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Human Development Report 2003 Calls for New Compact to Achieve the Millennium Development Goals

In a call for greater partnership between rich and poor countries, UNDP's global Human Development Report 2003 being launched today in Dodoma by His Excellency Vice-President Dr. Ali Mohammed Shein, says the Millennium Development Goals can be reached by 2015 if a new proposed Millennium Development Compact is implemented.

Dar es Salaam, 10 July 2003 –The pledge by world leaders to lift hundreds of millions of people out of extreme poverty by 2015 can be achieved – but only if poor countries pursue wide-ranging reforms and wealthy nations respond with fairer terms of trade, increased development assistance and meaningful debt relief, according to the United Nations Development Programme's ***Human Development Report 2003***.

The Millennium Development Goals – endorsed by all world leaders at the United Nations in 2000 and re-affirmed at the March 2002 UN Financing for Development Conference, the September 2002 World Summit on Sustainable Development, the launch of the Doha Round on international trade 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 global fight against poverty. The first seven goals - a series of time-bound quantifiable targets ranging from halving poverty to halting and reversing the spread of HIV/AIDS by 2015 – outline what poor countries commit to do. The eighth goal is aimed at rich countries and their commitment to respond to developing countries' political and economic reforms with increased development assistance, lowered import barriers and the reduction or elimination of unsustainable debts.

The ***Human Development Report 2003 (HDR 2003)***, commissioned by UNDP and also released today at the African Union Summit meeting in Maputo as well as elsewhere across the world, notes that despite global progress in many countries, an acute development crisis is evident with many poor nations suffering severe and continuing socio-economic reversals. More than one billion people still live in extreme poverty and for many living standards are getting steadily worse.

Many countries are in a “poverty trap” that they cannot get out of alone. And what is most often ignored, they face obstacles such as endemic diseases and unfavorable global markets that they cannot tackle on their own. The **Human Development Report 2003** argues that to reverse declines, development strategies must focus not only on economic growth, but also on more equitable distribution of wealth and services and on issues like malnutrition and illiteracy that are both causes and symptoms of poverty.

The **HDR 2003** argues that investment in industries and businesses that create jobs, such as manufacturing and textiles, are more important for human development than industries that require large amounts of capital, such as oil exploration and production. The Report calls for special initiatives to support small businesses and entrepreneurs and calls on developing country governments to prioritize spending on the basic services that poor people need most: primary schools, rural clinics, roads and safe drinking water and sanitation. What’s more, the Report shows that in many countries women, the rural poor and ethnic minorities do not get their fair share of increased social spending.

The **HDR 2003** introduces the new “Millennium Development Compact” which urges strategic action in the fight against poverty and calls on: developing countries to adopt pro-poor policies that reinforce each other and are targeted to the MDGs; donor countries to back these reforms with more resources and greater trade opportunities; and, for nations both rich and poor, to put the MDGs at the centre of national and global decision-making.

“Through Vision 2025 for the Mainland and Vision 2020 for Zanzibar, Tanzania has internalized many of the global goals and through its comprehensive and model poverty monitoring system is aligning and integrating the longer-term MDGs with the shorter-term targets of the Poverty Reduction Strategy,” said John Hendra, UN Resident Coordinator and UNDP Resident Representative in Tanzania. “What is needed is an analysis of not just what is realistic but what it will take by all partners - Government; parliament; civil society; private sector; development partners and rich countries – to fully achieve the MDGs in Tanzania by 2015”.

The **HDR 2003** tracks country-by-country progress for several MDGs for the period 1990-2001 and indicates whether, at current trends, each MDG is achievable by 2015. With regard to Tanzania, the Report shows that as of 2001 the country is clearly on track to reach both gender equality (as measured by the ratio of girls to boys in primary and secondary education) and the key targets under the environmental sustainability goal of reducing by half the proportion of people without sustainable access to drinking water and ensuring access to sanitation.

“Tanzania has shown important progress in gender equality and regarding access to safe water and sanitation. While the Report indicates more action is needed with regard to primary education enrolment, the figures are up to 2000 and do not yet capture the very impressive achievements under the Primary Education Development Programme (PEDP) which shows that if the rate of increase in net enrolment in the last two years can be sustained, it is indeed very likely that the MDG of achieving universal primary education by 2015 will be met,” John Hendra elaborated. “That being said, the **HDR 2003** also clearly shows that progress towards the other four MDGs - halving extreme poverty and hunger; reducing child mortality; improving maternal health; combating HIV/AIDS, malaria and other diseases - has stalled and that greater attention and more concerted action must be given to implementation of policy reforms and international support that will enable these critical goals to be met”.

To this point, much of the global debate around the Goals has focused on whether poor countries will meet the MDGs. The **HDR 2003** argues that rich countries should be subjected to the same scrutiny and be made to report on their progress towards meeting Goal 8 on Developing a Partnership for Development. Specifically, the **HDR 2003** 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, writing off unsustainable debt, stepping up aid flows and creating better access to technological progress.

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.

As with other Human Development Reports, this Report includes a Human Development Index (HDI), a summary measure for monitoring long-term progress in human development and based on three main measures: life expectancy (UN Population Division); education - adult literacy rate and combined primary, secondary and tertiary gross enrolment ratios - (UNESCO Institute for Statistics); and income GDP per capita (as expressed in US \$ Purchasing Power Parity, World Bank)

For the **HDR 2003**, the Human Development Index uses data for the year 2001 and shows for Tanzania a HDI value of 0.400 and a ranking of 160 out of 175 countries. While a lower ranking than last year, it should be noted that not only are there additional countries included this year, but that there has also been significant data revision, especially to the life expectancy measure. Using the revised methodology, last year’s HDI value recalculated would have been 0.399 (i.e. instead of 0.440 as listed), making the 2001 value contained in the **HDR 2003** a marginal improvement over last year. That being said, the value of all other measures remained more or less the same, meaning the lower recalculated measure is due to changes in life expectancy due largely to the devastating impact of HIV/AIDS.

“While the value of Tanzania’s HDI rating using the revised methodology has improved slightly over last year, a key message of this Report for Tanzania, and for much of Sub-Saharan Africa, is that HIV/AIDS is having a devastating impact on life expectancy – and in the process throwing human development off course,” Hendra said. “As also highlighted in Tanzania’s **Poverty and Human Development Report 2002**, one can say with some certainty that many of the targets in Tanzania’s Poverty Reduction Strategy, and indeed many of the MDGs, will not be met, unless all parts of Tanzanian society and its partners succeed together in urgently containing – and then reversing – the spread of HIV/AIDS, a key MDG in itself.”

Finally, two other indices in the Human Development Report 2003 shed light on important aspects of development: the Human Poverty Index (HPI) measuring human poverty and the Gender Empowerment Measure (GEM) which shows women’s participation in the political and economic arenas. Poverty rates can vary considerably across countries with similar per capita incomes: as indicated in the **HDR 2003**, Tanzania and Niger have similar incomes, yet Tanzania has a much lower poverty rate.

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.

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