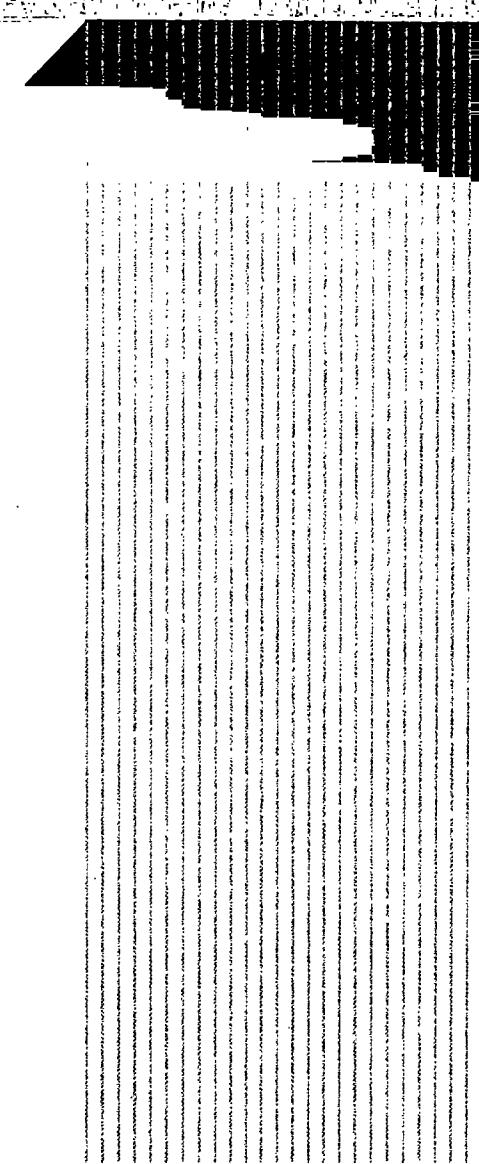


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Millennium Development Goals



From the World Development Indicators



The World Bank

**We will spare no effort
to free our fellow men,
women, and children
from the abject and
dehumanizing
conditions of extreme
poverty, to which more
than a billion of them
are currently subjected.**

United Nations Millennium Declaration, September 2000



At the Millennium Summit in September 2000 the 189 states of the United Nations reaffirmed their commitment to working toward a world of peace and security for all—a world in which sustaining development and eliminating poverty would have the highest priority. The Millennium Declaration was signed by 147 heads of state and passed unanimously by the members of the UN General Assembly. A year later the events of September 11th demonstrated that the words of the Millennium Declaration must be matched by actions to improve people's lives now and to give them hope for their future.

The Millennium Development Goals grew out of the agreements and resolutions of world conferences organized by the United Nations in the past decade. Brought together as a set of “international development goals” in 1996, they have been widely accepted as a framework for measuring development progress. The goals focus the efforts of the world community on achieving significant, measurable improvements in people’s lives. They establish yardsticks for measuring results, not just for developing countries but for the rich countries that help to fund development programs and for the multilateral institutions that help countries implement them.

The first seven goals are directed at reducing poverty in all its forms: lack of income, education, and health care; hunger; gender inequality; and environmental degradation. Each is important by itself, but they should be viewed together because they are mutually reinforcing. Better health care increases school enrollment and reduces poverty. Better education leads to better health. And increasing incomes gives people more resources to pursue better education and health care and a cleaner environment.

The last goal—building a global partnership for development—is about the means to achieve the first seven. Countries that make a commitment to better policies, better governance, and poverty reduction should receive increased assistance. Countries that are poor and heavily indebted will need further help in reducing their debt burdens. And all countries of the world will benefit if trade barriers are lowered, allowing the freer exchange of goods and services.

The Millennium Development Goals serve as guideposts. The goals were set for all countries, but some middle-income countries have set even higher standards for themselves. For the poorest countries many of the goals seem far out of reach. Even in better-off countries there may be regions or ethnic groups that lag far behind. So countries need to set their own goals and work to ensure that poor people are included in the benefits of development.

The Millennium Development Goals

- **Eradicate extreme poverty and hunger**
- **Achieve universal primary education**
- **Promote gender equality and empower women**
- **Reduce child mortality**
- **Improve maternal health**
- **Combat HIV/AIDS, malaria, and other diseases**
- **Ensure environmental sustainability**
- **Develop a global partnership for development**

Are we reaching the goals?

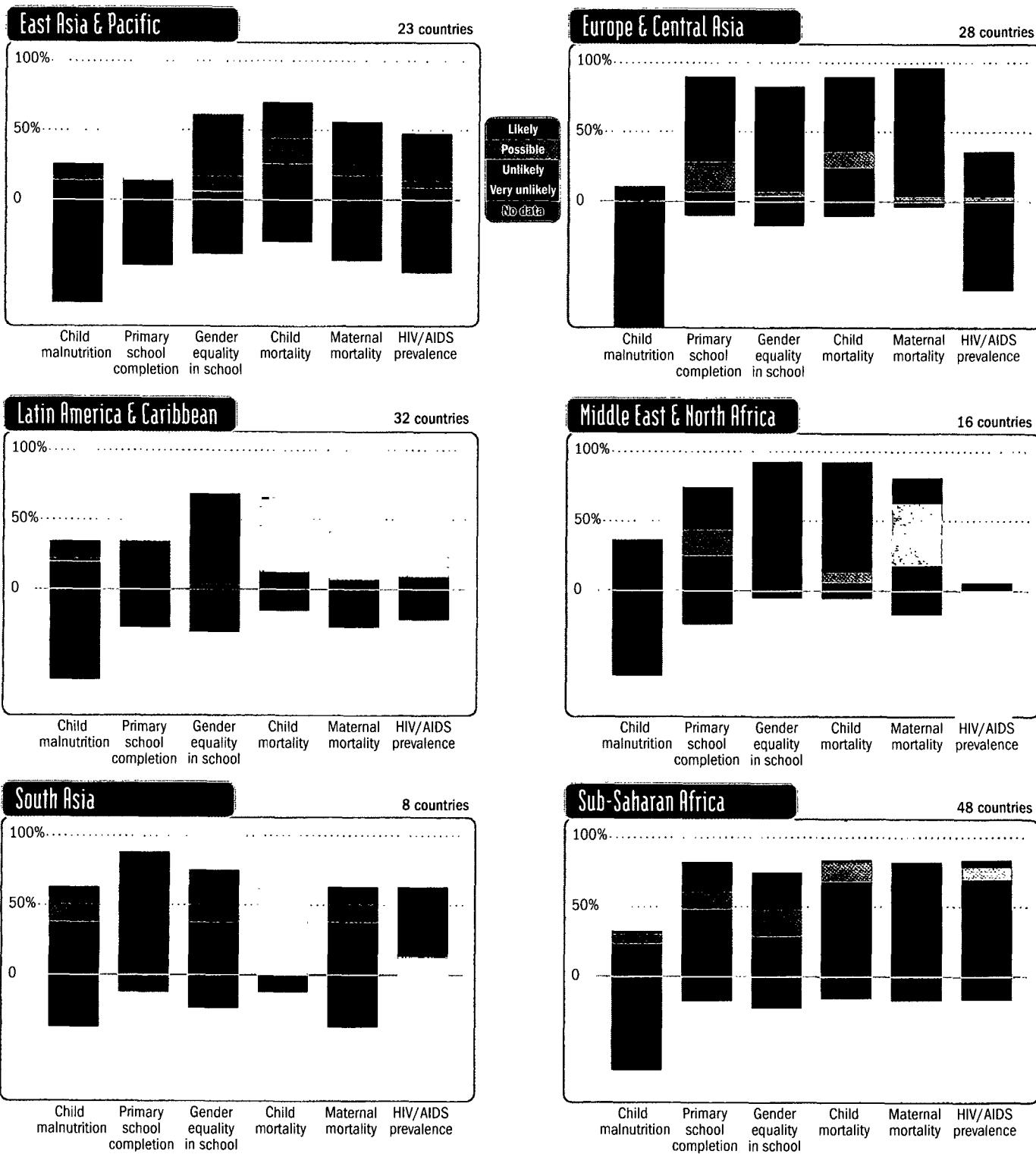
The eight Millennium Development Goals comprise 18 targets and 48 indicators. Where possible, the targets are given as quantified, time-bound values for specific indicators. A complete list of the goals, targets, and indicators appears at the end of this booklet. Data for the indicators come from official statistics and surveys conducted by countries and international agencies. Most of the data are included in *World Development Indicators*, but missing data and the lack of reliable statistics limit the ability to monitor progress.

