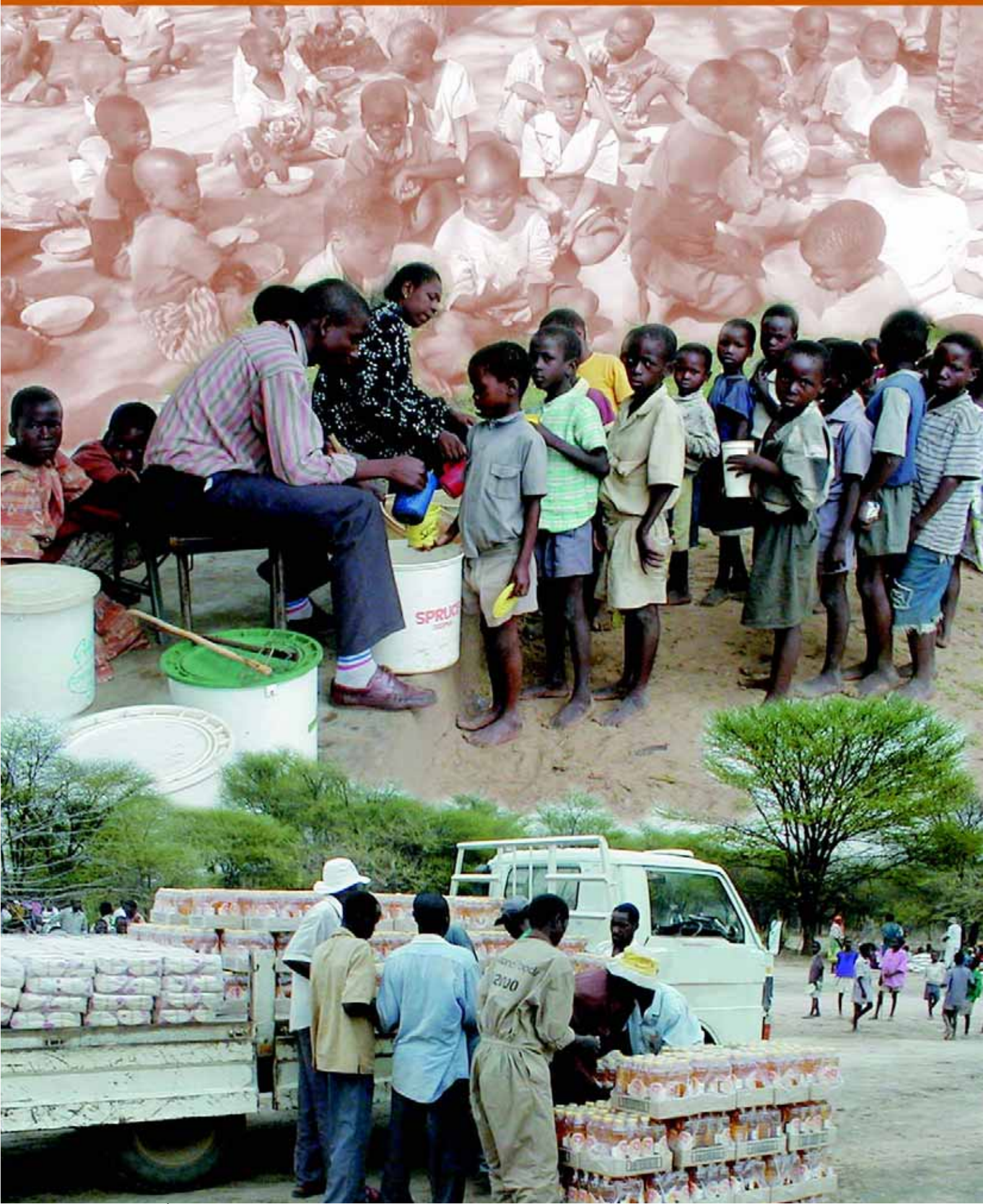


Eradicate Extreme Poverty and Hunger



Eradicate Extreme Poverty And Hunger



TARGET 1:

- a) Halve, between 2002 and 2015, the proportion of people whose income is less than the Total Consumption Poverty Line⁴ (TCPL).
- b) Halve, between 2000 and 2015, the proportion of people in human Poverty, as measured by the Human Poverty Index (HPI).

