

DEFINITIONS

Below are a set of definitions and brief notes on the basic concepts and methods underlying the indicators reported in the Millennium Development Goals (MDGs) and regional tables. These notes are taken mostly from the *Reference Manual* that the ADB Development Indicators and Policy Research Division (ERDI) uses. In general, ERDI follows the international standard definitions that the following organizations and agencies have established: Food and Agriculture Organization (FAO), on land use and agriculture production; International Labour Organization (ILO), on labor force and employment; International Monetary Fund (IMF), on money and banking, balance of payments, international reserves, and exchange rates; Organisation for Economic Co-operation and Development (OECD), on official development assistance; The Joint United Nations Programme on HIV/AIDS (UNAIDS); United Nations Educational, Scientific and

Cultural Organization (UNESCO), on education; United Nations Children's Fund (UNICEF) and World Health Organization (WHO), on health and nutrition; the United Nations, on national accounts, population, and other social statistics; and the World Bank on external indebtedness.

Readers interested in obtaining further information and details are encouraged to refer to both national data sources and publications and to international guidelines and manuals that set out methods, concepts, and classifications.

Millennium Development Goals

The MDGs consist of 8 goals, 18 targets, and 48 monitoring indicators. Additions or revisions to the list may be made in the future.

8 Goals, 18 Targets, and 48 Monitoring Indicators

TARGETS

INDICATORS (SOURCE)

DEFINITION

Goal 1: Eradicate extreme poverty and hunger

Target 1

Halve, between 1990 and 2015, the proportion of people whose income is less than \$1 a day

1. Proportion of population below \$1 (1993 purchasing power parity [PPP]) per day (World Bank)
- 1a. Poverty head-count ratio (percentage of population below the national poverty line)
2. Poverty gap ratio [incidence x depth of poverty] (World Bank)
3. Share of poorest quintile in national consumption (World Bank)

Percentage of the population living on less than \$1.08 a day at 1993 international prices.

Proportion of the national population whose incomes are below the official threshold (or thresholds) set by the national government.

Mean distance separating the population from the poverty line (with the nonpoor being given a distance of zero), expressed as a percentage of the poverty line.

Income that accrues to the poorest fifth of the population.

Target 2

Halve, between 1990 and 2015, the proportion of people who suffer from hunger

4. Prevalence of underweight children under 5 years old (UNICEF, WHO)
5. Proportion of population below minimum level of dietary energy consumption (FAO)

Percentage of children under 5 years old whose weight for age is less than minus two standard deviations from the median for the international reference population ages 0–59 months.

Percentage of the population whose food intake falls below the minimum level of dietary energy requirements. Also referred to as the prevalence of undernourishment, which is the percentage of the population that is undernourished.

TARGETS	INDICATORS (SOURCE)	DEFINITION
Goal 2: Achieve universal primary education		
Target 3		
Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling	6. Net enrollment ratio in primary education (UNESCO)	Ratio of the number of children of official school age (as defined by the national education system) who are enrolled in primary school to the total population of children of official school age.
	7. Proportion of pupils starting grade 1 who reach grade 5 (UNESCO)	Percentage of a group of pupils enrolled in grade 1 of the primary level of education in a given school year who is expected to reach grade 5.
	7a. Primary completion rate	Ratio of the total number of students successfully completing (or graduating from) the last year of primary school in a given year to the total number of children of official graduation age in the population.
	8. Literacy rate of 15- to 24-year-olds (UNESCO)	Percentage of the population ages 15–24 years who can both read and write with understanding a short, simple statement on everyday life. Also referred to as the youth literacy rate.
Goal 3: Promote gender equality and empower women		
Target 4		
Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015	9. Ratio of girls to boys in primary, secondary, and tertiary education (UNESCO)	Ratio of the number of female students enrolled at the primary, secondary, and tertiary levels in public and private schools to the number of male students.
	10. Ratio of literate women to men, 15–24 years old (UNESCO)	Ratio of the female literacy rate to the male literacy rate for the age group 15–24. Also known as the Literacy Gender Parity Index
	11. Share of women in wage employment in the nonagricultural sector (ILO)	Share of female workers in the nonagricultural sector expressed as a percentage of total employment in the sector.
	12. Proportion of seats held by women in national parliament (International Parliamentary Union [IPU])	Number of seats held by women expressed as a percentage of all occupied seats.
Goal 4: Reduce child mortality		
Target 5		
Reduce by two thirds, between 1990 and 2015, the under-5 mortality rate	13. Under-5 mortality rate (UNICEF, WHO)	Probability (expressed as a rate per 1,000 live births) of a child born in a specified year dying before reaching the age of 5 years if subject to current age-specific mortality rates.
	14. Infant mortality rate (UNICEF, WHO)	Probability (expressed as a rate per 1,000 live births) of a child born in a specified year dying before reaching the age of 1 year if subject to current age-specific mortality rates.
	15. Proportion of 1-year-old children immunized against measles (UNICEF, WHO)	Percentage of children under 1 year old who have received at least one dose of measles vaccine.
Goal 5 : Improve maternal health		
Target 6		
Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio	16. Maternal mortality ratio (UNICEF, WHO)	Number of women who die from any cause related to or aggravated by pregnancy or its management (excluding accidental or incidental causes) during pregnancy and childbirth or within 42 days of termination of pregnancy, irrespective of the duration and site of the pregnancy, per 100,000 live births.
	17. Proportion of births attended by skilled health personnel (UNICEF, WHO)	Percentage of deliveries attended by personnel trained to give the necessary supervision, care, and advice to women during pregnancy, labor, and the post-partum period; to conduct deliveries on their own; and to care for newborns.