How many countries are likely to reach the Millennium Development Goals? Much depends on whether the progress in the past decade can be sustained—or accelerated in countries falling behind. The charts show the prospects for low- and middle-income countries of reaching six of the targets of the Millennium Development Goals.

Prospects for each country have been assessed based on its rate of progress over the past decade and, in some cases, on its level of attainment. For two indicators lacking time-series data—maternal mortality and HIV/AIDS prevalence—prospects have been assessed based on level alone. The assessments were made country by country, and the results were added up to show regional differences.

- **Countries in green** made progress in the 1990s fast enough to attain the target value in the specified period (by 2005 for gender equality and by 2015 for all others). They are “likely” to achieve the goals.
- **Countries in yellow** made progress, but too slowly to reach the goals in the time specified. Continuing at the same rate, they will need as much as twice the time as the “likely” countries to reach the goals. Rated “possible,” they need to accelerate progress.
- **Countries in orange** made still slower progress. They are “unlikely” to reach the goals. To reach them, they will need to make progress at unprecedented rates.
- For **countries in red**, conditions have worsened since 1990, or they currently have very high maternal mortality and HIV/AIDS prevalence. They are “very unlikely” to reach the goals.
- And **countries in gray** lack adequate data to measure progress. Improvements in the statistical systems of many countries are needed to provide a complete and accurate picture of their progress.

These assessments are based on performance. They are not final verdicts, but they are a warning. Too many countries are falling short of the goals or lack the data to monitor progress. Now is the time to take actions to accelerate progress, not 5 or 10 years from now.



The indicators and their targets

Child malnutrition

Indicator: Prevalence of malnutrition among children under age five, measured by weight for age (wasting).
Target: Reduce by half between 1990 and 2015.

Primary school completion

Indicator: Percentage of children of appropriate age completing last grade of official primary school.
Target: Achieve 100% completion by 2015.

Gender equality in school

Indicator: Ratio of girls to boys enrolled in primary and secondary school.
Target: Achieve equality in enrollment ratios by 2005.

Child mortality

Indicator: Under-five child mortality.
Target: Reduce by two-thirds between 1990 and 2015.

Maternal mortality

Indicator: Maternal deaths per 100,000 live births.
Target: Reduce by three-quarters between 1990 and 2015.

HIV/AIDS prevalence

Indicator: Prevalence of HIV/AIDS among young women (ages 15–24).
Target: Have halted by 2015 and begun to reverse the spread of HIV/AIDS.

Eradicate extreme poverty...

The Millennium Development Goals call for reducing the proportion of people living on less than \$1 a day to half the 1990 level by 2015—from 29 percent of all people in low-and middle-income economies to 14.5 percent. If achieved, this would reduce the number of people living in extreme poverty

More growth needed

Recent projections by the World Bank show that it is possible to achieve the poverty reduction goal in most regions if growth in per capita income accelerates to an average of 3.6 percent a year. This would be nearly twice the rate achieved over the past decade, but such growth is possible:

China averaged almost 9 percent annual growth in GDP per capita in the 1980s and 1990s.

In **Vietnam** average growth of close to 6 percent in the 1990s reduced the incidence of poverty by more than a third between 1993 and 1998.

In **India** faster growth in the past decade helped to reduce the proportion of people living in poverty.

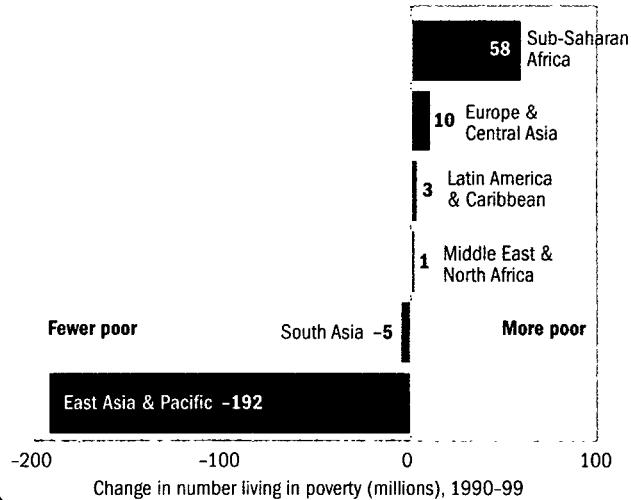
By the end of the decade there were signs that many transition economies in **Europe and Central Asia** had recovered from the sharp contractions and economic instability after the breakup of the Soviet Union.

In **Latin America and the Caribbean** extreme poverty is concentrated among minority groups and indigenous peoples, but the collapse of growth in **Argentina** has exposed millions more to falling living standards.

Sub-Saharan Africa remains the greatest cause for concern. Highly dependent on commodity exports and still experiencing political and economic instability, the region is expected to achieve growth in GDP per capita of no more than 1.5 percent a year. This will reduce the poverty rate only slightly, and the number of poor people in Africa will continue to rise.

to 890 million (or to 750 million if growth stays on track). And while poverty would not be eradicated, that would bring us much closer to the day when we can say that all the world's people have at least the bare minimum to eat and clothe themselves.