INDICATORS:

- 1. Percentage of people below the Total Consumption Poverty Line (TCPL)
- 2. Human Poverty Index (HPI)

TARGET 2:

- a) Halve, between 2002 and 2015, the proportion of people who suffer from hunger.
- b) Reduce by two-thirds, between 2002 and 2015, the proportion of under-five children who are malnourished.

INDICATORS:

- 3. Percentage of the population below the Food Poverty Line⁵ (FPL).
- 4. Percentage of under-five children that are malnourished.
- 5. Proportion of under-fives having at least three meals per day.

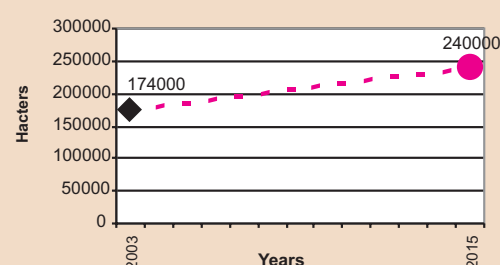
STATUS AND TRENDS

Zimbabwe is an agricultural based economy, with about 70% of its population residing in rural areas and earning a living largely from subsistence agriculture. Agriculture is still a major contributor to GDP at 24.7 percent, followed by the manufacturing sector at 11.5 percent, as at 2001. The average annual growth in agriculture GDP was estimated at 3.5% during 1981-1991, rising to 4.3% in 1999, before recording a steep decline of -17.6% in 2001. The situation, however, is expected to improve in the medium term when the agrarian reform process begins to yield results.

A major contributing factor to increasing agricultural productivity is expected to be the area under irrigation and the newly resettled farmers. Currently, the country has a total of 174,000 hectares under irrigation. Of this area, 139,000 hectares is in the former large-scale commercial agricultural sector. The total irrigation potential for Zimbabwe is estimated at 240,000

hectares, of which 90,000 will be in the small-holder sector. The target is to reach this full irrigation potential by 2015 (see figure 1.1)

Figure 1.1: Total Area under Irrigation For Zimbabwe, 2003 - 2015



Source: Ministry of Lands, Agriculture and Rural Resettlement, Zimbabwe, 2002

Key

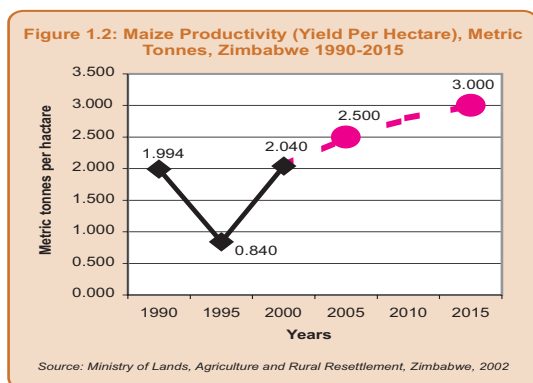
- ◆ Actual
- Target
- Current rate of progress
- - - Rate of progress required to reach goal

⁴ Total Consumption Poverty line – The level of income at which people can meet their basic food and non-food needs.

⁵ Food Poverty Line – A level of income at which people can meet their basic needs.

