, and wider-society relatives.

Keywords: Millennium villages, Strategic financing, Socio-economic entrepreneurship

1. Introduction

Millennium Promise is one leading non-profit organization that has been championing the realization of the millennium development goals (MDGs) by 2015. Its programmes are supportively implemented by the United Nations Development Programme (UNDP) and other partner organizations. Their efforts got a huge boost when the Earth Institute at Columbia University came up with the Millennium Village Project (MVP) concept. The MVP, principally identified with the Earth Institute, UNDP, and Millennium Promise, has come under strict scrutiny of many concept analysts in recent times. From *UN Millennium Project* annals, the first millennium village started in Sauri, Kenya in August 2004 where the villagers were said to be suffering from chronic hunger. The second millennium village followed suit in Koraro, Ethiopia in February 2005; and thereafter, the Japanese Government provided financial support which enabled the Earth Institute, UNDP and Millennium Promise to advance 12 additional millennium villages, with the Nigerian nation benefitting. The *UN Millennium Project* identifies the latter target nations as Ethiopia, Ghana, Kenya, Malawi, Mali, Rwanda, Senegal, Tanzania, and Uganda; which were contextually perceived as reasonably well-governed, stable, but with hunger hotspots (UNDP, 2014; Wikipedia, 2012; Nwokefor, 2008).

On the economic side, he selected locales prevail as top agro-ecological zones in the region, representing 93 percent of the agricultural land area and homes of 90 percent of the agricultural population. Reports further indicate that the Government of Japan, through its Human Security Trust Fund, and private philanthropic donors, under the auspices of the Earth Institute, made poverty-ending investments in agriculture, health, education, and infrastructure (Wikipedia, 2012; Ijaduola, 2008). While the initiators and administrators of the MVP are all well recognized, one personality who appears to be on the windy receiving end of skepticisms is Jeffrey Sachs of the Columbia University's Earth Institute. For the purpose of this work, Sachs is hereinafter referred to as *The Strategist*. Many critics of the MVP contend that the concept is too idealistic to be synergistic. Bill Gates, the Co-Chair of the Bill & Melinda Gates Foundation, anchors his reservations mainly on Nina Munk's work, *The Idealist: Jeffrey Sachs and the Quest to End Poverty*. For the purpose of this work, Gate is hereinafter referred to as *The Philanthropist*.

Before critically analyzing the impressions and counter-assertions, it is note-worthy that *The Strategist* stands out as an entrepreneur with lofty *social profitability* intent. McAfee's (1998) recognition of entrepreneurs as persons with burning desire, drive and dogged determination couple with the persistence to seek, learn the facts that lead to success in a given pursuit. In this case, the given pursuit is the MVP. Further harnessing McAfee's (1998) profiling, a comprehensive enumeration of entrepreneurial success facts is provided in Table 1:

Table 1: Characteristics of a Successful Entrepreneur

S/N	Characteristics
1.	A self-starter
2.	Takes charge of things
3.	Plans on paper before starting anything
4.	Generally is an organized person
5.	Gets along with and loves people
6.	Enjoys helping people realize their potential
7.	Stubborn – once the mind is made up is not easily dissuaded
8.	Makes decisions quickly
9.	Has high energy level and takes health and vitality seriously
10.	Disciplined; gets up early; exercise; will keep moving as long as it takes to get a job done
11.	Is not afraid of doing what most people dislike doing
12.	Is ‘God-conscious’ and looks to him for strength and guidance
13.	Is self-confident and remains optimistic in the face of challenges (what others call problems)
14.	Has ‘stick-to-it-ive-ness; preserves; follows through with a commitment
15.	Is resourceful with an ability to handle things as they come up
16.	Has a pronounced need to achieve
17.	Is objective with an uncanny ability to see the whole picture
18.	Has high esteem
19.	Has a keen sense of humor and ability to enjoy life
20.	Is persuasive and believable
21.	Is enthusiastic and puts 100% into everything he or she does
22.	Maintains personal integrity at all cost

Concerning projects with *financial profitability* intent, Patel (2000) conducted two studies at different times, and came up with results which reveal that the most preferred appraisal technique is the *internal rate of return (IRR)*. It got the highest frequencies of 27.75% and 28.43% respectively. Other statistical details availed by Patel (2000), relative to the respondents’ preferences, are provided in Table 2:

Table 2: Evaluation of Techniques by Firms (Percent of Respondents)