TARGETS	INDICATORS (SOURCE)	DEFINITION
Goal 6: Combat HIV/AIDS, malaria, and other diseases		
Target 7		
Have halted by 2015 and begun to reverse the spread of HIV/AIDS	18. HIV prevalence among pregnant women aged 15–24 years (UNAIDS, WHO, UNICEF)	Percentage of pregnant women ages 15–24 whose blood samples were tested positive for HIV.
	19. Condom use rate of the contraceptive prevalence rate (UN Population Division)	Number of women ages 15–49 in marital or consensual unions who are using condoms as a contraception method as a proportion of all of women of the same age group in consensual unions who are practicing, or whose sexual partners are practicing, any form of contraception.
	19a. Condom use at last high-risk sex (UNICEF, WHO)	Percentage of young people ages 15–24 reporting the use of a condom during sexual intercourse with a nonregular sexual partner in the last 12 months.
	19b. Percentage of population aged 15–24 with comprehensive correct knowledge of HIV/AIDS (UNICEF, WHO)	Share of women and men ages 15–24 who correctly identify the two major ways of preventing the sexual transmission of HIV (using condoms and limiting sex to one faithful, uninfected partner), who reject the two most common local misconceptions about HIV transmission and who know that a healthy-looking person can transmit HIV. Proxy indicators are also used to represent this actual indicator. Examples of such indicators are: a) percentage of women and men 15–24 years who know that a person can protect herself/himself from HIV infection by “consistent use of condom” and b) percentage of women and men 15–24 years who know that a healthy looking person can transmit HIV.
	19c. Contraceptive prevalence rate (UN Population Division)	Contraceptive use among currently married women aged 15–49 years, any method, in percent.
	20. Ratio of school attendance of orphans to school attendance of non-orphans aged 10–14 years (UNICEF, UNAIDS, WHO)	Strictly defined, the number of children orphaned by HIV/AIDS is the estimated number of children who lost their mother, father, or both parents to AIDS before age 15 years. In practice, the impact of the AIDS epidemic on orphans is measured through the ratio of orphans to non-orphans who are in school.
Target 8		
Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases	21. Prevalence and death rates associated with malaria (WHO)	The number of cases of malaria per 100,000 people. Death rates associated with malaria are number of deaths caused by malaria per 100,000 people.
	22. Proportion of population in malaria-risk areas using effective malaria prevention and treatment measures (UNICEF, WHO)	Malaria prevention is measured as the percentage of children aged 0–59 months who sleep under insecticide-treated bed nets. Malaria treatment among children is measured as the proportion of children aged 0–59 months who were ill with the fever in the 2 weeks before the survey and who received appropriate antimalarial drugs.
	23. Prevalence and death rates associated with tuberculosis (WHO)	Tuberculosis prevalence is the number of cases of tuberculosis per 100,000 people. Death rates associated with tuberculosis are deaths caused by tuberculosis per 100,000 people. On the other hand, a tuberculosis case is defined as a patient in whom tuberculosis has been bacteriologically confirmed or diagnosed by a clinician.
	24. Proportion of tuberculosis (TB) cases detected and cured under directly observed treatment short courses (DOTS) internationally recommended TB control strategy (WHO)	Tuberculosis detection rate is the percentage of estimated new, infectious tuberculosis cases detected under the DOTS case detection and treatment strategy. Cure rate is the percentage of new, registered smear-positive (infectious) cases that were cured or in which a full course of DOTS was completed.