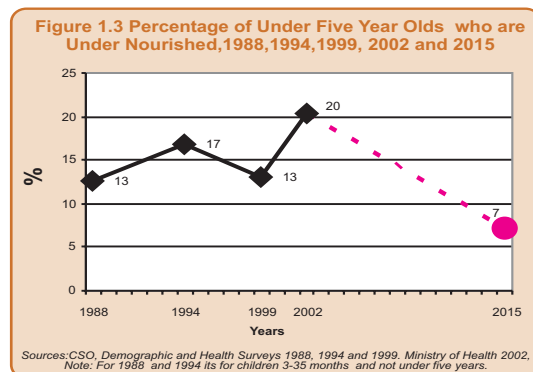
Eradicate Extreme Poverty And Hunger

Maize is the staple food in Zimbabwe, and as such, hunger is commonly associated with its shortage in the country. Maize productivity has been erratic since 1990, mainly due to the recurring droughts and floods, as well as the initial impact of the land reform programme. Figure 1.2 shows that maize productivity was 1.994 metric tonnes per hectare in 1990, dropping sharply to 0.840 metric tonnes per hectare in 1995, and rising to 2.040 metric tonnes per hectare in 2000. In order to ensure food security in the country, the target is to steadily increase maize productivity to 3.000 metric tonnes per hectare by 2015.

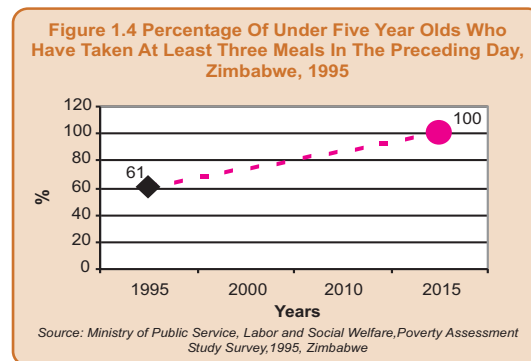


Zimbabwe is currently facing a major humanitarian challenge. The humanitarian situation has resulted in a higher incidence of vulnerability of the population. According to the 2002 Zimbabwe Vulnerability Assessment, the number of people in need of food aid rose from 6.7 million in 2001 to 7.2 million in 2002. Coupled with this is the HIV and AIDS epidemic, of which an estimated 2.2 million people are infected. The deadly combination of food shortages, malnutrition and HIV and AIDS in the face of economic decline is a great challenge. Government's desire is to achieve food security at the national level at all times.

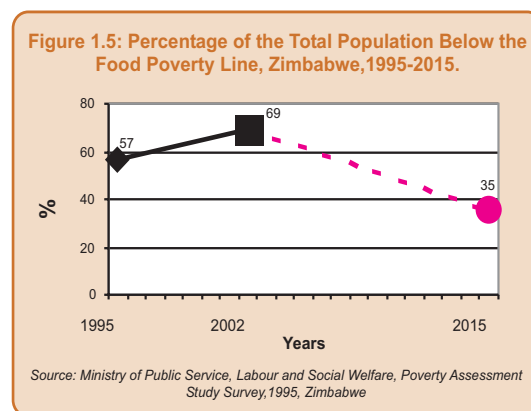
Malnutrition is a major problem associated with poverty. According to the Ministry of Health & Child Welfare, 13% of the under-fives were under-nourished in 1999, rising to 20% in 2002 (see figure 1.3). The 2002 National Nutrition Assessment Study estimated that 11% of the children in urban areas and 26.5% of the children in rural areas were malnourished. The target is to reduce under-five malnutrition by two-thirds to 7% by 2015.



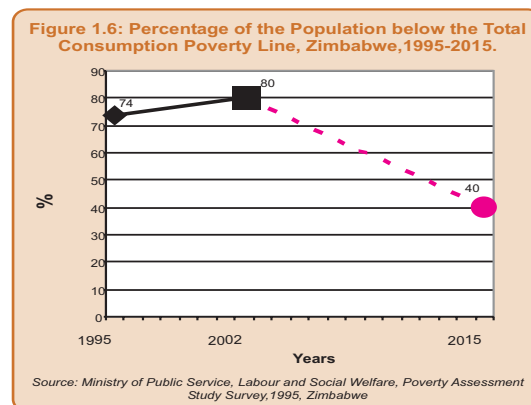
Another indicator of child malnutrition is the proportion of under-fives taking at least three meals per day. According to the Poverty Assessment Survey of 1995, 61% of the under-fives were taking at least three meals per day (see figure 1.4). It is also important to give attention to maternal nutrition, as this is strongly linked to the child nutrition challenge. The target is to reach 100% by 2015.



