



# END POVERTY 2015 *Make it happen*

MILLENNIUM DEVELOPMENT GOALS

High-level Event on the Millennium Development Goals, United Nations Headquarters, New York, 25 September 2008

## FACT SHEET

### GOAL 1: Eradicate extreme poverty and hunger

#### QUICK FACTS

- » The World Bank's latest estimates show that 1.4 billion people in developing countries were living in extreme poverty in 2005.
- » Recent increases in the price of food have had a direct and adverse effect on the poor and are expected to push many more people – an estimated 100 million – into absolute poverty.
- » The proportion of children under five who are undernourished declined from 33 per cent in 1990 to 26 per cent in 2006. However, by 2006, the number of children in developing countries who were underweight still exceeded 140 million.

people lacking access to food has risen. With recent increases in food prices, it is estimated that 1 billion people will go hungry, while another 2 billion will be undernourished.

Eastern Asia, notably China, was successful in more than halving the proportion of underweight children between 1990 and 2006. In contrast, and despite improvements since 1990, almost 50 per cent of children are underweight in Southern Asia. This region alone accounts for more than half the world's undernourished children, while the majority of countries making the least progress in reducing child malnutrition are in sub-Saharan Africa.

For millions in the world today, jobs provide little relief from poverty because pay is so low. Employed persons living in a household where earnings are less than \$1 per person a day are considered the 'working poor'. In sub-Saharan Africa, over half the workers fall into this category.

Between 55 and 75 per cent of the working age population is employed in most regions. The two exceptions are Northern Africa and Western Asia, partly because the employment-to-population ratio for women is less than 25 per cent (more than 40 percentage points below the ratio for men). For women to remain outside the labour force is often not a choice. More women in these regions would opt to work if it were socially acceptable, if more jobs were created for women and if institutions were in place to help them combine work and family responsibilities.

Rapid urbanization has altered the distribution and face of poverty. Slum dwellers, who account for 1 billion of the worldwide urban population, die earlier, experience more hunger and disease, receive less education and have fewer job opportunities.

#### WHERE DO WE STAND?

The MDG target of cutting in half the proportion of people in the developing world living on less than \$1 a day by 2015 remains within reach for the world as a whole. However, this achievement will be largely the result of extraordinary success in Asia, mostly East Asia. In contrast, little progress has been made in reducing extreme poverty in sub-Saharan Africa.

New estimates released by the World Bank in August 2008 show that the number of people in the developing world living in extreme poverty may be higher than previously thought. Using a new threshold for extreme poverty now set at \$1.25 a day (purchasing power parity) in 2005 prices, the Bank concludes that there were 1.4 billion people living in extreme poverty in 2005.

Based on these data, poverty rates are estimated to have fallen from 52 per cent in 1981 to 42 per cent in 1990 and to 26 per cent in 2005. Over a 25-year period, the poverty rate in East Asia fell from nearly 80 per cent to under 20 per cent. In sub-Saharan Africa, the poverty rate remained constant at around 50 per cent.

Even though the proportion of people worldwide suffering from malnutrition and hunger has fallen since the early 1990s, the number of

#### WHAT HAS WORKED

1. Microfinance has helped many of the world's poor to increase their incomes through self-employment and empowerment. With access to small loans and other financial services such as savings and micro-insurance, microfinance clients, mostly women, have formed micro-enterprises that generate income. Through microfinance, the poor are able to establish support networks for improving health

and education in their communities. Microfinance also helps them meet unexpected needs arising from medical emergencies or a death in the family. Grameen Bank of **Bangladesh** is one of the world's most successful microfinance institutions. From a starting base of 10 members in 1976, Grameen Bank today has over 7.5 million borrowers, 65 per cent of whom have managed to lift themselves out of extreme poverty. Other pioneers in microfinance include ACCION International in **Latin America** and the Self-Employed Women's Association (SEWA) Bank in **India**. In 2006, microfinance institutions provided loans to 113 million clients worldwide.

2. For the past two years, **Malawi's** voucher programme for fertilizers and seeds has helped double its agricultural productivity, turning the country into a net food exporter after decades of famine as a perennial food importer. Malawi needs 2.2 million tons of maize a year to feed itself. Before the subsidy programme began, the 2005 harvest fell to a low of 1.2 million tons of maize. The implementation of the National Input Subsidy Programme resulted in a dramatic increase to 3.2 million tons of maize in 2007, according to the Ministry of Agriculture. The bumper harvests resulting from the programme are helping poor farmers to earn more income.
3. NERICA - or the New Rice for Africa, a crossbreed of Asian and African rice varieties - can produce up to 200 per cent more than traditional crops and is expected to generate savings of several million dollars per year in the cost of rice imports in several pilot countries. Created by the African Rice Centre with support from the UN Development Programme and **Japan**, it combines the resilience of West African rice with the high productivity traits of Asian rice. A dozen years after its debut, NERICA has contributed to food security and improved nutrition in **Côte d'Ivoire, Democratic Republic of the Congo, Guinea, Kenya, Mali, Nigeria, Republic of Congo, Togo and Uganda**, where many farmers have been able to produce enough rice to feed their families and turn a profit in the market.
4. Since 2002, the courier delivery company TNT and the World Food Programme (WFP) have developed a partnership called "Moving the World" to help fight global hunger. TNT has donated services totalling € 38 million for activities including an emergency response system and a joint logistics supply chain. TNT has provided WFP with express transport of equipment critical in emergencies. In 2003-4, the firm transported emergency food supplies by land and air to **Haiti, Iran, Iraq, Liberia and Sudan** and it assists WFP in the implementation of the Programme's Fleet Management System in **Sierra Leone, Sudan, Pakistan, Liberia and Angola**. WFP used TNT trucks to deliver 430 tons of rice to more than 2.2 million

victims of a 2007 cyclone in **Bangladesh**. TNT employees also raised an additional € 9 million for WFP's school feeding projects.

## WHAT NEEDS TO BE DONE?

- » Implement the concrete steps to mitigate hunger identified by the High-Level Conference on World Food Security (held in Rome in June 2008), including through promoting national, regional and international cooperation to enhance food security and reduce trade distortions.
- » Ensure that there are social safety nets to minimize the consequences on the poor of the global economic slowdown and higher food and energy prices.
- » Urgently increase emergency food aid to enable WFP and other food-aid programmes to provide emergency food assistance.
- » Promote school feeding programmes.
- » Assist developing countries, especially in sub-Saharan Africa, to transform subsistence agriculture in order to ensure long-term, sustainable productivity increases and a more diversified economic base.
- » Support research and development in yield-enhancing agricultural and climate change technologies.
- » Promote equitable access to economic resources and decent work opportunities, especially for particularly disadvantaged groups such as women and young people.
- » Form partnerships with civil society, NGOs, the private sector and foundations to develop participatory, pro-poor, urban and rural development strategies.
- » Develop, for both urban and rural areas, the infrastructure and services that will enhance the productive capacity of enterprises and facilitate integration into the global economy.
- » Adopt urban development policies that will upgrade slums and improve the availability of basic services.
- » Facilitate the integration of the least developed countries into the multilateral trading system by increasing their access to funds under Aid for Trade.

Sources: *Committing to action: Achieving the MDGs*, Background note by the Secretary-General for the High-level Event on the Millennium Development Goals, United Nations, New York, 25 September 2008; *The Millennium Development Goals Report 2008*, United Nations; United Nations MDG Database <http://mdgs.un.org/>; MDG Monitor Website <http://www.mdgmonitor.org/>; UNDP; Grameen Bank website <http://www.grameenfoundation.org>

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