TARGETS	INDICATORS (SOURCE)	DEFINITION
Goal 7: Ensure environmental sustainability		
Target 9		
Integrate the principles of sustainable development into country policies and programs and reverse the loss of environmental resources	25. Proportion of land area covered by forest (FAO)	Forest areas as a share of total land area, where land area is the total surface area of the country less the area covered by inland waters, like major rivers and lakes.
	26. Ratio of area protected to maintain biological diversity to surface area (United Nations Environment Programme [UNEP] – World Convention Monitoring Centre)	Nationally protected area as a percentage of total surface area of a country.
	27. Energy use (kg oil equivalent) per \$1,000 GDP purchasing power parity (PPP) (International Energy Agency, World Bank)	Commercial energy use measured in units of oil equivalent per \$1,000 of GDP converted from national currencies using PPP conversion factors.
	28. Carbon dioxide emissions per capita (United Nations Framework Convention on Climate Change, NDESA/Statistics Division) and consumption of ozone-depleting chlorofluorocarbons (CFCs) (ODP tons) (UNEP-Ozone Secretariat)	Carbon dioxide emissions per capita are the total amount of carbon dioxide emitted by a country as a consequence of human (production and consumption) activities, divided by the population of the country. Consumption of ozone-depleting CFCs in tons (ozone-depleting potential) is the sum of the consumption of the weighted tons of the individual substances in the group—metric tons of the individual substance (defined in the Montreal Protocol on Substances That Deplete the Ozone Layer) multiplied by its ozone-depleting potential.
	29. Proportion of population using solid fuels (WHO)	Proportion of the population that relies on biomass (wood, charcoal, crop residues, and dung) and coal as the primary sources of domestic energy for cooking and heating.
Target 10		
Halve, by 2015, the proportion of people without sustainable access to safe drinking water and sanitation	30. Proportion of population with sustainable access to an improved water source, urban and rural (UNICEF, WHO)	Percentage of the population who use any of the following types of water supply for drinking: piped water, public tap, borehole or pump, protected well, protected spring or rainwater.
	31. Proportion of population with access to improved sanitation, urban and rural (UNICEF, WHO)	Percentage of the population with access to facilities that hygienically separate human excreta from human, animal, and insect contact.
Target 11		
By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers	32. Proportion of households with access to secure tenure (UN-HABITAT)	1 minus the proportion of the urban population who lives in slums.
Goal 8: Develop a global partnership for development		
Note: Targets 12 to 15 are monitored using the same set of indicators—33 to 44.		
Target 12		
Develop further an open, rule-based, predictable, nondiscriminatory trading and financial system. Includes a commitment to good governance, development, and poverty reduction—both nationally and internationally		

TARGETS	INDICATORS (SOURCE)	DEFINITION
Target 13	Official Development Assistance	Official development assistance (ODA) comprises grants or loans to developing countries and territories that are on the list of aid recipients of the Organisation for Economic Co-operation and Development/Development Assistance Committee (OECD/DAC). These grants and loans are undertaken by the official sector with promotion of economic development and welfare as the main objective and at concessional financial terms (if a loan, having a grant element of at least 25%). Technical cooperation is included. Grants, loans, and credits for military purposes and aid to more advanced developing and transition countries as determined by the DAC are excluded.
Address the special needs of the least developed countries (LDCs). Includes: tariff and quota-free access for LDCs' exports; enhanced program of debt relief for heavily indebted poor countries (HIPC) and cancellation of official bilateral debt; and more generous ODA for countries committed to poverty reduction	<p>33. Net ODA, total and to the LDCs, as percentage of OECD/ DAC donors' gross national income (OECD)</p> <p>34. Proportion of total bilateral, sector-allocable ODA of OECD/ DAC donors to basic social services (basic education, primary health care, nutrition, safe water, and sanitation) (OECD)</p> <p>35. Proportion of bilateral ODA of OECD/DAC donors that is untied (OECD)</p> <p>36. ODA received in landlocked developing countries as a proportion of their GNIs (OECD)</p> <p>37. ODA received in small island developing States as a proportion of their GNIs (OECD)</p>	<p>Net ODA as a proportion of the donors' gross national income (GNI) at market prices.</p> <p>Percentage of the total country-to-country ODA to the basic social services such as: a) basic education which is comprised by primary education, basic life skills for youth and adults, and early childhood education; b) primary health care that includes basic health care, basic health infrastructure, basic nutrition, infectious disease control, health education, and health personnel development; and c) aid to water supply and sanitation that are poverty-focused.</p> <p>Percentage of country-to-country ODA for which the associated goods and services may be fully and freely procured in substantially all countries.</p> <p>Percentage of ODA received from the following countries to their GNIs: <i>Africa</i>: Botswana, Burkina Faso, Burundi, Central African Republic, Chad, Ethiopia, Lesotho, Malawi, Mali, Niger, Rwanda, Swaziland, Uganda, Zambia, and Zimbabwe; <i>Asia and the Pacific</i>: Afghanistan, Azerbaijan, Bhutan, Kazakhstan, Kyrgyzstan, Lao PDR, Mongolia, Nepal, Tajikistan, Turkmenistan, and Uzbekistan; <i>Europe</i>: Former Yugoslav Republic of Macedonia and Republic of Moldova (expected from 2003); and <i>Latin America and the Caribbean</i>: Bolivia and Paraguay.</p> <p>Percentage of ODA received from the following countries to their GNIs: <i>Africa</i>: Cape Verde, Comoros, Guinea-Bissau, Mauritius, Saõ Tomé and Príncipe, and Seychelles; <i>Asia and the Pacific</i>: Bahrain, Cook Islands, Fiji Islands, Kiribati, Maldives, Marshall Islands, Federated States of Micronesia, Nauru, Niue, Palau, Papua New Guinea, Samoa, Singapore, Solomon Islands, Tokelau, Tonga, Tuvalu, and Vanuatu; <i>Europe</i>: Cyprus and Malta; and <i>Latin America and the Caribbean</i>: Antigua and Barbuda, Aruba, The Bahamas, Barbados, Belize, Cuba, Dominica, Dominican Republic, Grenada, Guyana, Haiti, Jamaica, Netherlands Antilles, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, Trinidad and Tobago, and US Virgin Islands.</p>
Target 14	Market Access	Percentage of imports and imported goods (merchandise) from developing countries and LDCs to the developed countries that are admitted without tariffs.
Address the special needs of landlocked developing countries and small island developing States (through the Programme of Action for the Sustainable Development of Small Island Developing States and the outcome of the twenty-second special session of the General Assembly)	38. Proportion of total developed country imports (by value and excluding arms) from developing countries and from the LDCs, admitted free of duty (United Nations Conference on Trade and Development (UNCTAD), World Trade Organization (WTO), World Bank)	