S/N	[Panel A] Techniques Used	%	%
1.	Accounting Rate of Return	15.75	4.38
2.	Payback Period	25.75	21.36
3.	Discounted payback period	-	13.15
4.	Net present value	27.75	22.21
5.	Internal rate of return	27.75	28.43
6.	Modified internal rate of return	-	3.39
7.	Profitability index	-	2.69
8.	Net terminal value	0.75	3.11
9.	Other	5.25	1.27
	[Panel B] Number of Techniques Used		%
1.	Only one		16.1
2.	Two		25.0
3.	Three		30.4
4.	Four		19.6
5.	Five		3.6
6.	More than five		5.4

In non-commercial project settings where the above appraisal techniques are not strictly applicable, the *social rate of return (SRR)* holds sway by characteristically facilitating social cost – benefit analysis (SCBA). The fundamental reasons for carrying out SCBA border mainly on the manifestation of market imperfections, externalities, and concerns for taxes/subsidies, savings, distribution, and merit wants (Patel, 2000). Accordingly, the United Nations Industrial Development Organization (UNIDO), in its SCBA approach, underscores:

- Assessment of financial profitability based on market price of resources and output;
- Assessment of net benefits of projects based on economic prices; and
- Adjustment for net economic costs and benefits relative to the afore-stated concerns.

Still, from strategic financial management (SFM) point of view, Aborode (2005) identifies three foremost non-financial objectives which are vitally imperative to project success and sustainability as

meaningful enhancement of:

- Welfare of employees,
- Welfare of management, and
- Welfare of society.

Nonetheless, whether a project is *for-profit* or *not-for-profit*, it is expected to be purposefully shaped and driven by nine managerial ideals emphasized by the Project Management Body of Knowledge (PMBOK). Heagney (2012) captures such fundamental perspectives as project integration management, project scope management, project time management, project cost management, project quality management, project human resources management, project communications management, project risk management, and project procurement management. The conceptual specification of the above perspectives, as showcased by Heagney (2012), are extracted and presented in Table 3:

Table 3: Highlight of Project Management Core Areas

S/N	Area Specification	Critical Emphasis
1.	Project integration management	Proper planning, execution and control
2.	Project scope management	Proper authorization, demarcation and verification
3.	Project time management	Proper scheduling and control
4.	Project cost management	Proper cost estimation and detailing
5.	Project quality management	Proper results planning and monitoring
6.	Project human resources management	Proper staff identification, acquisition and administration
7.	Project communications management	Proper information acquisition and dissemination
8.	Project risk management	Proper identification, quantification, analysis and response
9.	Project procurement management	Proper itemization and selection of vendors

Against the backdrop of the fore-going, project management dimensions, seemingly dissenting assertions and submissions of *The Strategist* and *The Philanthropist* may as well come melting (centripetally) in the direction strategic socio-entrepreneurial harmony.

2. MVP: The GATE – Perceived Grays and SACHS – Profiled Strides

The Philanthropist, over the years, has become well renowned in supporting humanitarian courses with his mega entrepreneurial fortunes. However, the MVP does not yet seem to thrust the desired attraction in his direction. He rather sees something wrong with the MVP idea, noting that it has experienced all kinds of problems ranging from drought to political unrest (Gates, 2014). According to him, millennium village leaders encourage farmers to switch to new crops which are in higher demand in richer countries, while experts are on ground to help the farmers to produce good crop yields by use of fertilizer, irrigation, and better seeds. However, the MVP does not simultaneously invest in developing the markets for the crops. Again, through the *rearview mirror*, he contends that the MVP has no economic model for the sustenance of success once the dollars ran out. He admits that all interventions involving health, agriculture, infrastructure, education, and business seed money, make sense if carried out carefully over time. He equally decries the non-consideration of country budgets in the MV conceptual framework, as well as inadequate endeavour towards convincing governments to commit additional funds from taxation to advance more of the interventions domestically.

In response, *The Strategist* contends that the agricultural strategies and choices associated with the MVP are led by some of the very best of Africa's agronomists, who often work hand-in-hand with *The Philanthropist's* agricultural staff in the *Alliance for a Green Revolution in Africa (AGRA)*. For sustainability and scalability, he already sees host governments as strong advocates of the MVP approach. He cites the Nigerian nation as one using the MVP concept for country-wide delivery of health and education services in all 774 of the country's Local Government Areas (LGAs). Furthermore, many governments across the African region had accessed external funds to scale up the MVPs themselves; 12 other countries are starting or have approached the MVP to help them start their own millennium villages. The *Pan African Youth Leadership Network*, a body of Africa's own young people had visited the millennium village in Senegal, and requested support for the MVP to expand in their home countries and regions (Sachs, 2014). This, according to him, goes to show that African political and community leaders accept the MVP modes as veritable means of combating poverty, especially in the rural parts of the region.

