



1.4

Millennium Development Goals: overcoming obstacles

Development Assistance Committee members

	Official development assistance (ODA) by donor		Least developed countries' access to high-income markets								Support to agriculture
	Net % of donor GNI	For basic social services ^a	Goods (excluding arms) admitted free of tariffs		Average tariff on exports of least developed countries						% of GDP 2007 ^b
		% of total sector-allocable ODA	% of exports from least developed countries		Agricultural products %		Textiles %		Clothing %		
	2007	2007	2000	2006	2000	2006	2000	2006	2000	2006	2007 ^b
Australia	0.32	9.1	95.9	100.0	0.2	0.0	5.7	0.0	22.5	0.0	0.28
Canada	0.29	31.2	39.0	99.7	0.3	0.1	6.0	0.2	19.3	1.7	0.68
European Union			97.8	97.8	3.0	2.4	0.0	0.1	0.0	1.2	0.91
Austria	0.50	9.0									
Belgium	0.43	20.6									
Denmark	0.81	10.1									
Finland	0.39	13.9									
France	0.38	6.0									
Germany	0.37	10.0									
Greece	0.16	15.0									
Ireland	0.55	35.1									
Italy	0.19	9.8									
Luxembourg	0.91	33.9									
Netherlands	0.81	18.1									
Portugal	0.22	3.1									
Spain	0.37	15.6									
Sweden	0.93	13.1									
United Kingdom	0.36	57.6									
Japan	0.17	3.8	49.1	26.7	4.7	4.4	5.0	2.7	0.4	0.1	1.04
New Zealand	0.27	32.0	85.9 ^c	99.2 ^c	0.0 ^c	13.1 ^c	9.3 ^c	0.0 ^c	12.9 ^c	0.0 ^c	0.22
Norway	0.95	21.2	99.0	99.0	3.6	0.2	4.6	0.0	1.4	1.0	0.79
Switzerland	0.37	6.3	99.4	96.7	6.1	2.6	0.0	0.0	0.0	0.0	1.11
United States	0.16	31.6	50.3	76.6	6.9	6.4	7.0	5.8	14.1	11.3	0.73

Heavily indebted poor countries (HIPC)

	HIPC decision point ^d	HIPC completion point ^d	HIPC Initiative assistance ^e	MDRI assistance ^f		HIPC decision point ^d	HIPC completion point ^d	HIPC Initiative assistance ^e	MDRI assistance ^f
			\$ millions	\$ millions					\$ millions
Afghanistan	Jul. 2007	Floating	571	..	Honduras	Jul. 2000	Apr. 2005	776	1,543
Benin	Jul. 2000	Mar. 2003	366	604	Liberia	Mar. 2008	Floating	2,845	..
Bolivia ^g	Feb. 2000	Jun. 2001	1,856	1,596	Madagascar	Dec. 2000	Oct. 2004	1,167	1,292
Burkina Faso ^{g,h}	Jul. 2000	Apr. 2002	772	603	Malawi ^h	Dec. 2000	Aug. 2006	1,310	705
Burundi	Aug. 2005	Jan. 2009	908	53 ⁱ	Mali ^g	Sep. 2000	Mar. 2003	752	1,043
Cameroon	Oct. 2000	Apr. 2006	1,768	747	Mauritania	Feb. 2000	Jun. 2002	888	450
Central African Republic	Sep. 2007	Floating	611	..	Mozambique ^g	Apr. 2000	Sep. 2001	2,992	1,057
Chad	May 2001	Floating	227	..	Nicaragua	Dec. 2000	Jan. 2004	4,618	954
Congo, Dem. Rep.	Jul. 2003	Floating	7,636	..	Niger ^h	Dec. 2000	Apr. 2004	899	519
Congo, Rep.	Apr. 2006	Floating	1,847	..	Rwanda ^h	Dec. 2000	Apr. 2005	908	225
Ethiopia ^h	Nov. 2001	Apr. 2004	2,575	1,458	São Tomé & Príncipe ^h	Dec. 2000	Mar. 2007	163	26
Gambia, The	Dec. 2000	Dec. 2007	93	199	Senegal	Jun. 2000	Apr. 2004	682	1,374
Ghana	Feb. 2002	Jul. 2004	2,910	2,095	Sierra Leone	Mar. 2002	Dec. 2006	857	352
Guinea	Dec. 2000	Floating	761	..	Tanzania	Apr. 2000	Nov. 2001	2,828	2,038
Guinea-Bissau	Dec. 2000	Floating	581	..	Togo	Nov. 2008	Floating	270	..
Guyana ^g	Nov. 2000	Dec. 2003	852	402	Uganda ^g	Feb. 2000	May 2000	1,434	1,805
Haiti	Nov. 2006	Floating	147	..	Zambia	Dec. 2000	Apr. 2005	3,489	1,632