TARGETS	INDICATORS (SOURCE)	DEFINITION
	39. Average tariffs imposed by developed countries on agricultural products and textiles and clothing from developing countries (UNCTAD, WTO, WB)	The simple average of all applied ad valorem tariffs (tariffs based on the value of the import) applicable to the bilateral imports of developed countries on plant and animal products, including tree crops but excluding timber and fish products; clothing and textiles, including natural and synthetic fibers and fabrics; and articles of clothing made from them.
	40. Agricultural support estimate for OECD countries as a percentage of their gross domestic product (OECD)	The annual monetary value of all gross transfers from taxpayers and consumers, both domestic and foreign (in the form of subsidies arising from policy measures that support agriculture), net of the associated budgetary receipts, regardless of their objectives and impacts on farm production and income, or consumption of farm products, as a percentage of GDP.
	41. Proportion of ODA provided to help build trade capacity (OECD, WTO)	Percentage of ODA provided to help: a) formulate and implement a trade development strategy and create an enabling environment for increasing the volume and value-added of exports, diversifying export products and markets, and increasing foreign investment to generate jobs and trade; b) stimulate trade by domestic firms and encourage investment in trade-oriented industries; and c) participate in the benefit from institutions, negotiations, and processes that shape national trade policy and the rules and practices of international commerce.
Target 15	Debt Sustainability	
Deal comprehensively with the debt problems of developing countries through national and international measures to make debt sustainable in the long term	42. Total number of countries that have reached their HIPC decision points and number that have reached their HIPC completion points (cumulative) (International Monetary Fund [IMF]-World Bank)	HIPC decision point is the date at which an HIPC with an established track record of good performance under adjustment programs supported by the IMF and the World Bank commits to undertake additional reforms and to develop and implement a poverty reduction strategy. HIPC completion point is the date at which the country successfully completes the key structural reforms agreed at the decision point, including the development and implementation of its poverty reduction strategy. The country then receives the bulk of debt relief under the HIPC initiative without any further policy conditions.
	43. Debt relief committed under HIPC initiative (IMF-World Bank)	Debt relief committed under the HIPC initiative as a component of ODA has been recorded in different ways over time. Up through 1992, forgiveness of nonofficial development assistance debt that met the tests of ODA was reportable as ODA. During 1990–1992, it remained reportable as part of a country's ODA, but was excluded from the DAC total. Since 1993, forgiveness of debt originally intended for military purposes has been reportable as "other official flows," while forgiveness of other non-ODA loans (mainly export credits) recorded as ODA has been included in both country data and total DAC ODA, as it was until 1989.
	44. Debt service as a percentage of exports of goods and services (IMF-World Bank)	Refers to principal repayments and interest payments made to nonresidents in foreign currency, goods or services, as a percentage of exports of goods and services.
Target 16		
In cooperation with developing countries, develop and implement strategies for decent and productive work for youth	45. Unemployment rate of young people aged 15–24 years, each sex and total (ILO)	The number of unemployed people aged 15–24 years divided by the labor force of the same age group.

TARGETS	INDICATORS (SOURCE)	DEFINITION
Target 17 In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries	Other 46. Proportion of population with access to affordable essential drugs on a sustainable basis (WHO)	Percentage of the population that has access to a minimum of 20 most essential drugs. Access is defined as having drugs continuously available and affordable at public or private health facilities or drug outlets that are within an hour's walk of the population.
Target 18 In cooperation with the private sector, make available the benefits of new technologies, especially information and communications	47. Telephone lines and cellular subscribers per 100 population (International Telecommunication Union [ITU]) 48. Personal computers in use per 100 population (ITU) and Internet users per 100 population (ITU)	Telephone lines refer to the number of telephone lines connecting subscribers' terminal equipment to the public switched network and that have a dedicated port in the telephone exchange equipment. Cellular subscribers are the cellular telephone users who subscribe to an automatic public mobile telephone service that provides access to the public switched telephone network using cellular technology. Personal computers are computers designed to be operated by a single user at a time. The Internet is a linked global network of computers in which users at one computer, if they have permission, get information from other computers in the network.

POVERTY

Gini Coefficient measures the degree to which an economy's income distribution diverges from perfect equal distribution. A value of zero (0) implies perfect equality while a value of one (1) implies perfect inequality.