3. Conceptual Convergence and Strategic Financial Management Imperatives

As *The Strategists* submissions seek to substantiate the existence of what *The Philanthropist* sees as missing, one logical reality is that the focal perspectives in contention become amplified as the truly critical fundamentals of MVP success and sustainability. Without prejudice to the quest of *skeptics* for greater pragmatism, the *protagonists* are deeply convinced that lives of rural villagers in the MVP community have been tremendously

transformed in a very short period of time. According to them, the MVP has been efficacious through effective collaboration, science-based interventions in all sectors, knowledge sharing, and increased funding (UNDP, 2014; Wikipedia, 2012). With respect to funding, the Government of Japan (through its Human Security Trust Fund) and private philanthropic donors (especially the Earth Institute at Columbia University) financed the first set of millennium villages. The funds represent critical intervention and strategic poverty-ending investments in agriculture, health, education, and infrastructure. Fundamentally, a millennium village is financed by donors at annual incremental cost of just \$60 per village (that is \$250,000 per village annually). The sum of \$50,000 is required to cater for administrative overhead costs of the MVP annually (UNMP, 2014). On a per-person basis, a millennium village total cost outlay is \$120 per person, represented by:

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|--|------|
| • Donor funds | \$60 |
| • Local and national governments funds | \$30 |
| • Partner organizations funds | \$20 |
| • Village members funds (time and expertise) | \$10 |

Under the Nigerian budgeting system, millennium village advocates would have to doggedly grapple with the rigours of ministerial circularization, estimates preparation, submissions collation/consolidation, appropriation bill presentation to the legislature, appropriation bill consideration by the legislature, appropriation bill confirmation by the executive, and executive – legislature positions harmonization. This is then followed by implementation, monitoring and evaluation (Agundu, 2008; Agundu, 2012). External financing needs of the MVP are projected at \$70 per capita, which is in line with the financial commitment made by leaders of G8 nations to raise their development assistance to Africa to the equivalent of \$70 per capita by 2010. Presently, the MVP works in communities across 17 African countries, each with a unique set of environmental, cultural and political challenges to development. It holistically seeks to increase economic and agricultural output, reduce gender disparities, provide education for all, improve health, and develop basic infrastructure (including access to safe drinking water and sanitation services). It achieves sustainable development is achieved by actively involving the community and local government in the related activities (UNMP, 2012; Alimba, 2007).

Nigeria plays host to two MVP sites located in Pampaida, Kaduna state, and Ikaram, Ondo state. In recent times, critical reference is made to the *Ikaram MVP*, which is funded by United Nations Development Programme (UNDP), Columbia University's Earth Institute, Millennium Promise, donors, and Ondo State (Bantanse, 2008). When the *Ikaram MVP* started in 2006, a working relationship was established with the Ondo State Government (ODSG) and the local village leaders, to allow the community to guide the project's activities, culminating in the synergistic progress recorded thus far, particularly including:

- Information and Communications Technology (ICT) Centers, providing the communities with youth-oriented activities and computer access;
- Agricultural inputs distribution to nearly 1000 village farmers in the first six months;
- Teachers, numbering 125, recently sensitized on modern teaching methods;
- Tables, chairs and information resource rooms constructed for students;
- Four MVP health clinics sited across the village cluster, providing free, 24- hour health care services; and
- Eighteen new boreholes constructed to provide clean water to the community.

Upgrading the school environment is critical to effective teaching and learning (Bantanse, 2008; Ahmed, 2007; Bwala, 2007). It touches on school structures, infrastructure and recreational facilities, as good environment not only attracts pupils, but also motivates the teachers. The construction of new schools across the MVP cluster has improved the enrollment rate, pupils' attendance and quality of teaching. Apart from the fact that the original school structures were no longer conducive for learning, the buildings were not enough to accommodate the pupils, a situation which leads to poor academic performance. Besides, increases in enrollment, the school pupils' performance has improved. The agricultural segment is also actively working with farmers throughout the village cluster to increase agricultural outputs and diversify crop production. Diversification has made MVP farmers more competitive in local markets, even as the MVP agriculture sector distributed maize inputs to 709 farming households at 100% subsidy (Bantanse, 2008). The crops grown in the *Ikaram MVP* cluster, in addition to providing income for farmers, yield harvest which are used in feeding citizens who live in the millennium villages. Women and primary school teachers have been trained to appreciate the importance of dietary diversification using plants, even as the MVP collaborates with International Institute of Tropical Agriculture (IITA) to establish and maintain a Farmer's Field School for the cluster. In addition to crop production, the MVP is training farmers on improved and commercial breeding methods for poultry, turkey, sheep, goats, snails and fish. The farmers are later exposed on how to capitalize on the emerging opportunities afforded by the new breeding methods.