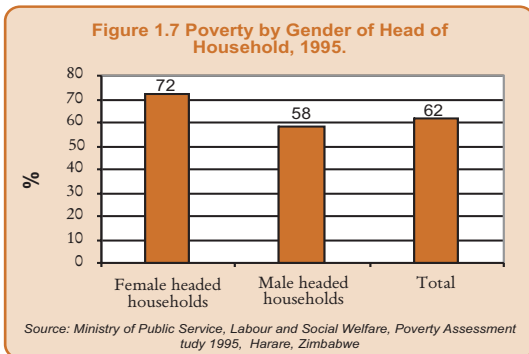
The 1995 Poverty Assessment Study indicated that 57% of the Zimbabwean population lived below the Food Poverty Line (FPL), rising to an estimated 69% in 2002 (see fig. 1.5). The target is to halve food poverty to 35% by 2015.



According to the same survey, in 1995 74% of the population fell below the total consumption poverty line, rising to an estimated 80% in 2002 (see figure 1.6). The target is to halve total consumption poverty to 40% by 2015.

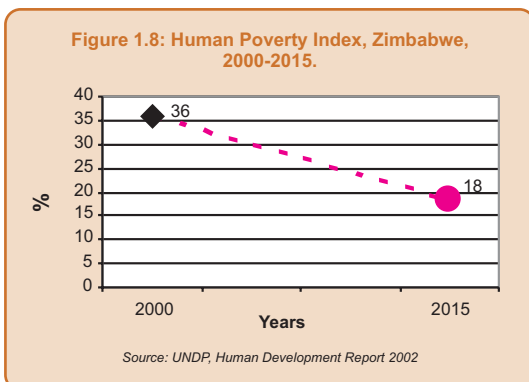


Current trends indicate that poverty is on the increase in both rural and urban areas. Poverty is more common in female-headed households at 72% than in male-headed households at 58% (see figure 1.7).



Another major contributory factor to the current levels of poverty is the high levels of inequalities in the country, measured by the Gini coefficient estimated to be 0.57⁶.

While food poverty and consumption poverty give indications of income poverty, the human poverty index provides a more holistic measure of the complexity/multidimensional nature of poverty. Zimbabwe's human poverty index was estimated at 36% of the total population in 2000. The target is to reduce human poverty by half to 18% by 2015 (see figure 1.8).



To achieve the set targets of eradicating extreme poverty and hunger, economic decline will need to be reversed, followed by sustained growth rates of above 6% (see *costing exercise at end of the chapter*), a reduction of inflation to single digits and a remarkable shift from mainly rain fed agriculture to irrigated crop production in the smallholder sector.

If the current trends in poverty and economic decline continue, the target of halving poverty by 2015 will not be achieved.

CHALLENGES

In order for Zimbabwe to achieve the goal of eradicating extreme poverty and hunger, the following challenges have to be addressed:

Creating an enabling environment for pro-poor economic growth

The challenge is to address high inflation, in order to facilitate economic revival, sustained growth, and poverty reduction. In this regard, it is worth noting that peace and security are pre-requisites for any nation to pursue sustainable development.

Employment creation

The challenge is to encourage job-creating economic growth and investment. One such strategy is to support small to medium size enterprises and help them graduate from the informal sector.

Support for the land reform programme

The challenge is to support the agrarian reform process to make it viable, so as to enhance household and national food security.

Reduce dependency on rain-fed agriculture and increase agricultural productivity

The majority of smallholder farmers are heavily dependent on rain fed agriculture. The challenge is to expand irrigation development to small-holder and communal farmers, so as to increase their productivity.