Human Development Index, as compiled by the UNDP, is a composite index of longevity (as measured by life expectancy at birth), knowledge (as measured by adult literacy rate and combined enrollment ratio), and decent standard of living (as measured by the adjusted per capita income in PPP US\$).

Income Ratio of Highest 20% to Lowest 20% is the income share that accrues to the richest 20% of the population divided by the share of the lowest 20% of the population.

Population Below \$1 a Day (%), an MDG indicator. See section on MDG indicators definition.

Population in Poverty (%) refers to the percentage of the population whose income/consumption falls below the national poverty line.

Purchasing Power Parity (PPP) is a price relative which measures the number of units of country B's currency that country B needs to purchase the same quantity of an individual good or service as one unit of country A's currency will purchase in country A.

EDUCATION

Gross Enrollment Ratio (%) for pre-primary, primary, secondary, and tertiary levels of education is the number of pupils enrolled in the given level of education, regardless of age, expressed as a percentage of the population which, according to national regulations, should be enrolled at this level. The gross enrollment ratio may exceed 100% because some enrolled pupils are below or above the official school age.

Literacy Rate 15 Years and Over (%) is the estimated number of literate people aged 15 years and above expressed as a percentage of the total population aged 15 years and above. A person is considered literate if he/she can read and write with understanding a simple statement in any language. It is also referred to as Adult Literacy Rate.

Literacy Rate 15-24 Years Old (%), an MDG indicator. See section on MDG indicators definition.

Pupils Starting Grade 1 who Reach Grade 5 (%), an MDG indicator. See section on MDG indicators definition.

ENVIRONMENT

Annual Rate of Deforestation (%) refers to the permanent conversion of natural forest area into other uses during a

calendar year, including shifting cultivation, permanent agriculture, ranching, settlements, and infrastructure development. A negative rate indicates reforestation.

Carbon Dioxide Emissions (per capita metric tons), an MDG indicator. See section on MDG indicators definition.

Energy Use per \$1 GDP (PPP) refers to kilogram of oil equivalent per constant 2000 PPP \$. Energy use refers to apparent consumption, which is equal to indigenous production plus imports and stock changes, minus exports and fuels supplied to ships and aircraft engaged in international transport. There is an equivalent MDG indicator in 1995 PPP \$. See section on MDG indicators definition.

National Protected Areas (as % of surface area), an MDG indicator. See section on MDG indicators definition.

Proportion of Land Area Covered by Forest (%), an MDG indicator. See section on MDG indicators definition.

HEALTH AND NUTRITION

Daily Per Capita Protein Supply (grams) and Daily Per Capita Calorie Supply (calories) requires the estimation of total food supply by summing the total production and quantity imported, and adjusting for any change in stocks from the beginning to the end of the year or period. Part of this total available supply is used as feed, seed, exported, put to industrial and other nonfood uses or lost during storage and transportation, with the remainder as the food supplies available for human consumption. The latter quantity (by individual food items) is divided by the population size to obtain per capita estimates, which are finally expressed in terms of nutrient elements by applying appropriate food composition factors.

Population with Access to Safe Water (%), an MDG indicator. See section on MDG indicators definition.

Population with Access to Sanitation (%), an MDG indicator. See section on MDG indicators definition.

Prevalence of Underweight Children Under Five Years of Age, an MDG indicator. See section on MDG indicators definition.

MORTALITY AND REPRODUCTIVE HEALTH

Births Attended by Skilled Health Personnel (%), an MDG indicator. See section on MDG indicators definition.

Contraceptive Prevalence Rate (% of married woman 15–49 years) is the percentage of married women in the 15–49 years age bracket who practice any form of contraception (including women whose partner is engaged in a contraception method).

Crude Birth Rate (per 1,000 population) is the ratio of the total number of live births in a given year to the midyear total population, expressed per 1,000 people.

Crude Death Rate (per 1,000 population) is the ratio of the number of deaths occurring within 1 year to the midyear total population, expressed per 1,000 people.

Infant Mortality Rate (per 1,000 live births), an MDG indicator. See section on MDG indicators definition.

Life Expectancy at Birth (years) is the number of years that a newborn is expected to live if prevailing patterns of mortality at the time of its birth are to stay the same throughout its life. Its estimation requires construction of a life table, which is a summary presentation of the experience of a cohort over its period of life, in respect with its passage from one state to another. In its simplest form, a life table shows the number of people living and dying at each age. In practice, life tables are built from estimates of mortality rates by sex and by age or age groups obtained from vital registration records, censuses, and surveys. Despite the availability of sophisticated methods of constructing life tables under different conditions of data availability and quality, the primary determinant to the accuracy of life expectancy estimates is still the accuracy of mortality data. Moreover, the validity of life expectancy estimates to a newborn depends on the assumption that the same mortality rates will prevail throughout his or her life.

Maternal Mortality Ratio (per 100,000 live births), an MDG indicator. See section on MDG indicators definition.

