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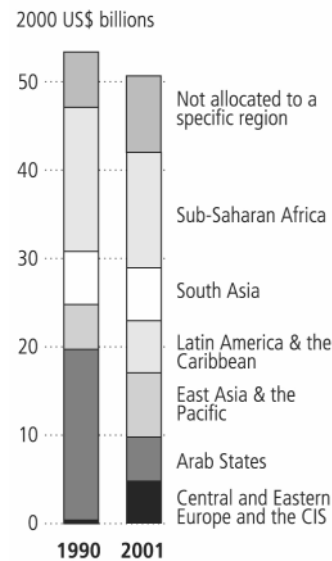
Rich Countries Called on to Keep Promise to Fight Global Poverty

Fairer trade, more aid and debt relief critical to solving world's development crisis

New York, 8 July 2003—Despite the promises by wealthy nations to eradicate extreme poverty, developing nations still need more aid, fairer terms of trade, and meaningful debt relief, says the United Nations Development Programme's *Human Development Report 2003*.

The Report warns that unless rich countries keep their pledges to deliver financing for development, the Millennium Development Goals—a series of time-bound, quantifiable targets ranging from halving poverty to halting the spread of HIV/AIDS by 2015—will not be met.

Official development assistance, net disbursements



Source: OECD, Development Assistance Committee 2003a.

The Millennium Development Goals—endorsed by all members of the United Nations and embraced anew by the Group of Eight leaders in France last month—set out eight specific cross-cutting goals that are essential to the fight against poverty. The first seven goals outline what poor countries must do to meet the goals. The eighth goal is aimed at rich countries and their commitment to respond to developing countries' political and economic reforms with increased economic assistance, lowered import barriers and the deduction or elimination of unsustainable debts.

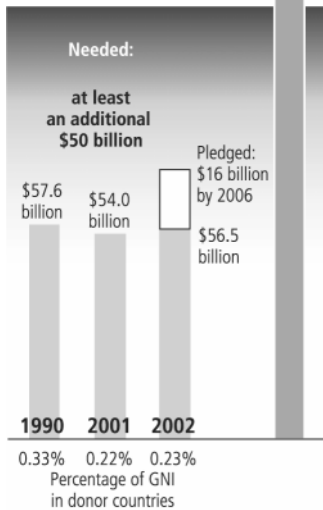
The *Human Development Report 2003* warns that these commitments are not being met. Unless rich countries keep their pledge to deliver financing for development, the Millennium Development Goals will not be met, the UNDP Report states.

“The concept behind a fair deal is for both rich and

Annual consumer spending on tobacco \$204 billion

Aid—what's needed, what's given?

2000 US\$ billions



Source: Total needed: World Bank and IMF 2001; total given: OECD, Development Assistance Committee 2003c; Economist 2001.

developing countries to be held accountable to benchmarks and deadlines,” said Eveline Herfkens, Executive Coordinator of the Millennium Development Goals’ Campaign. “Without rich nations doing their share, the poor countries will not be able to achieve the Goals.”

The Report challenges rich countries to set concrete targets and deadlines and take action by:

- *Dismantling unfair trade subsidies and tariffs to create a level playing field.* OECD countries provide more than US\$300 billion in agricultural subsidies each year. Subsidies to US cotton growers equal more than triple the amount of US Government aid to sub-Saharan Africa. In the European Union, the cash subsidy to every dairy cow exceeds total per capita EU aid to sub-Saharan Africa. The report urges rich countries to eliminate the discriminatory tariffs, quotas and subsidies that inhibit agricultural trade and investment in the developing world.

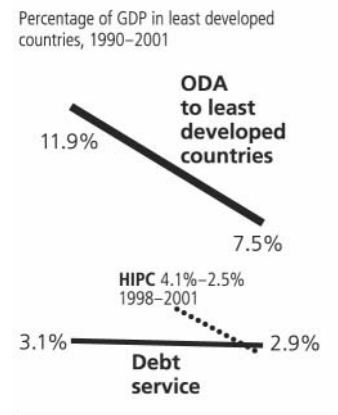
- *Writing off unsustainable debt.* The *Human Development Report 2003* argues that rich countries need to provide more meaningful debt relief and calls on donor countries to be more cognizant of the particular debt burdens faced by heavily indebted poor countries. In all of the world’s 42 Highly Indebted Poor Countries, per capita income is less than \$1,500—and between 1990 and 2001 these economies grew on average by only half a percent per year.

- *Stepping-up aid flows.* Last year the long decline in official aid flows was at last halted, and they rose to \$57 billion (from \$52.3 billion in 2001). At the Monterrey Conference on Financing for Development in 2002, both rich and poor countries pledged support for the policy reforms and new resources needed to achieve the Millennium Development Goals, including a promise to increase annual aid flows by \$16 billion by 2006. But even if the commitments announced in Monterrey are fulfilled, the total will still fall far short of the \$100 billion minimum needed per year to meet the goals.

- *Creating better access to technological progress.* Only 10 percent of research and development focuses on the health problems of 90 percent of the world’s people. Rich countries have undermined the right of poor countries to make life-saving drugs available to their people at affordable prices; a right endorsed by the World Trade Organization’s agreement on Trade-Related Aspects of Intellectual Property Rights. The *Human Development Report 2003* also calls on rich countries to make this right a reality.

Much of the debate around the Goals has focused on whether poor countries will meet the Millennium targets. The HDR 2003 argues that rich countries should be subject to the same scrutiny, and be made to report on their progress towards meeting Goal 8. These progress reports would contribute to a global poverty reduction strategy.

For the poorest: caught between falling aid and level debt



Source: Human Development Report Office calculations based on data from OECD, Development Assistance Committee 2003c and debt service data from World Bank 2003i.

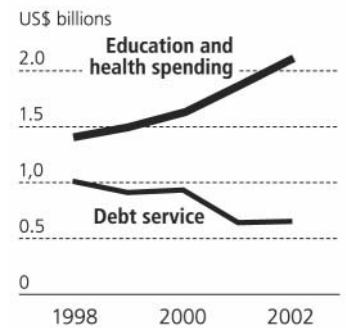
“It is not a matter of charity,” said the report’s lead author, Sakiko Fukuda-Parr. “Diseases don’t respect neat geographical boundaries, nor do hurricanes or droughts or wars. These are the shared responsibilities of an increasingly inter-dependent world.”

ABOUT THIS REPORT: Every year since 1990, the United Nations Development Programme (UNDP) has commissioned the Human Development Report by an independent team of experts to explore major issues of global concern. A worldwide advisory network of leaders in academia, government and civil society contribute data, ideas, and best practices to support the analysis and proposals published in the Report. The concept of Human Development looks beyond per capita income, human resource development, and basic needs as a measure of human progress and also assesses such factors as human freedom, dignity and human agency, that is, the role of people in development. The *Human Development Report 2003* argues that development is ultimately “a process of enlarging people’s choices,” not just raising national incomes.

The *Human Development Report 2003* is published in English by Oxford University Press.

ABOUT UNDP: The United Nations Development Programme is the UN’s global development network, advocating for change and connecting countries to knowledge, experience, and resources to help people build a better life. We are on the ground in 166 countries, working with them on their own solutions to global and national development challenges. As they develop local capacity, they draw on the people of UNDP and our wide range of partners.

Spending shifts from debt service to human development in 10 countries benefiting from HIPC debt relief



Source: OECD, Development Assistance Committee 2003a.