a. Includes primary education, basic life skills for youth, adult and early childhood education, basic health care, basic health infrastructure, basic nutrition, infectious disease control, health education, health personnel development, population policy and administrative management, reproductive health care, family planning, sexually transmitted disease control including HIV/AIDS, personnel development for population and reproductive health, basic drinking water supply and basic sanitation, and multisector aid for basic social services.
b. Provisional data. c. Calculated by World Bank staff using the World Integrated Trade Solution based on the United Nations Conference on Trade and Development's Trade Analysis and Information Systems database. d. Refers to the Enhanced HIPC Initiative. e. Total HIPC assistance (committed debt relief) assuming of full participation of creditors, in end-2007 net present value terms. Topping-up assistance and assistance provided under the original HIPC Initiative were committed in net present value terms as of the decision point and are converted to end-2007 terms. f. Multilateral Debt Relief Initiative (MDRI) assistance has been delivered in full to all post-completion point countries, shown in end-2007 net present value terms. g. Also reached completion point under the original HIPC Initiative. The assistance includes original debt relief. h. Assistance includes topping up at completion point. i. Excludes \$15 million (in nominal terms) of committed debt relief by the International Monetary Fund.

About the data

Achieving the Millennium Development Goals requires an open, rule-based global economy in which all countries, rich and poor, participate. Many poor countries, lacking the resources to finance development, burdened by unsustainable debt, and unable to compete globally, need assistance from rich countries. For goal 8—develop a global partnership for development—many indicators therefore monitor the actions of members of the Organisation for Economic Co-operation and Development's (OECD) Development Assistance Committee (DAC).

Official development assistance (ODA) has risen in recent years as a share of donor countries' gross national income (GNI), but the poorest economies need additional assistance to achieve the Millennium Development Goals. After rising to a record \$107 billion in 2005, net ODA disbursements from DAC donors fell 3.3 percent in 2007 to \$103.5 billion in nominal terms.

One important action that high-income economies can take is to reduce barriers to exports from low- and middle-income economies. The European Union has begun to eliminate tariffs on developing economy exports of "everything but arms," and the United States offers special concessions to Sub-Saharan African exports. However, these programs still have many restrictions.

Average tariffs in the table reflect high-income OECD member tariff schedules for exports of countries designated least developed countries by the United Nations. Although average tariffs have been falling, averages may disguise high tariffs on specific goods (see table 6.8 for each country's share of tariff

lines with "international peaks"). The averages in the table include ad valorem duties and equivalents.

Subsidies to agricultural producers and exporters in OECD countries are another barrier to developing economies' exports. Agricultural subsidies in OECD economies are estimated at \$365 billion in 2007.

The Debt Initiative for Heavily Indebted Poor Countries (HIPC), an important step in placing debt relief within the framework of poverty reduction, is the first comprehensive approach to reducing the external debt of the world's poorest, most heavily indebted countries. A 1999 review led to an enhancement of the framework. In 2005, to further reduce the debt of HIPC countries and provide resources for meeting the Millennium Development Goals, the Multilateral Debt Relief Initiative (MDRI), proposed by the Group of Eight countries, was launched.