Total Fertility Rate (births per woman) is the average number of children who would be born alive to a woman during her lifetime, if she were to bear children at each age in accordance with the prevailing age-specific fertility rates.

POPULATION AND EMPLOYMENT

Age Dependency Ratio is the ratio of the nonworking age population to the working age population. Since countries define working age population differently, straightforward application to the definition will lead to noncomparable data. In the interest of comparability, ADB uses the UN definition which can be computed directly from a population's age distribution: working age population is the population aged 15–64 years, and nonworking age population is the sum of the population 0–14 years plus 65 years and over.

Age Distribution (as % of total population) divides the total population into age categories namely: 0–14, 15–64, and 65 and above. The frequency count for each age category is divided by the total population.

Economically Active Population comprises the total labor force. It is further divided into employed and unemployed.

Employment (%) by gender and economic activity is the percentage of the total number of employed for the subject gender that is involved in the specified economic activity.

Population Growth Rate, Annual (%) is the number of people added to (or subtracted from) a population in a year because of natural increase and net migration expressed as a percentage of the population at the beginning of the year.

Population, Total refers to the midyear de facto population estimates. De facto population includes all persons physically present in the country during the census day, including foreign military and diplomatic personnel and their accompanying household members, and transient foreign visitors in the country or in harbors.

Urban population is the population living in urban areas, as defined in accordance with the national definition or as used in the most recent population census. Because of national differences in the characteristics that distinguish urban from rural areas, the distinction between urban and rural populations is not amenable to a single definition that would be applicable to all countries. National definitions are most commonly based on size of locality. Population which is not urban is considered rural.

Unemployment Rate (%) is the ratio of unemployed persons over the total labor force.

LAND USE

Arable Land refers to land under temporary crops (double cropped areas are counted only once), temporary meadows for mowing or pasture, land under market or kitchen gardens, and land temporarily fallow or lying idle. Arable land does not include land under permanent crops. It is cultivated land, both registered and unregistered, including reclaimed riverbed, reclaimed tidal land, slope land, and virgin land, which have been used for farming purposes.

Cropped Land is the land used for agriculture. It is the total of arable land and land under permanent crops. Cropped land can be subdivided further into cropped land irrigated and cropped land nonirrigated.

Land Area is the total area excluding areas under inland water bodies.

Land Area, Total comprises the land area of the country including areas under inland water bodies (major rivers and lakes).

Permanent Cropland is land planted to perennial crops that need not be replanted after each harvest. Examples are coconut, banana, coffee, and rubber plantations.

AGRICULTURE PRODUCTION

Cereal Production Per Capita refers to total production of all cereals—including wheat, paddy rice, barley, maize, millet, and sorghum—divided by total population. Cereal data refer to the calendar year in which the whole harvest or bulk of harvest took place.

Coconut Production Per Capita refers to total coconut production divided by total population.

Maize Production Per Capita refers to total maize production divided by total population.

Paddy Production Per Capita refers to total rice paddy production divided by total population.

NATIONAL ACCOUNTS

The current methodology for computing the national accounts is contained in the international standards embodied in the 1993 System of National Accounts (SNA). However, many countries have yet to adopt this latest system and continue to compile their national accounts according to the methods of the 1968 version of the SNA. The transition economies, prior to the abandonment of central planning, compiled their national accounts in accordance with the methods and concepts prescribed in the Material Product System (MPS). The MPS differed from the SNA in a number of ways, more particularly by excluding a large number of services considered “nonproductive.” The transition countries have in recent years endeavored to implement the SNA.

Expenditure on GDP is made up of private (or household) consumption expenditure, general government consumption expenditure, gross fixed capital formation (private and public investments), changes in inventories, and net exports (exports minus imports) of goods and services. Such expenditures are generally recorded in purchaser prices and so include net indirect taxes.

General Government Consumption includes all current outlays on purchases of goods and services (including wages and salaries). It also includes most expenditure on national defence and security, but excludes government military expenditures that are part of public investment.

Gross Capital Formation is the total value of gross fixed capital formation, changes in inventories and acquisitions less disposals of valuables.

Gross Domestic Product (GDP) represents the total production activity of all resident producer units of a country. Basically, GDP is the sum of the gross value added by all resident producers in the economy plus any taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. Transfer payments are excluded from the calculation of GDP. Value added is the net output of an industry after adding up all outputs and subtracting intermediate inputs. The industrial origin of value added is determined by the International Standard Industrial Classification (ISIC) revision 3. Thus, Agriculture corresponds to ISIC divisions 1–5 and includes forestry and fishing; Industry comprises value added in mining,

manufacturing (also reported as a separate subgroup), construction, electricity, water, and gas (ISIC divisions 10–45); Manufacturing refers to industries belonging to ISIC divisions 15–37; and Services correspond to ISIC divisions 50–99. This is GDP calculated from the production side.

GDP can also be calculated from the income side. In this case, it is equal to the sum of the compensation of employees, mixed income, operating surplus, consumption of fixed capital, indirect taxes net of subsidies, and import duties.