Addressing malnutrition with limited resources under the HIV and AIDS epidemic

The challenge is to address malnutrition in the wake of reduced public sector expenditure, and the negative impact of the HIV and AIDS epidemic.

Addressing Maternal and Child malnutrition

Nutrition highlights the importance of addressing community's food needs through the food cycle from production, harvesting, storage, processing, preparation, and consumption. In addition, issues relating to availability of local food crops, diet diversity and quality are important. The challenge, therefore, is to ensure sustainability in food production cycles and food diversity.

Establish a comprehensive food and nutrition surveillance system

The challenge is to establish a comprehensive food and nutrition surveillance system that will provide accurate, credible and timely information. This will help to facilitate appropriate decision making at all levels, from community to policy making, for improved food security and nutrition outcomes.

Expand social protection and security systems

The challenge is to increase the capabilities of



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⁶ The Gini coefficient is a number between zero and one that measures the degree of inequality in the distribution of income in a given society. The coefficient would register zero inequality (0.0=minimum inequality) for a society in which members received exactly the same income and it would register a coefficient of one (1.0=maximum inequality) if one member got all the income and the rest got nothing.

households to manage risk. Humanitarian crises have become a regular feature of the Zimbabwe landscape, associated largely with droughts, floods and the impact of the HIV AND AIDS epidemic.

Combating HIV and AIDS

HIV and AIDS poses a serious threat to all development efforts, in particular poverty reduction. The challenge is to design and implement strategies that will halt and reverse the spread of the epidemic.

Developing a land information and natural resource database

As a result of recent structural changes in the economy, particularly with respect to resource ownership, information on land and natural resources have become outdated. The challenge is to conduct a land and natural resource audit in order to update the database.

Design a Poverty monitoring database

Currently, there is no centralized comprehensive database to monitor poverty. The challenge is to design such a database to enable focused targeting and the design of appropriate poverty reduction responses.

SUPPORTIVE ENVIRONMENT

The government is committed to the eradication of extreme poverty and hunger as indicated by the various initiatives undertaken so far. These include:

National Economic Revival Programme (NERP)

The programme aims at putting in place measures to enhance the country's capacity to generate foreign exchange, to facilitate economic recovery.

Land Reform Programme

The current land reform programme aims at providing the majority of the people with land to support their agricultural production capacity.

Undertaking a Second Poverty Assessment Study (PASSII)

The government is preparing to undertake a nation-wide Poverty Assessment Study to get an in-depth understanding of the poverty status in the country. The findings of the assessment are expected to be the basis of the country's Poverty Reduction Strategy.

Social Security and Protection Policies

Various policies have been drafted and implemented that have a direct bearing on poverty eradication. These include Food Security Policy and Strategy, National Drought Policy, National Employment Policy, National Social Security Policy, Social and Civil Protection AIDS Orphans Policy, Children in Difficulty Circumstances and Support for the elderly.

Agricultural production and Marketing Policies

In the recent past, government embarked on a number of policy and institutional reforms designed to increase agricultural production. These include the conversion of Agricultural Finance Corporation (AFC) to Agribank, with flexible financing for the smallholder sector, as well as the amalgamation of agricultural research and extension into AREX to ensure that research is farmer driven. Other support mechanisms include farmer input support schemes, and commodity producers' associations such as Cotton Producers Association and Horticultural Producers Association.

Ratification of nutrition-related International Conventions

Zimbabwe has ratified many of the international goals and conventions such as the International Conference on Nutrition (1992), World Summit Goals for Children (1990), World Food Summit (1996) etc., which are supportive to nutrition outcomes.

The National Food and Nutrition Policy and the Food and Nutrition Council

The country has in place a national food and nutrition policy framework to guide nutrition interventions, as well as, experienced technical capacity to implement effective programmes

In addition, a food and Nutrition council was established under the auspices of the Office of the President and Cabinet to oversee and guide a national response to the food and nutrition challenges facing Zimbabwe regularly.