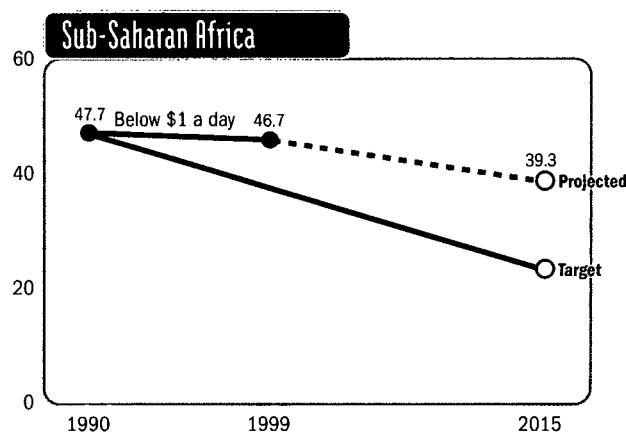
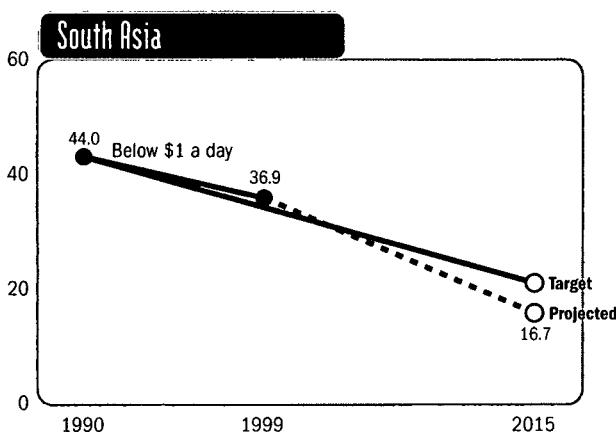
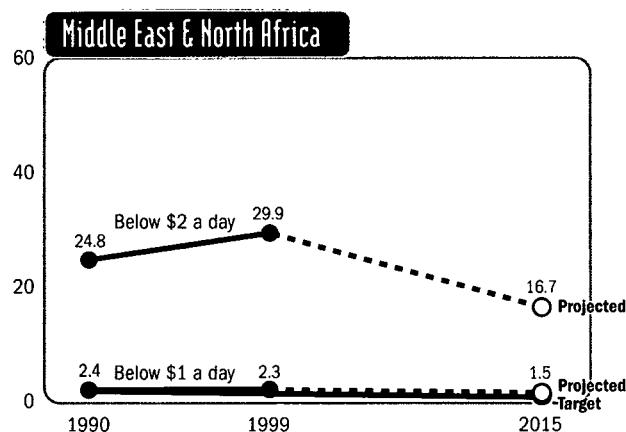
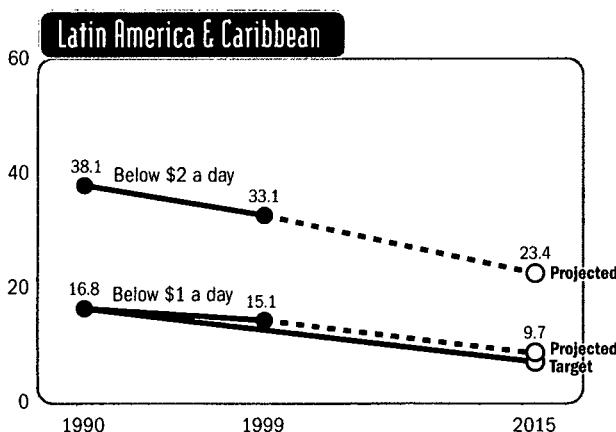
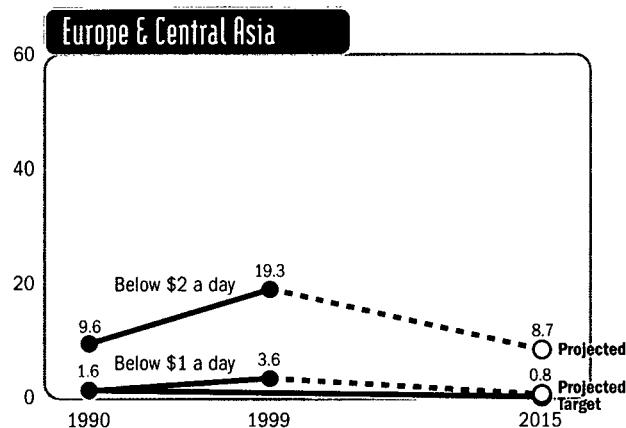
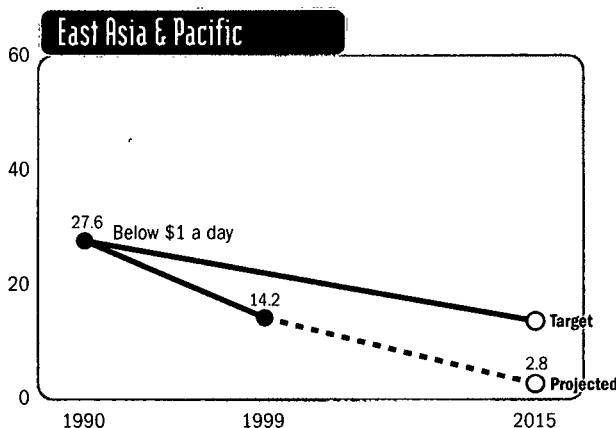
Fewer people in extreme poverty—led by Asia



By the end of the 1990s there were 125 million fewer people living in extreme poverty, continuing a downward trend that began in the early 1980s. But much of the progress has been in Asia, where sustained growth in China lifted nearly 150 million people out of poverty after 1990. Faster growth in parts of South Asia has also led to modest declines in the number living in extreme poverty. In other regions the number of poor people has increased even as the proportion in extreme poverty has fallen.

With sustained growth, many regions will achieve the goal

Population living below \$1 and \$2 a day (%)



●—● \$1 a day poverty rate

●—● \$2 a day poverty rate (selected regions)

●—○ Average path to \$1 a day target

Fewer people in poverty everywhere except in Sub-Saharan Africa

During the 1990s GDP per capita in developing countries grew by 1.6 percent a year. The proportion of people living on less than \$1 a day fell from 29 percent to 23 percent, but the number of people in extreme poverty decreased by only 10 percent, and the number of people living on less than \$2 a day increased. To reach the poverty reduction goal and to further reduce the number of people living on less than \$2 a day, sustained rapid growth will be needed.

Fast growing East Asia should see the number of people living on less than \$2 a day fall by nearly two-thirds—to 284 million—if it can sustain long-term growth of 5.4 percent a year.

In slower growing South Asia the number of people living on less than \$1 a day will decline, but there will be little change in the number living on less than \$2 a day—about 1.1 billion.

And for even slower growing Africa the number of people living in poverty will continue to increase. By 2015, 600 million people—almost 70 percent of the population—will live on less than \$2 a day.

Growth is not enough

Economic growth raises incomes and—as long as income distributions don't worsen—has a substantial effect on the incomes of people living below the poverty line. Sustained economic growth, based on good policies and productive investment, is needed, but growth alone will not bring about improvements in education and health outcomes. Nor will it redress the social and political imbalances that trap people in poverty. To achieve the Millennium Development Goals, poor people must be empowered to take steps to improve their lives, and governments must assist them by ensuring that they can obtain the services they need.

Despite progress, millions remain in extreme poverty

Number of people living on less than \$1 a day (millions)

| | 1990 | 1999 | 2015 |
|---------------------------------|--------------|--------------|------------|
| East Asia and Pacific | 452 | 260 | 59 |
| (excluding China) | 92 | 46 | 6 |
| Europe and Central Asia | 7 | 17 | 4 |
| Latin America and the Caribbean | 74 | 77 | 60 |
| Middle East and North Africa | 6 | 7 | 6 |
| South Asia | 495 | 490 | 279 |
| Sub-Saharan Africa | 242 | 300 | 345 |
| Total | 1,276 | 1,151 | 753 |
| (excluding China) | 916 | 936 | 700 |

Source: World Bank staff estimates.