Finally, GDP can be calculated from the expenditure side. In this instance, it is equal to the sum of the final uses of goods and services measured in purchaser’s prices, less imports valued free-on-board.

Data on GDP estimates converted through purchasing power parities (PPPs) under the International Comparison Program coordinated by the United Nations are not shown in this publication, mainly because of the lack of continuous series and more current data for many of ADB’s DMCs.

Gross Domestic Savings are calculated as the difference between GDP and total consumption, where total consumption is the sum of private consumption and government consumption. Alternatively, it is equal to the sum of savings accruing from enterprises, general government, households, and the surplus of the nation on current account without deduction of allowance for fixed capital consumption.

Gross Fixed Capital Formation is the total value of acquisitions, less disposals, of fixed assets plus certain additions to the values of non-produced assets. Fixed assets are tangible or intangible assets where tangible assets include dwellings, buildings and structures, machinery and equipment, and trees and livestock; and intangible assets include mineral exploration, computer software, entertainment, literary, or artistic originals. Non-produced assets refer mainly to land. Included in gross fixed capital formation are major improvements to non-produced assets and costs associated with the transfer of ownership of non-produced assets.

Gross National Income (GNI) is the new term for gross national product (GNP). It is GDP plus net receipts of primary income (compensation of employees and property income) from abroad. GNI, calculated in national currency, is usually converted to US dollars at official

exchange rates for comparison across economies, although an alternative rate is used when the official exchange rate is judged to diverge by an exceptionally large margin from the rate actually applied in international transactions. The World Bank uses the special Atlas method of conversion to smooth fluctuations in prices and exchange rates. This applies a conversion factor that averages the exchange rate for a given year and the 2 preceding years, adjusted for differences in rates of inflation between the country, and through 2000, the G-5 countries (France, Germany, Japan, United Kingdom, and United States). For 2001 onward, these countries include the Euro Zone, Japan, United Kingdom, and United States.

Increase in Stocks or Change in Inventories refers to the difference between the value of stocks/inventories at the beginning and at the end of the accounting period. Inventories are materials and supplies that an enterprise holds in stock with the intent of using them as intermediate inputs into production, and work-in-progress consisting of output that is not yet finished.

Net Exports and Imports of Goods and Services represent the value of all goods and other market services provided to or received from the rest of the world. Included are the value of merchandise, freight, insurance, transport, travel, royalties, license fees, and other services such as communication, construction, financial, information, business, personal, and government services. Labor and property income (formerly called factor services) is also included, plus statistical discrepancy.

Per Capita GNI (US\$), formerly per capita GNP, is gross national income, converted to US dollars using the World Bank Atlas method, divided by the midyear population.

Private Consumption is the market value of all goods and services, including durable products (such as cars, washing machines, and home computers), purchased or received as income in kind by households. It excludes purchases of dwellings but includes imputed rent for owner-occupied dwellings. It also includes payments and fees to governments to obtain permits and licenses. The expenditures of nonprofit institutions are also recorded as the consumption of households. In practice, private consumption may include any statistical discrepancy in the use of resources relative to the supply of resources.

Resource Gap is the difference between gross capital formation and gross domestic savings.

PRICE INDEXES

Consumer Price Index (CPI) measures changes over time in the cost of a typical basket of goods and services that a chosen group of consumers buys. Typically, the basket of goods and services differs among countries and the CPI may pertain to a target group in the main city or principal cities only. The price data of the different goods and services included in the CPI are normally weighted in proportion to the relative importance of each item to total consumption expenditure. The weights are based on expenditure data collected by means of a household expenditure survey, typically carried out at 5-year intervals. Most countries use a Laspeyres' type index; some compile a retail price index, which, except for its usually broader coverage of goods and services at the retail stage of distribution, is often meant to be used interchangeably with the CPI.

Inflation Rate is the rate of increase in price levels during a given period. It is the percentage change of the CPI between two points of time.

GOVERNMENT FINANCE

Fiscal Balance (Surplus/Deficit) is the difference between total revenue and total expenditure. This provides a picture of the overall financial position of the government. When the difference is positive, then the fiscal position is in surplus; otherwise, it is in deficit.

Total Expenditure is the sum of current and capital expenditures. Current expenditure comprises purchases of goods and services by the central government, transfers to noncentral government units and to households, subsidies to producers, and interest on public debt. Capital expenditure, on the other hand, covers outlays for the acquisition or construction of capital assets and for the purchase of land and intangible assets, as well as capital transfers to domestic and foreign recipients. Loans and advances for capital purposes are also included.

Total Revenue includes current and capital revenues. Current revenue is the revenue accruing from taxes, as well as all current non-tax revenues except transfers received from other (foreign or domestic) governments and international institutions. Major items of non-tax revenue include receipts from government enterprises, rents and royalties, fees and fines, forfeits, private donations, and repayments of loans properly defined as components of

net lending. Capital revenue constitutes the proceeds from the sale of nonfinancial capital assets.