There are several nutrition programmes in place, among them the child supplementary feeding programmed, which are supported by Government and development partners.

PRIORITIES FOR DEVELOPMENT AND DEVELOPMENT ASSISTANCE

To achieve the target of halving poverty and hunger by 2015, the following priorities will need to be addressed:

Formulating and Implementing a pro-poor macroeconomic policy strategy

Formulating and implementing a pro-poor macroeconomic policy strategy that is participatory, inclusive and people-centered to ensure sustainable economic growth. Such a framework will need external support.

Consolidation of agricultural and rural development strategies

Enhance opportunities for the majority through equitable distribution of the means of production, including land, agricultural finance, inputs,



research, market access, extension services and infrastructure development.

Strengthen disaster management systems
The disaster management system is weak and in need of strengthening. In addition, social protection systems need to be strengthened to ensure that every Zimbabwean can manage risk and shocks.

Develop a nutrition advocacy strategy for people living with HIV and AIDS
There is need to develop a sustainable advocacy and communications strategy on nutrition, within the context of HIV and AIDS control programmes, to improve the quality of life for people living with HIV and AIDS.

Establish a comprehensive food and nutrition surveillance system
There is need to establish a comprehensive food and nutrition surveillance system that will provide accurate, credible and timely information. This will help to facilitate appropriate decision making at all levels, from community to policy making, for improved food security and nutrition outcomes.

Consolidate formal sector employment strategies:
There is need to develop strategies around job-creation based growth and investment policies for the formal sector.

Strategies for reversing HIV and AIDS and support for people living with HIV and AIDS
Given the strong linkages between HIV and AIDS and poverty, there is need to put in place broad-based strategies to reverse HIV and AIDS and provide support for people living with HIV and AIDS.

Development of Land Information Management Systems
A Land information system is the basis upon which productive land use patterns will be established. For example, the expansion of small-holder irrigation is one way of optimising land and increasing food production.

Consolidate existing nutrition programmes
Government and its development partners will need to strengthen all nutrition-related programmes as one approach to addressing hunger.

COSTING THE REDUCTION OF EXTREME POVERTY & HUNGER

Overview: For Zimbabwe to achieve the millennium development goals and targets, it will be necessary to have both an improvement to the policy environment as well as an increase in resources

to ensure progress. The first goal emphasizes the need to reduce the number of persons living in extreme poverty. In the case of Zimbabwe, two variables are considered, consumption poverty and food poverty. The calculation for reducing extreme poverty by half is based on 13 years, from 2002 to 2015.

Reduction of consumption poverty and food poverty: The target is to reduce consumption poverty from the current estimate of 80% (2002)⁸ to 40%, and food poverty from the current estimate of 68% to 34% by 2015. The required growth rate in national income, as measured by real GDP per capita to achieve this target, is 5.5% per capita per annum, based on a compounded growth formula⁹. This figure assumes a population growth rate of 1.1% per annum (*inter-censal 1992 to 2002*). Hence, the required average rate of growth of real GDP is approximately 6.6% per annum until 2015.

Development Challenge: Given the relatively high rates of growth in GDP required for Zimbabwe to halve the proportion of people living in extreme poverty by 2015, the question to pose is whether Zimbabwe's economy can grow at an average rate of 6.6% per annum over the 13-year period until 2015? Considering the extent of economic decline over the past decade, especially the negative and worsening growth rate in the past 4 years, it is difficult to envisage that the country will achieve such high growth rates. From 1991 to 1999, the economy registered a real growth in GDP¹⁰ of 2.5% per annum. The growth worsened from 2000 to date, recording a negative growth rate of about 6.4% per annum on average. Therefore, taking into consideration the length of time required to reverse the negative trend and to raise the economy to higher growth levels, a more realistic assumption would be in the range of 4% to 5% per annum over 13 years (see table 2, scenarios 2 & 3). This would reduce both consumption and food poverty by 27% instead of 50%. Therefore, consumption poverty will move from the current level of 80% to 53% (rather than the target of 40%), and food poverty from the current 68% to 41% (rather than the target of 34%). Thus with scenario 2, poverty will not be reduced by 50%, but by 27% in 2015. The halving of poverty under a 5% real GDP growth rate will only take place by 2020 (scenario 3).