Under the MDRI four multilateral institutions—the International Development Association (IDA), International Monetary Fund (IMF), African Development Fund (AfDF), and Inter-American Development Bank (IDB)—provide 100 percent debt relief on eligible debts due to them from countries having completed the HIPC Initiative process. Data in the table refer to status as of February 2009 and might not show countries that have since reached the decision or completion point. Debt relief under the HIPC Initiative has reduced future debt payments by \$51.3 billion for 34 countries that have reached the decision point. And 23 countries that have reached the completion point have received additional assistance of \$22.8 billion under the MDRI.

Definitions

- **Net official development assistance (ODA)** is grants and loans (net of repayments of principal) that meet the DAC definition of ODA and are made to countries on the DAC list of recipients.
- **ODA for basic social services** is aid reported by DAC donors for basic education, primary health care, nutrition, population policies and programs, reproductive health, and water and sanitation services.
- **Goods admitted free of tariffs** are exports of goods (excluding arms) from least developed countries admitted without tariff.
- **Average tariff** is the unweighted average of the effectively applied rates for all products subject to tariffs.
- **Agricultural products** are plant and animal products, including tree crops but excluding timber and fish products.
- **Textiles and clothing** are natural and synthetic fibers and fabrics and articles of clothing made from them.
- **Support to agriculture** is the value of gross transfers from taxpayers and consumers arising from policy measures, net of associated budgetary receipts, regardless of their objectives and impacts on farm production and income or consumption of farm products.
- **HIPC decision point** is the date when a heavily indebted poor country with an established track record of good performance under adjustment programs supported by the IMF and the World Bank commits to additional reforms and a poverty reduction strategy.
- **HIPC completion point** is the date when a country successfully completes the key structural reforms agreed on at the decision point, including implementing a poverty reduction strategy. The country then receives the bulk of debt relief under the HIPC Initiative without further policy conditions.
- **HIPC Initiative assistance** is the debt relief committed as of the decision point in end-2007 net present value.
- **MDRI assistance** is the debt relief from IDA, IMF, AfDF, and IDB, delivered to countries having reached the HIPC completion point in end-2007 net present value.

Data sources

Data on ODA are from the OECD. Data on goods admitted free of tariffs and average tariffs are from the World Trade Organization, in collaboration with the United Nations Conference on Trade and Development and the International Trade Centre. These data are available at www.mdg-trade.org. Data on subsidies to agriculture are from the OECD's *Producer and Consumer Support Estimates, OECD Database 1986–2007*. Data on the HIPC Initiative and MDRI are from the World Bank's Economic Policy and Debt Department.

Location of indicators for Millennium Development Goal 8

1.4a

Goal 8. Develop a global partnership for development

Table

Indicator	Table
8.1 Net ODA as a percentage of DAC donors' gross national income	1.4, 6.13
8.2 Proportion of ODA for basic social services	1.4, 6.14b*
8.3 Proportion of ODA that is untied	6.14b
8.4 Proportion of ODA received in landlocked countries as a percentage of GNI	—
8.5 Proportion of ODA received in small island developing states as a percentage of GNI	—
8.6 Proportion of total developed country imports (by value, excluding arms) from least developed countries admitted free of duty	1.4
8.7 Average tariffs imposed by developed countries on agricultural products and textiles and clothing from least developed countries	1.4, 6.8*
8.8 Agricultural support estimate for OECD countries as a percentage of GDP	1.4
8.9 Proportion of ODA provided to help build trade capacity	—
8.10 Number of countries reaching HIPC decision and completion points	1.4
8.11 Debt relief committed under new HIPC initiative	1.4
8.12 Debt services as a percentage of exports of goods and services	6.10*
8.13 Proportion of population with access to affordable, essential drugs on a sustainable basis	—
8.14 Telephone lines per 100 people	1.3*, 5.10
8.15 Cellular subscribers per 100 people	1.3*, 5.10
8.16 Internet users per 100 people	5.11

— No data are available in the *World Development Indicators* database. * Table shows information on related indicators.