EXTERNAL TRADE

Harmonized System (HS) is a multipurpose international product nomenclature that the World Customs Organization developed. The Harmonized Commodity Description and Coding System, generally referred to as “Harmonized System” or simply “HS,” comprises about 5,000 commodity groups, each identified by a six-digit code, arranged in a legal and logical structure and is supported by well-defined rules to achieve uniform classification. More than 177 countries and economies use this system as a basis for their customs tariffs and for the collection of international trade statistics. Over 98% of the merchandise in international trade is classified in terms of the HS. The HS is thus a universal economic language and code for goods, and an indispensable tool for international trade.

Standard International Trade Classification (SITC) Revision 3 is used for compiling international trade statistics on all merchandise entering international trade and to promote international comparability of international trade statistics. The commodity groupings of SITC reflect (a) the materials used in production, (b) the processing stage, (c) market practices and uses of the products, (d) the importance of the commodities in terms of world trade, and (e) technological changes. The SITC identifies subgroups identified in the UN’s Standard International Trade Classification Revision 3 and includes all commodities of international trade. The SITC is linked to the HS, which is the primary classification for recording external merchandise trade.

BALANCE OF PAYMENTS

Current Account Balance refers to the balance on goods, services, and income or that balance plus either private unrequited transfers or all unrequited transfers. The balance on goods, services, and income alone measures the net transfer of real resources between an economy and the rest of the world.

Foreign Direct Investment covers all capital transactions between investment enterprises and the direct investors

themselves or any of those investors’ other direct investment enterprises. The subclassification of investment abroad and in the reporting economy into equity capital, reinvestment of earnings, other long-term capital, and short-term capital should not be seen as contradicting the basic premise that the behavior of direct investment flows reflects a lasting interest on the part of the direct investor.

Merchandise Exports/Imports covers all movable goods, with a few specified exceptions, the ownership of which changes between a resident and a foreigner. For export, it represents the value of the goods and related distributive services at the customs frontier of the exporting economy, i.e., the free-on-board (f.o.b.) value. Merchandise imports, on the other hand, are reported in cost, insurance, and freight (c.i.f.) values. Adjustments in terms of coverage of goods, time of recording, and valuation are made to bring the customs figures in line with balance of payments concepts.

Portfolio Investment covers transactions in equity securities and debt securities. Debt securities are divided into bonds and notes, money market instruments, and financial derivatives (such as options) when the derivatives generate financial claims and liabilities. Various new financial instruments are covered under appropriate instrument classifications.

Total Trade is the sum of exports and imports of goods and services.

Trade Balance is the difference between exports and imports of goods and services.

FINANCIAL FLOWS

Aggregate Net Resource Flows refer to the sum of net official and private capital flows. Net flow is disbursements less principal repayments.

Net Private Flows refer to the sum of net foreign direct investment, portfolio equity flows, net flows of long-term public and publicly guaranteed debt from private creditors, and net flows of total private non-guaranteed debt.

Official Flows refer to net flows of long-term public and publicly guaranteed debt from official creditors and grants, including technical cooperation grants.

INTERNATIONAL RESERVES

International Reserves, Total is the total holdings by monetary authorities (central banks, currency boards, exchange stabilization funds, and treasuries to the extent that they perform similar functions) of gold, Special Drawing Rights (SDRs), reserve positions in the IMF, and foreign exchange. For purposes of comparability, the regional table on international reserves values gold holdings at London market prices, unless otherwise specified. However, the country tables record gold at national valuation. SDRs are unconditional international reserve assets created by the IMF whereas reserve positions are unconditional assets arising from countries' reserve assets subscriptions to the IMF, from the Fund's use of members' currencies, and from Fund borrowings. Foreign exchange is defined as monetary authorities' claims on foreigners in the form of bank deposits, treasury bills, short- and long-term government securities, and other claims usable in the event of a balance of payments deficit, including nonmarketable claims arising from intercentral bank and intergovernmental arrangements, without regard to whether the claim is denominated in the currency of the debtor or the creditor.

Ratio of International Reserves to Imports (months) is the international reserves outstanding at the end of the year as percentage of imports from the balance of payments during the year, where imports are expressed in terms of monthly average.

DEBT INDICATORS

Concessional Debt is defined as loans with an original grant element of 25% or more. The grant equivalent of a loan is its commitment (present) value less the discounted present value of its contractual debt service.

Concessional Debt/Long-Term Debt refers to the ratio of long-term concessional debt to total long-term debt.

Debt Service as a Percentage of Exports of Goods and Services, an MDG indicator. See section on MDG indicators definition.

Debt Service, Total refers to principal and interest payments in the year specified on total long-term debt, IMF repurchases and charges, and interest on short-term debt.

External Debt, Total is the total stock of external liabilities of a country owed to nonresidents, regardless of maturity and mode of payment. It is the sum of public and publicly guaranteed long-term debt; private, non-guaranteed long-term debt; the use of IMF credit; and short-term debt as reported in the World Bank Debtor Reporting System. ADB and similar development financing institutions are particularly interested in external debt payable only in foreign currency, and/or in goods and services. Indebtedness is assessed on a three-point scale: severely indebted, moderately indebted, and less indebted.