And millions more live on less than \$2 a day

Number of people living on less than \$2 a day (millions)

| | 1990 | 1999 | 2015 |
|---------------------------------|--------------|--------------|--------------|
| East Asia and Pacific | 1,084 | 849 | 284 |
| (excluding China) | 285 | 236 | 93 |
| Europe and Central Asia | 44 | 91 | 42 |
| Latin America and the Caribbean | 167 | 168 | 146 |
| Middle East and North Africa | 59 | 87 | 65 |
| South Asia | 976 | 1,098 | 1,098 |
| Sub-Saharan Africa | 388 | 484 | 597 |
| Total | 2,718 | 2,777 | 2,230 |
| (excluding China) | 1,919 | 2,164 | 2,040 |

Source: World Bank staff estimates.

Per capita consumption of \$1 a day represents a minimum standard of living, yet more than a billion people live on less. In middle-income economies a poverty line of \$2 is closer to the practical minimum. In 1999 an estimated 2.8 billion people were living on less than \$2 a day—more than half the developing world. The projections for 2015 assume growth in GDP per capita averaging 3.6 percent a year for all developing countries.

...and hunger

Malnutrition in children is caused by consuming too little food energy to meet the body's needs. Adding to the problem are diets that lack essential nutrients, illnesses that deplete those nutrients, and undernourished mothers who give birth to underweight children.

Raising incomes and reducing poverty is part of the answer. But even poor countries need not suffer high rates of child malnutrition. They can make big improvements through such low-cost measures as nutrition education and food supplementation and fortification. Other things that help include improving the status and education of women, increasing government commitment to health and nutrition, and developing an effective health infrastructure.

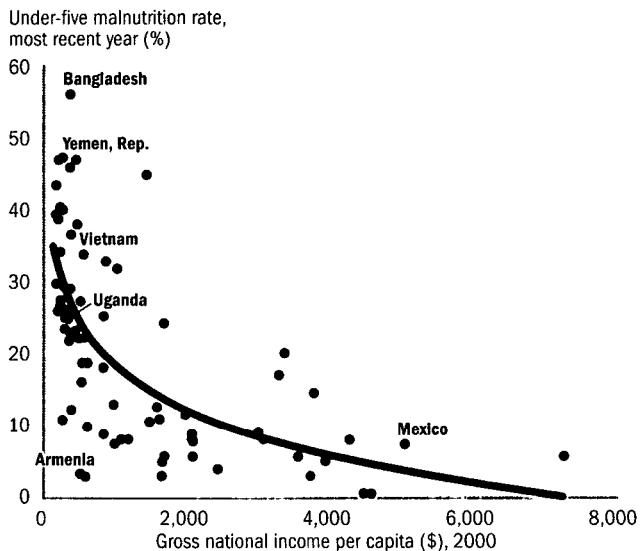
Improving but persistent

Most regions of the world have made dramatic progress in reducing the proportion of underweight children. But progress has been slowing, leaving the prospect of reaching the targets of the Millennium Development Goals in doubt.

Malnutrition rates among children under five in the developing world fell from 46.5 percent in 1970 to 27 percent in 2000. Even so, 150 million children in low- and middle-income economies are still malnourished, and at current rates of improvement 140 million children will be underweight in 2020.

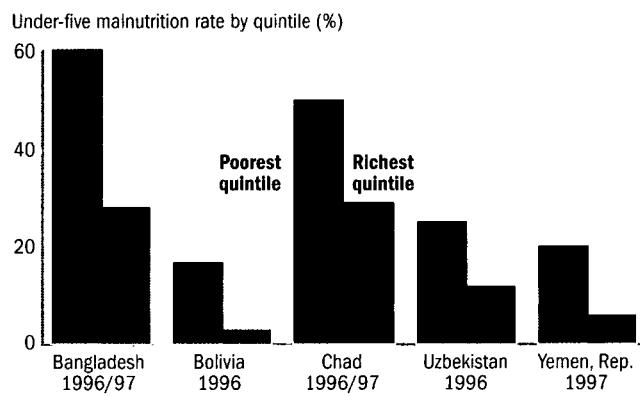
The number of undernourished people in the developing world fell from 840 million in 1990 to about 777 million in 1997–99 and is expected to decrease by 200 million more by 2015. But greater reductions will be needed to reach the World Food Summit goal of cutting the number of undernourished people in half by 2015.

Malnutrition falls as average income rises



Source: UNICEF and World Bank staff estimates.

Within countries, malnutrition also follows income



Source: World Bank staff estimates.

As average incomes grow, extreme poverty declines and children become better nourished. Very few upper-middle-income countries report significant numbers of underweight children. But the data are incomplete, and more systematic monitoring is needed. Even in countries with relatively low average rates of malnutrition, poor people suffer disproportionately.

Achieve universal primary education

Education is a powerful instrument for reducing poverty and inequality, improving health and social well-being, and laying the basis for sustained economic growth. It is essential for building democratic societies and dynamic, globally competitive economies.

The 1990 Conference on Education for All, held in Jomtien, Thailand, pledged to achieve universal primary education by

Reading, writing, and retention

To reach the goal, **schools must first enroll all school-age children and then keep them in school** for the full course of the primary stage. In many places schools fail to do both. As a result, there can be large gaps between reported enrollment, attendance, and completion rates. Disparities arise for many reasons. Children may start school late or they may repeat grades, putting them off track. Frequently children drop out of school, because of their own or a family member's illness or because their families need their labor. If they return, they re-enroll in the same grade the following year. But many never finish.

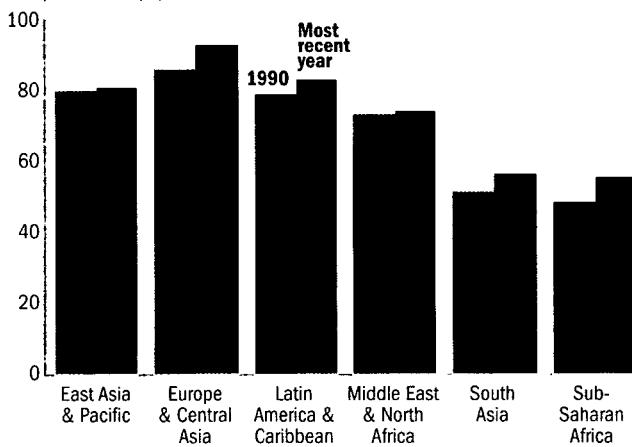
Some 79 developing countries have already built sufficient schools and places to educate 100 percent of their primary school-age children. Only 27 of those countries retain 100 percent of children in school through primary graduation.

Since 1990 **17 middle-income and 21 low-income countries** have seen completion rates stagnate or decline. Afghanistan fell from an already low 22 percent in 1990 to an estimated 8 percent. A number of middle-income Gulf states, Latin American countries such as Trinidad and Tobago and República Bolivariana de Venezuela, and low-income countries such as Cameroon, Kenya, Madagascar, and Zambia have also lost ground.

2000. But in 1999 there were still 120 million primary-school-age children not in school, 53 percent of them girls and 74 percent living in South Asia and Sub-Saharan Africa. The Millennium Development Goals set a more realistic but still difficult deadline of 2015 when all children everywhere should be able to complete a full course of primary schooling.

Slow progress toward education for all

Average primary school completion rate (%)



Source: World Bank staff estimates.

