

FAST FACTS

United Nations
Development Programme



Poverty Reduction and UNDP

Wall Street may seem distant from the main streets of Africa, but as developing countries are integrated with the world economy -- through trade, migration, and investment -- they are also increasingly exposed to shocks in the economies of the developed world. As a result, the people most vulnerable to the current global economic crisis are those living outside of the spotlight -- the 1.4 billion people who survive on just over a dollar a day.

Reducing poverty and making growth and trade work for everyone has been a cornerstone of UNDP's work since its inception. That long-term task is made all the more difficult in times of crisis when, for developing countries, a three percent drop in per capita gross domestic product leads to between .47 and 1.2 more infant deaths per 1,000 live births. In past recessions, life expectancy, school enrolment and completion rates all dropped.



Women traders in Sierra Leone, UN Photo/Vanessa Wruble

Without the systems of protection that exist in richer countries, poorer nations are completely exposed to the impacts of massive job losses, slumped remittances, collapsing trade and volatile commodity prices, plunging more families into extreme poverty as a result.

Given this new context, investing in reducing the vulnerability of those nations, protecting the advances that have already been made and going the last mile to do what was promised and reach the Millennium Development Goals (MDGs) by 2015, takes on renewed importance.

THE MILLENNIUM DEVELOPMENT GOALS

1. Eradicate extreme poverty and hunger
2. Achieve universal primary education
3. Promote gender equality and empower women
4. Reduce child mortality
5. Improve maternal health
6. Combat HIV/AIDS, malaria and other diseases
7. Ensure environmental sustainability
8. Develop a global partnership for development



UNDP's comprehensive approach

As a trusted multilateral partner serving 166 developing countries around the world, UNDP is uniquely positioned to help advocate for change, connect countries to the knowledge and resources they need and coordinate the efforts of the United Nations at the country level.

The organization invests approximately US\$1 billion each year in fighting poverty and advancing progress towards the MDGs. This includes supporting MDG advocacy and awareness, supporting innovative policies, reforms and financing options, sharing diverse policy experiences, helping countries to trace their progress and operational activities that help governments adapt the MDGs to their local circumstances and challenges.

UNDP in action

'Human' development is the key to UNDP's work. Economic growth will not produce jobs and cut poverty unless it is **inclusive economic growth** -- unless the needs of the poor and marginalized are centre stage. Research shows that when **men and women** have equal opportunities and freedoms, economic growth accelerates and poverty rates drop more rapidly for everyone. In Northern Ghana, UNDP and the Japanese government helped more than 200 rural women set up six training centres where they learned to produce high quality shea butter, soap and other products that are now being exported to numerous countries. In Serbia, UNDP backed 41 Serbian community projects to increase the employment, education and social inclusion of persons with disabilities.

UNDP helps governments to **measure and understand poverty** and guides civil society groups on how to interpret and use statistics in their outreach. UNDP then develops the **capacity of national governments to formulate, plan, budget and implement** their own human development policies, advocating for **macroeconomic and fiscal policies** aimed at achieving the MDGs and underlining the importance of public investments in infrastructure and social services. As a result of UNDP's partnership with the Peruvian government, for example, resources for MDG-related activities and projects have been legislated in the national budget. In China, UNDP supported wide-ranging consultations and provided policy recommendations, leading to improved payment transfer mechanisms and to reallocation of taxation powers among the central and local governments. In the wake of the global crisis, UNDP supported the government of Mauritius to develop a stimulus package and incorporate the costs into the budget.

Over 80 percent of Africans are small-holder farmers though very few have access to fertilizer and quality seeds. UNDP is working with governments in several sub-Saharan African countries including Kenya, Liberia, Malawi, Mali, Senegal and Tanzania to design **agricultural subsidy programmes** that will help provide such inputs to farmers at a subsidized cost. In Malawi, for example, UNDP helped the government to implement a national subsidy programme that enabled Malawi's maize production to rise from 1.2 million tons in 2005 to 3.2 million tons in 2007. Malawi now meets its national maize needs, estimated at 2.2 tons a year.

As part of the organization's effort to reduce poverty around the world, UNDP strives to **make global trade work for all people**. It helps developing country governments to understand the implications of trade on poverty and employment and to use this knowledge in trade negotiations and in formulating domestic policies. UNDP's assessments and advocacy helped Fiji to negotiate less stringent requirements for garments exports to Australia. In Cambodia, UNDP's work led to adoption of higher labour standards in the garments industry, setting it apart from competing countries in the region. UNDP also collaborates with other international development partners to provide trade-related technical assistance in Least Developed Countries (LDCs), helping countries produce more valuable products.

With better products, UNDP also helps ensure better and more stable **market access** for developing country farmers. In Mali, pests such as red ants and fruit flies prevented mangoes from being easily exported. The Mali Project, supported by UNDP, allowed the phytosanitary treatment of 5,000 hectares of orchards in 2008 and helped to pave the way for European certification standards known as EurepGAP.

This led to an almost 50 per cent increase of exports of mangoes from 2007 to 2008, generating \$30 million for the Malian economy.

UNDP Expenditure for Poverty Reduction and reaching the MDGs , 2008 (in US\$ millions)	
MDG-based national development strategies	387.2
MDG planning, monitoring, reporting and evaluating	204.0
Empowerment of women and girls	4.6
Macroeconomic policies, debt sustainability and public finance	68.5
Participatory local development	168.0
Private sector	73.0
Trade/ globalization	31.6
Development finance	6.6
Other	38.2
Total	981.7

UNDP advocates for **increased aid** to help countries meet the goals, especially as the global economic crisis threatens to multiply the challenges ahead for poorer nations. UNDP is already working with countries including the Central African Republic, Liberia, Rwanda, Sierra Leone, Tanzania and Togo on how they would put increased aid flows to work for human development.

UNDP brings **new actors** to the table, including the **private sector**. In Tanzania, UNDP and Unilever worked to develop a locally owned value chain for the oil made from the seed of the Allanblackia tree - a valuable substitute to palm oil used in production of soap, margarine and spreads. As a result, communities secured an additional source of income from Allanblackia trees. We bring developing countries together to find '**south-south solutions**', so that an innovation in Mongolia might contribute to a tailored solution in Mexico or Mozambique. The International Poverty Centre, a global think tank on poverty managed by UNDP and partners, helped policy makers from Vietnam, Tanzania and South Africa to learn from experiences of Brazil and other countries in Latin America. Its research focusing on pro-poor policies is disseminated to researchers and practitioners in 189 countries.

For more information: www.undp.org/poverty

United Nations Development Programme

One United Nations Plaza

New York, NY 10017 USA

April 2009