The Poverty, Inequality and Growth nexus: The derived elasticity for poverty¹¹ (or income



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⁷ Poverty measures relate to head count ratio.

⁸ UNDP and Government sources

⁹ Poverty in 2015 = Poverty in 2002 (1 + per capita growth)¹³

¹⁰ GDP is Gross Domestic Product at factor cost.

¹¹ Hanmer L and Nashold F 'Attaining the International Development Targets: Will Growth be Enough?' Development Policy Review vol. 18 No 1.

elasticity) for Sub-Saharan Africa, as indicated by numerous studies, is around -1.5. When applied to Zimbabwe, it suggests that Zimbabwe has to grow by at least 5.5 % per annum to make any inroads towards poverty reduction. It is important to note, however, that this will still not address the issue of inequality. For effective poverty reduction, how to reduce inequality without disrupting the growth process is the key issue in Zimbabwe. The latest income Gini coefficient for Zimbabwe is 0.57 (2001). Reductions in inequality, in their own right, are a worthy goal to pursue. In this regard, Zimbabwe is pursuing an asset redistribution (land and other productive assets) strategy to try and address issues of poverty, inequality and growth.

The 5% real GDP growth rate, combined with global partnership resources, should support an MDG 2015 poverty reduction total resource requirement of at least US\$600 million (excluding HIV and AIDS Anti-Retroviral drugs) to US\$2.2 billion (including ARV drugs). These costs were estimated from the cost of meeting specific goals in health, education and environment.

In addition, the Consumer Price Index (CPI) basket contains "food and beverages" that account for 50% of all items. As such, policies designed to

reduce inflation will have a significant impact on the affordability of food purchased by the poor. This will help considerably to attain the Hunger reduction goal.

Growth rate and time scenarios for achieving goal 1 (see table 2)

Scenarios 1 and 2 already discussed above are an attempt to answer the following questions: What is the required real GDP growth rate in order for poverty to be halved by 2015 from its current level? What is a more realistic growth rate, considering the current status of the economy and, hence, how far can poverty be reduced by 2015? In scenarios 3, 4 and 5, the attempt is to answer the question, given realistic expectations of real GDP growth, "How long will it take to halve poverty?" Scenario 3 is a realistic option, both in terms of GDP growth (5% p.a.) and the time period required to halve poverty (18 years to 2020). Scenario 4 is a realistic option in terms of GDP growth (4 p.a.), but unacceptable in terms of the long time period required to halve poverty (24 years to 2026). The last, option 5, is unacceptable for addressing the poverty reduction challenge, as it presents a weak 3 percent GDP growth and a very long period to poverty reduction target achievement (37 years to 2038).

TABLE 2: GROWTH RATE & TIME SCENARIOS FOR ACHIEVING GOAL 1

SCENARIOS	Real GDP Growth required (%)	Poverty Reduction Outcome	Year of Outcome Achievement	General Comment
I	6.6	Reduced by 50%	2015	13 years Unrealistic in terms of the high GDP growth rate required
II	4 to 5	Reduced by 27%	2015	13 years A more realistic option in terms of the required real GDP growth rate
III	5	Reduced by 50%	2020	18 years. A realistic option, both in terms of GDP growth and the time period required.
IV	4	Reduced by 50%	2026	24 years. A realistic option in terms of GDP growth, but unacceptable in terms of the long time period required.
V	3	Reduced by 50%	2038	37 years. Generally unacceptable for addressing the poverty reduction challenge.





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of Purpose, Together we can
Score this Goal! ”