Recent work at the World Bank has produced new estimates of primary school completion rates. These show small improvements everywhere with the largest gains in Sub-Saharan Africa and Europe and Central Asia. The latest data show that 36 countries have achieved universal primary completion and 30 more may reach the goal by 2015.

Promote gender equality and empower women

In most low-income countries girls are less likely to attend school than boys. And even when girls start school at the same rate as boys, they are more likely to drop out—often because parents think boys' schooling is more important or because girls' work at home seems more valuable than schooling. Concerns about the safety of girls or tradi-

tional biases against educating them can mean that they never start school or do not continue beyond the primary stage.

Beyond schooling

Educating women and giving them equal rights is important for many reasons:

It increases their productivity, raising output and reducing poverty.

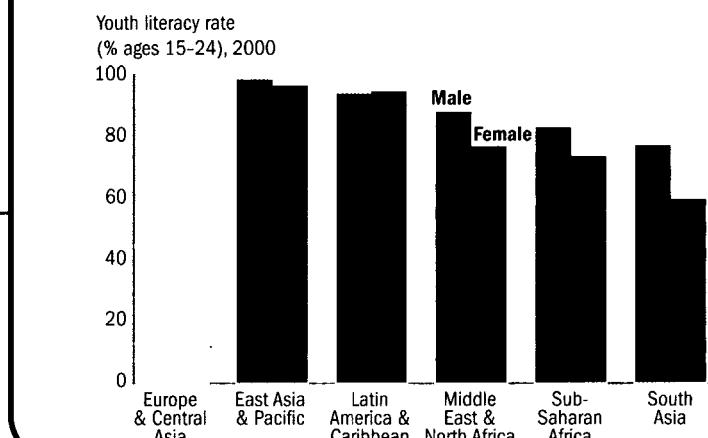
It promotes gender equality within households and removes constraints on women's decisionmaking—thus reducing fertility rates and improving maternal health.

Educated women do a better job caring for children, increasing children's chances of surviving to become healthier and better educated.

Recognizing that empowering women extends beyond the classroom and the household, the Millennium Development Goals include three additional indicators of gender equality: illiteracy rates, the proportion of women working outside agriculture, and the proportion of seats women hold in national parliaments. These indicators suggest that even after reaching the goal of full participation in primary and secondary education, the world will still fall short of gender equality.

Equal access to education is an important step toward greater gender equality, but it is not the only one. Even as gender disparities in education diminish, other differences persist everywhere—in legal rights, labor market opportunities, and the ability to participate in public life and decisionmaking.

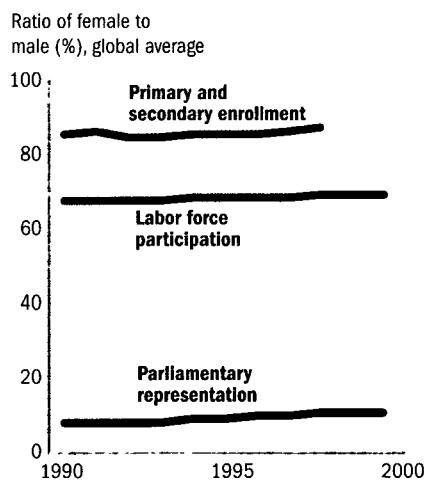
Starting life in second place



Source: UNESCO and World Bank staff estimates.

Girls reach adulthood with higher illiteracy rates than boys (except in Latin America and the Caribbean). Informal training, such as adult literacy classes, can make up some of the difference. But many girls, who begin with fewer opportunities than boys, are at a permanent disadvantage.

Large gaps remain in roles and opportunities for women



Source: World Bank staff estimates.

Reduce child mortality

Deaths of infants and children dropped rapidly over the past 25 years. The number of deaths of children under five fell from 15 million in 1980 to about 11 million in 1990, a period when the number of children being born was still rising. This was success borne

on many wings—vaccination programs, the spread of oral rehydration therapy, wider availability of antibiotics to treat pneumonia, and better economic and social conditions all contributed.

Addressing the causes

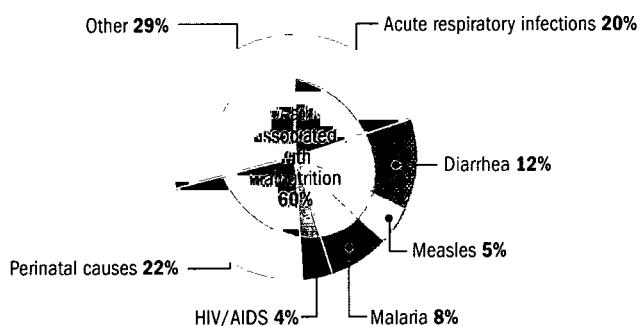
At the end of the 20th century **fewer than 40 developing countries** were making enough progress to **reduce under-five child mortality** to a third of its 1990 level by 2015. Most of those are middle-income countries, although a few poor countries—notably Bangladesh and Indonesia—and some of the poorest countries of the former Soviet Union are on track to achieve the goal.

In some parts of the world **vaccination coverage has even begun to decline**. In 1999, 55 countries had not attained 80 percent coverage of measles vaccinations among children under one year; another 48 reported no data.

To ensure continuing improvements, disease-specific vaccination and treatment programs must be sustained, while new strategies address unmet needs of unserved populations. In all countries the poorest are least likely to receive health services and so have the highest mortality rates. Addressing the underlying causes of poverty will improve health, and better health will reduce poverty.

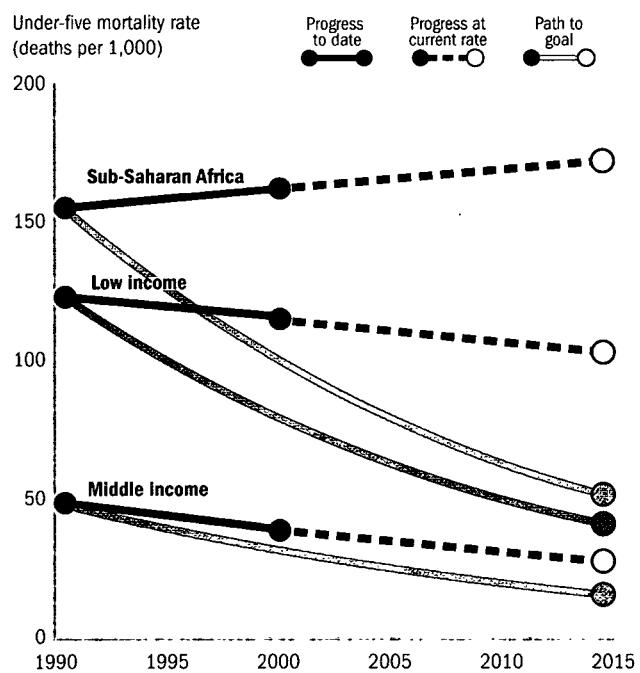
Causes of child mortality

Deaths among children under five, global, 1999



Source: WHO.

Still far to go



Source: World Bank staff estimates.

Rapid improvements before 1990 gave hope that mortality rates of children under five could be cut by two-thirds in the following 25 years. But progress slowed almost everywhere in the 1990s, and in parts of Africa infant and child mortality rates increased.

For 70 percent of children who die before their fifth birthday the cause is a disease or combination of diseases and malnutrition that would be readily preventable in a high-income country: acute respiratory infections, diarrhea, measles, and malaria.