The implementation of free 24-hour health services in the MVP cluster, with continuous coverage by skilled birthing staff portend significant increase the number of antenatal clinic (ANC) visits, as well as the

number of deliveries occurring in a health facility. In the *Ikaram MVP* cluster, the number of ANC visits increased by 150%, comparing the first six months in each assessment year. The ANC visits provided time for experts to treat the women to important family health messages, including proper ways to care for infants and children, the importance of childhood vaccinations, hand washing, proper nutrition, availability and utility of family planning methods, amongst others (Bantanse, 2008; Achunine, 2005).

4. Conclusion

The millennium villages were conceptualized to strategically fight poverty at the village level through community-led development initiatives, anchored on the MDGs. Each MVP is to be integrated into the existing state and local government structures for continuity. Thus, as project assistance from donor agencies draws to a close, the initiatives and supporting financial investments are to be sustained and better well driven by government and the benefitting communities. Essentially, the latter duo logically takes over full ownership of the project from that moment onwards. This is the way *The Strategist* has patterned it. This workability and sustainability pathway (in view of the rolled-out performance documentary on *Ikaram MVPI in Nigeria*) is in line with the anticipated benefits of conscientious adoption of strategic planning in the concretization of projects. According to Aborode (2005), for this to be anticipated:

- Purpose should be clearly defined and realistic goals/objectives well established, consistent with the mission;
- Goals and objectives should be effectively communicated to the constituents;
- Sense of ownership of the plan is should be well developed;
- Resources should be well utilized with focus on key priorities; and
- Basis of progress measurement should be provided, strategic mechanism for informed change when necessary.

Concerning apparently dissenting views on the MVP concept, the contributions of both the protagonists and the skeptics rather paradoxically strengthen the ideals propagated or advocated by themselves when cross-analyzed from both sides of the divide. In the light of this, latent conceptual unity in diversity is established, with the centripetal grill lending credence to the preference for collaborative conceptualization, sensitization and standardization. The position of Martin (2014) is, therefore, quite insightful, that strategic issues often devolve into pitched battles over *who is right* and *who is wrong*. He contends that the imperative concern should rather be on how to reshape a discourse to produce collaboration (concord) rather than discord. This then switches the fundamental question under consideration from *what is true?* to *what would have to be true?* In his reasoning, the former provokes arguments and minimizes the collaborative exploration of ideas; but a focus on the latter makes the discourse head in a much more collaborative direction. He exemplifies that, if an idea strikes a person less compelling, and he goes ahead to ask himself what would have to be true for him to think that it is a great option, then he will be able to identify such features and explore whether they really hold true; and he may in the process modify and enhance his own ideas. This is the way to objectively foster collusion rather than collision courses, particularly in socio-developmental initiatives like the MVP. Extending this thought-line further to the MVP, analysts should comprehensively come to terms with *what would have to be true* for the concept to post more realistic and synergistic frames. Ultimately, *The Strategist's* primordial intent should be capacitated and widely seen to be facilitating and promoting the much-desired:

- Sustainable, scalable, community-led progress toward the achievement of the MDGs through scientifically validated interventions on a *one village at a time* basis;
- African ownership of the MDGs, in partnership with African governments and regional groups;
- Increased community empowerment in Africa, through training and knowledge sharing with local African governments, NGOs, and village communities;
- Partnership with the public and private sectors, innovative NGOs, universities/leading experts, and the international donor community throughout Africa and the world at large for consolidated improvement and coordinated development; and
- Transformation of rural sub-subsistence farming economies into small-scale enterprise development economies, with strategically diversified entrepreneurs ultimately in view.

Essentially, the concern and advocacy of *The Philanthropist* for MVP sustaining *strategic friendship* should be well taken in Nigeria and other focal African nations, with reassuring inter-partner compliance (Gates, 2014). This will take their economies to higher heights/pedestals in their efforts towards to fit and meet MDGs by the target year 2015.

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