Improve maternal health

In 1995 more than 500,000 women died from complications of pregnancy and child-birth, most of them in developing countries, where these complications are the leading cause of death among women of reproductive age. More than half of all maternal deaths occur in Africa. In many poor African

countries one mother dies for every 100 live births. In Rwanda there were more than 2,000 deaths for every 100,000 live births. Compare that with Greece, which reported only 2 maternal deaths per 100,000 live births.

Preventing maternal deaths

Women die in childbirth for many reasons, most of them preventable or treatable, mainly by addressing the causes of unsafe pregnancy:

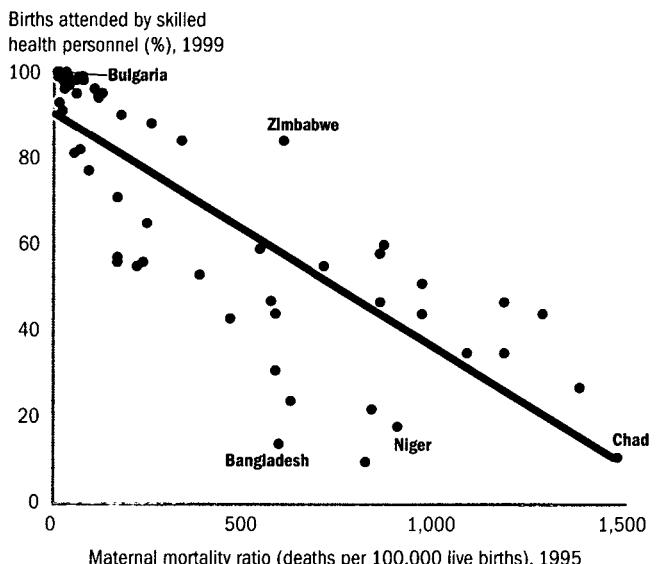
Reduce the number of pregnancies. Early childbearing and closely spaced pregnancies increase the risks for mothers and children. And in some countries unsafe abortions add to the toll. Although many personal and cultural factors affect the desired family size, access to family planning services helps women make decisions about whether and when to have children.

Prevent complications during pregnancy and child-birth. Inadequate nutrition, unsafe sex, and poor health care during pregnancy increase the risk of health crises during pregnancy and childbirth. Yet in some countries fewer than 25 percent of pregnant women visit a clinic for care. In South Asia the average is 55 percent, in Sub-Saharan Africa, 65 percent.

Prevent deaths when complications arise. Complications during pregnancy and delivery must be quickly diagnosed and treated by skilled health care workers in suitable health care facilities. But providing prompt emergency services is beyond the capacity of many countries' health systems.

Women and their families can do some of these things, and the health system others. But broader government action is often needed to improve the policies that affect the lives of women and the capacity of the health system.

Skilled health personnel reduce maternal deaths



Source: WHO.

Many women deliver their children alone or with traditional birth attendants who lack the skills to deal with complications during delivery. Skilled birth attendants help to recognize and prevent medical crises and provide life-saving care when complications arise. They also provide mothers with basic information about care for themselves and their children before and after giving birth. Lack of current data on maternal deaths limits monitoring of trends over time.

Combat HIV/AIDS, malaria, and other diseases

With an estimated 40 million people living with HIV/AIDS and 20 million deaths since the disease was first identified, AIDS poses an unprecedented public health, economic, and social challenge. By infecting young people disproportionately—half of all new HIV infections are among 15- to 24-year-olds—and by killing so many adults in their prime, the epidemic undermines development.

Malaria is endemic in more than 100 countries and territories and affects an estimated 300 million people each year.

Epidemic proportions

HIV/AIDS is the leading cause of death in Sub-Saharan Africa and the fourth largest killer worldwide. Among those lost are teachers, health care workers, and farmers, forcing the closure of schools and clinics and threatening food security. Deaths of parents have left more than 13 million HIV/AIDS orphans—a figure expected to more than double by 2010.

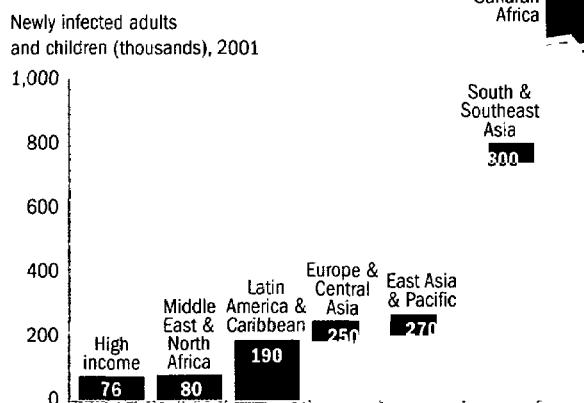
Estimates based on **malaria** cases reported to the WHO show that almost 90 percent occur in Sub-Saharan Africa, with most of the deaths among young children. Antimalaria efforts now focus on reducing human exposure and reducing the health effects on those who become infected. In Vietnam a program to make insecticide-treated bed nets widely available has greatly reduced malaria infections.

The **tuberculosis** incidence rate is highest in Africa, but the largest number of cases occurs in Asia. On present trends, there will be 10.2 million new cases in 2005, and Africa will have more cases than any other region. The directly observed treatment, short-course (DOTS) strategy has been shown to be effective, and coverage has been increasing, but in 1999 less than half the population in the 23 countries with the largest number of cases had access to DOTS.

Although there has been some success in eradicating the mosquitoes that spread the disease in countries where malaria was not widespread, this has not been possible in wet, tropical climates.

Tuberculosis is the main cause of death from a single infectious agent among adults in developing countries. Over the past decade the incidence of tuberculosis has grown rapidly in Europe and Central Asia, Africa, and parts of South and East Asia.

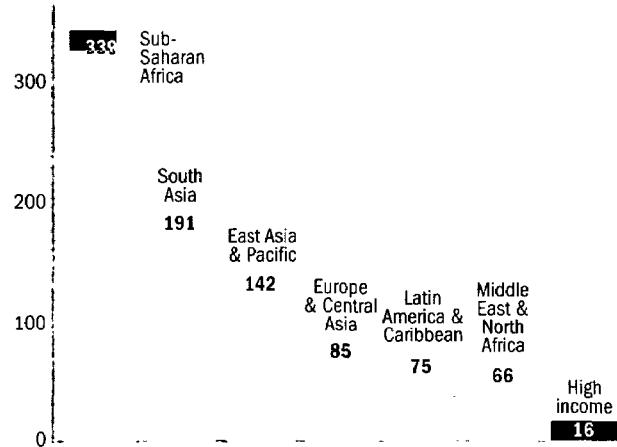
HIV continues to spread



Note: Regions may differ from World Bank regions.
Source: UNAIDS.

Treatable, but cases still rising

Tuberculosis incidence
(per 100,000 people), 1999



Source: WHO.

Ensure environmental sustainability

The environment provides goods and services that sustain human development—so we must ensure that development sustains the environment. Fortunately, good policies and economic growth, which work to improve people's lives, can also work to improve the environment. Better natural resource management increases the income and nutrition of poor people. It also reduces the risk of disaster from floods. Improved water and sanitation reduce child mortality, and better drainage reduces malaria. Managing and protecting the environment thus contribute to reaching the other Millennium Development Goals.

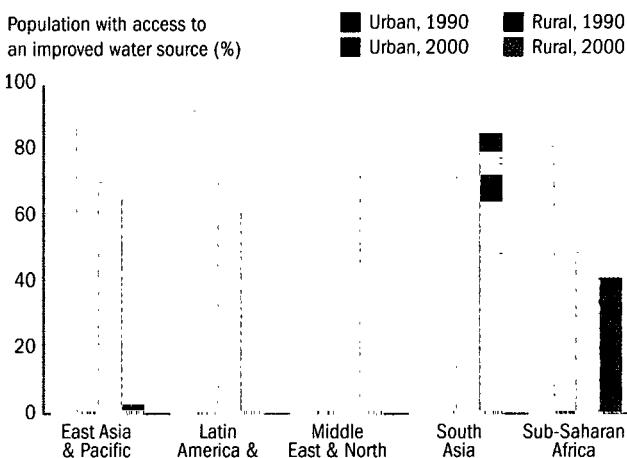
Progress is possible

The environment is a large, multidimensional system. Change takes time, and strategies for change must recognize the complexity of how the environment and human beings interact. But we are learning. Poor countries do not need to repeat the mistakes of rich countries. Greater understanding of how environmental assets and social assets—including markets—work together points the way to truly sustainable development.

Changing economic patterns are changing the patterns of forests. In some high-income countries the abandonment of farmlands has allowed forests to recover, and there have been small gains elsewhere. But the world lost more than 900,000 square kilometers of forest in the past decade. And the damage from losing whole species of plants and animals can never be undone.

Only a small amount of the world's freshwater resources is used by households. Seventy percent goes to agriculture and industry. In many parts of the world households have access only to unprotected sources of water, such as unimproved wells and springs. The situation is worse in rural areas, but in Asia even urban areas are falling behind.

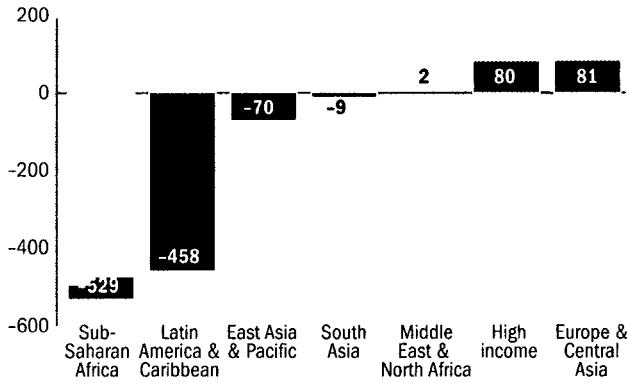
Water is reaching smaller shares of people



Source: WHO.

Forests—small gains, large losses

Change in forest cover (thousands of sq. km), 1990–2000



Source: FAO and World Bank staff estimates.

Build a global partnership for development

What will it take to achieve the Millennium Development Goals? A lot. Economies need to grow to provide jobs and more income for poor people. And growth requires investment in plant and equipment, in energy and transport systems, in human skills and knowledge. Growth is fastest in a good investment climate—where good economic policies and good governance provide assurance to investors and to workers of receiving the rewards of their efforts.

Great opportunities exist in today's fast changing global economy, but many poor countries have been left on the margins, lacking the skills, technologies, and financial resources to participate. To help them eradicate poverty, hunger, and premature death will require a new global partnership for development based on stronger policies and good governance in developing countries, a more open and equitable global trading system, and increased aid and debt reduction.

Over the past decade the real value of aid to developing countries has decreased by about 8 percent. Only half of all aid goes to low-income economies—those with an average income per capita of less than \$755 in 2000. The other half goes to middle-income economies, where average income per capita ranged upwards to \$9,000. In 2000 the average value of aid to low-income economies was \$12 a person.

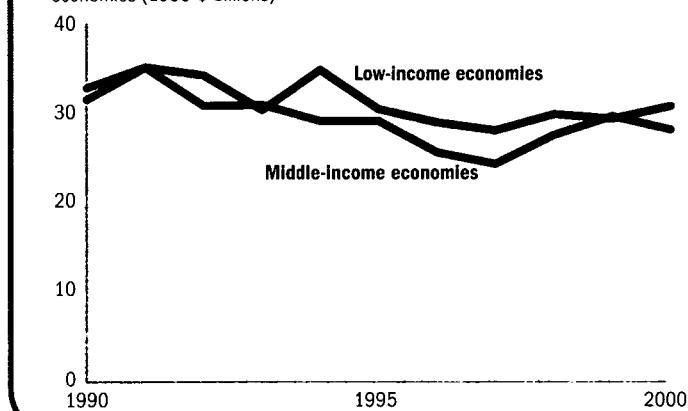
Effective development assistance

Aid goes for many purposes, but only a relatively small share for such basic social services as basic education, primary health care, nutrition, and safe water and sanitation. In 1997–98 official development assistance (ODA) for basic social services provided by rich countries—or through multilateral development banks and the UN—averaged \$3.9 billion, or about 11 percent of all ODA directed to specific sectors. More ODA is being provided as general budgetary support to country development programs, some of which also goes to basic social services.

Aid is most effective in reducing poverty when it goes to poor countries with good economic policies and sound governance—and advances country-owned poverty reduction programs. But in some cases aid is tied to purchases of goods and services approved by the donor country. Such restrictions reduce the effectiveness of aid and undermine the principle of country ownership. That is why goal 8 suggests monitoring how much ODA is not tied. The share of untied aid has been growing. Although some donor countries still remain highly restrictive, most aid to the least developed countries has been untied since the beginning of 2002.

Not all aid goes to the poorest

Aid to low- and middle-income economies (1999 \$ billions)



Note: Includes both official development assistance and official aid. Amounts not specifically allocated to countries distributed proportionately to low- and middle-income totals.

Source: OECD and World Bank staff estimates.

Easing the burden of debt

The Debt Initiative for Heavily Indebted Poor Countries (HIPCs) provides debt relief to the world's poorest and most heavily indebted countries. Begun in 1996 by the World Bank and the IMF, the initiative was enhanced in 1999 to provide deeper and faster debt relief and to ensure a stronger link between debt relief and poverty reduction.

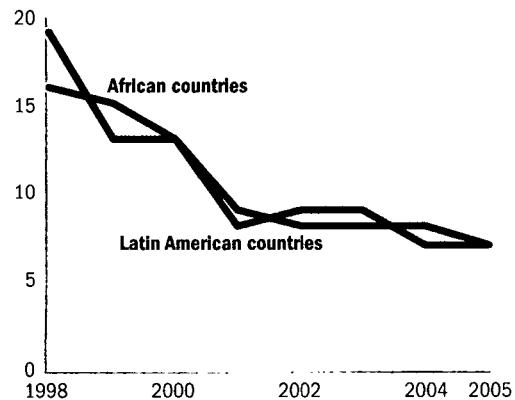
About three dozen countries could qualify for HIPC assistance. At the end of 2001, 24 countries were receiving relief that, in time, will amount to \$36 billion. The total debt relief to all countries could reach \$50 billion.

Under the enhanced HIPC initiative, average debt service due in 2001–03 will be about 30 percent less than that paid before relief began in 1998–99.

In 2001–02 social spending in HIPC countries will be about \$6.5 billion—45 percent higher than in 1999 and about three times the level of debt service.

Toward sustainable debt

Ratio of debt service to exports (%) for HIPC countries reaching decision point by end-2000



Source: World Bank staff estimates.

The ratio of debt service payments to a country's exports is one of several indicators of whether debt levels are sustainable. For the 24 countries now receiving debt relief, the average debt service to export ratio will fall from 17 percent to 8 percent, less than half the average for developing countries.

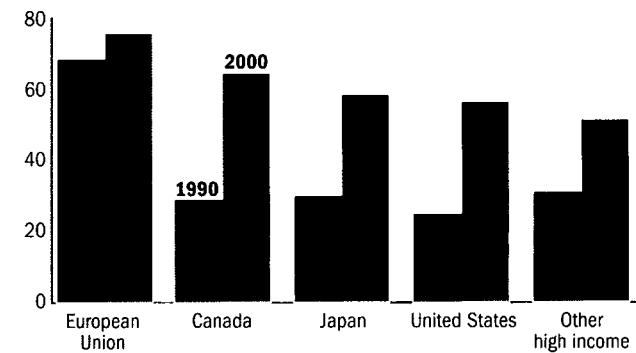
Reducing barriers to trade

Tariffs have been falling. After the Uruguay Round of trade negotiations concluded in 1994, average tariffs on agricultural products and textiles and clothing—two important categories of developing country exports—fell in most rich countries.

Even if the use of tariffs and quotas is further reduced, many developing countries will still face difficulties realizing the benefits, especially in Africa. One estimate, based on reducing trade protection by half, shows that developing countries would gain about \$200 billion by 2015. But only \$2.4 billion of this would go to Sub-Saharan Africa, and only another \$3.3 billion to South Asia outside of India. To make trade an effective source of growth, developing countries need to increase the efficiency of their trade—their producers, shippers, freight handlers, and customs services. Rich countries can help by providing “aid for trade” and sharing knowledge needed to establish competitive export industries.

Opening markets

Exports from developing countries (excluding arms) admitted free of tariffs (%)



Source: World Bank staff estimates.

Average tariffs don't tell the full story. High tariffs on specific products can block access to markets. That is why the European Union's initiative to eliminate tariffs on all exports except arms from least developed countries is so important.

Millennium Development Goals

| Goals and targets | Indicators ^a |
|--|---|
| Goal 1 Eradicate extreme poverty and hunger | |
| Halve, between 1990 and 2015, the proportion of people whose income is less than \$1 a day | <ul style="list-style-type: none"> • Proportion of population below \$1 a day • Poverty gap ratio (incidence times depth of poverty) • Share of poorest quintile in national consumption |
| Halve, between 1990 and 2015, the proportion of people who suffer from hunger | <ul style="list-style-type: none"> • Prevalence of underweight in children (under five years of age) • Proportion of population below minimum level of dietary energy consumption |
| Goal 2 Achieve universal primary education | |
| Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling | <ul style="list-style-type: none"> • Net enrollment ratio in primary education • Proportion of pupils starting grade 1 who reach grade 5 • Literacy rate of 15- to 24-year-olds |
| Goal 3 Promote gender equality and empower women | |
| Eliminate gender disparity in primary and secondary education preferably by 2005 and in all levels of education no later than 2015 | <ul style="list-style-type: none"> • Ratio of girls to boys in primary, secondary, and tertiary education • Ratio of literate females to males among 15- to 24-year-olds • Share of women in wage employment in the nonagricultural sector • Proportion of seats held by women in national parliament |
| Goal 4 Reduce child mortality | |
| Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate | <ul style="list-style-type: none"> • Under-five mortality rate • Infant mortality rate • Proportion of one-year-old children immunized against measles |
| Goal 5 Improve maternal health | |
| Reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio | <ul style="list-style-type: none"> • Maternal mortality ratio • Proportion of births attended by skilled health personnel |
| Goal 6 Combat HIV/AIDS, malaria, and other diseases | |
| Have halted by 2015 and begun to reverse the spread of HIV/AIDS | <ul style="list-style-type: none"> • HIV prevalence among 15- to 24-year-old pregnant women • Contraceptive prevalence rate^b • Number of children orphaned by HIV/AIDS |
| Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases | <ul style="list-style-type: none"> • Prevalence and death rates associated with malaria • Proportion of population in malaria-risk areas using effective malaria prevention and treatment measures • Prevalence and death rates associated with tuberculosis • Proportion of tuberculosis cases detected and cured under directly observed treatment, short course (DOTS) |
| Goal 7 Ensure environmental sustainability | |
| Integrate the principles of sustainable development into country policies and programs and reverse the loss of environmental resources | <ul style="list-style-type: none"> • Change in land area covered by forest • Land area protected to maintain biological diversity • GDP per unit of energy use • Carbon dioxide emissions (per capita) |
| Halve, by 2015, the proportion of people without sustainable access to safe drinking water | <ul style="list-style-type: none"> • Proportion of population with sustainable access to an improved water source |

| Goals and targets | Indicators^a |
|--|--|
| Goal 7 Continued | <ul style="list-style-type: none"> 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 | <p>Develop further an open, rule-based, predictable, nondiscriminatory trading and financial system (includes a commitment to good governance, development, and poverty reduction—both nationally and internationally)</p> <p>Address the special needs of the least developed countries (includes tariff- and quota-free access for exports, enhanced program of debt relief for and cancellation of official bilateral debt, and more generous ODA for countries committed to poverty reduction)</p> <p>Address the special needs of landlocked countries and small island developing states (through the Barbados Program and 22nd General Assembly provisions)</p> <p>Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term</p> <p>In cooperation with developing countries, develop and implement strategies for decent and productive work for youth</p> <p>In cooperation with pharmaceutical companies, provide access to affordable, essential drugs in developing countries</p> <p>In cooperation with the private sector, make available the benefits of new technologies, especially information and communications technologies</p> <p>Some of the indicators listed below will be monitored separately for the least developed countries, Africa, landlocked countries, and small island developing states.</p> <p>Official development assistance (ODA)</p> <ul style="list-style-type: none"> Net ODA as a percentage of DAC donors' gross national income Proportion of ODA for basic social services (basic education, primary health care, nutrition, safe water, and sanitation) Proportion of ODA that is untied Proportion of ODA for the environment in small island developing states Proportion of ODA for the transport sector in landlocked countries <p>Market access</p> <ul style="list-style-type: none"> Proportion of exports (by value, excluding arms) admitted free of duties and quotas Average tariffs and quotas on agricultural products and textiles and clothing Domestic and export agricultural subsidies in OECD countries Proportion of ODA provided to help build trade capacity <p>Debt sustainability</p> <ul style="list-style-type: none"> Proportion of official bilateral HIPC debt canceled Debt service as a percentage of exports of goods and services Proportion of ODA provided as debt relief Number of countries reaching HIPC decision and completion points <ul style="list-style-type: none"> Unemployment rate of 15- to 24-year-olds <ul style="list-style-type: none"> Proportion of population with access to affordable, essential drugs on a sustainable basis <ul style="list-style-type: none"> Telephone lines per 1,000 people Personal computers per 1,000 people |

a. Some indicators, particularly for goals 7 and 8, remain under discussion. Additions or revisions to the list may be made in the future.

b. Only one form of contraception—condoms—is effective in reducing the spread of HIV.

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