

# FAST FACTS

United Nations  
Development Programme



## Doha – A Time of Crisis and Opportunity

The Doha Review Conference on Financing for Development is taking place at a time when the global economy is facing unprecedented challenges. The crisis at the centre of the global financial system has put pressure on the world's most prosperous economies. Simultaneously, this crisis is also spreading to the economies of many developing countries, slowing economic growth, curbing consumption and stifling investment. If **millions of people** lose their livelihoods and their hopes for the future are dashed, the human crisis will far exceed the economic considerations. It will assume new and difficult **political and security dimensions** that could overwhelm the crisis we are already facing.



A new kind of multilateralism is needed today, to protect tomorrow.  
Bolivia/UNDP. Fiorde Mayo.

### Time for a New Kind of Multilateralism

Economic crises spread rampantly across the globe. The **food, fuel, climate** and now **financial** crises have underscored repeatedly the inability of any one region or country to deal with today's challenges on its own. Assisting developing countries is not only the moral choice, but in an interdependent world, it is also in everyone's self interest.

### FAST FACTS

- This year, **100 million more people** were driven into poverty as a result of the food and fuel crises and that number continues to grow.
- Private sector capital flows to 30 emerging market nations will fall by nearly one third from last year to \$619 billion this year. In 2009 flows will **fall by another \$60 billion**.
- The current crisis could increase **world unemployment** by 20 million people while the number of working poor living on less than a dollar a day could rise by some 40 million – and those at \$2 a day by more than 100 million.
- **Global trade is projected to fall** in 2009 for the first time since 1982.
- **World output growth** will reach only one percent in 2009, compared to 2.5 percent in 2008 and 3.5 to 4 percent in the four years before that.
- **Workers' remittances** into developing countries are already slowing down, with a direct impact on country GDPs.

**Extraordinary times require extraordinary actions.** We cannot address the challenges of the 21<sup>st</sup> century with the tools of the 20th century; a reformed, stronger and more inclusive form of multilateralism is urgently needed, one that represents both developed and developing countries and recognizes the vulnerability of the poorest to the negative impact of these interconnected crises.

**The United Nations is Well-Placed to Respond.** The UN has much to offer such a renewed form of multilateralism. With its inclusive membership, proven leadership in peacekeeping, capacity to rapidly engage in post-conflict countries and ability to learn from the experience of the more than 160 countries where it has a presence on the ground, the UN can play a critical role in transforming development finance into development results.

**The Millennium Development Goals (MDGs) cannot be put on hold.** Now is not the time to allow the global fight against poverty, hunger and disease to fall by the wayside. Governments must renew their pledge to spend 0.7 percent

of their GNI to Official Development Assistance (ODA). Increasing levels of human development is part and parcel of the process of reviving economic demand and shoring up social stability, as well as being a humanitarian imperative. Otherwise, many countries will see eight years of gains, especially in the achievement of halving extreme poverty and hunger by 2015, eroded and – ultimately – reversed. As the costs of dealing with this most recent crisis mount, developing countries could see the current dismal trio of limited access to financing, volatile commodity prices and a diminishing market for exports made worse by shrunken Official Development Assistance (ODA) flows.

**Hard times require creative solutions.** This is a unique opportunity to make the global economic recovery sustainable. Strengthened public investment programmes are needed to boost economic demand and employment. The fiscal stimulus required to support global economic growth in response to the financial crisis gives an unprecedented opportunity to invest in new technologies, green jobs and our global green economy. Investments made now in the mitigation of and adaptation to the effects of climate change may provide an opportunity to both boost demand in the short-run and contribute to inclusive economic growth, access to energy and poverty reduction in the long-run.

### **Capacity Development is UNDP's Mission**

Designing new financing solutions is only part of the challenge. As a neutral, trusted partner of developing countries, UNDP is calling for more investment in the “how” of development, which means investing in the capacity of states to cope with uncertainty and the risk associated with recent volatility in climate projections, energy and food prices, as they plan for their futures. Integrated solutions to our multiple crises at the global level must incorporate lessons learned at the **country level**.

**UNDP is on the ground in 166 countries**, helping countries build and share solutions to the challenges presented in **four core areas**:

**Poverty Reduction and Achievement of the MDGs:** UNDP is an advocate for the poor. It believes that poverty reduction strategies must begin at home, and it works with developing countries to develop and apply their own national poverty eradication strategies. Among its many activities in post-civil war **Liberia**, UNDP is part of an effort to provide affected people, including soldiers, with the ability to create sustainable livelihoods through training, farming and micro-enterprise development.

**Democratic Governance:** UNDP works with countries to strengthen their electoral and legislative systems, improve access to justice and public administration and develop a greater capacity to deliver basic services to those most in need. Ahead of the 2008 national elections, UNDP worked with **Bangladesh's** Election Commission to create a new voter registration list that included digital photographs of voters to help prevent fraud. In the process, Bangladesh has broken the world record for electronic registration of the largest number of voters – around 80 million – in the shortest period of time.

**Crisis Prevention and Recovery:** Security and stability are a growing concern as financial systems founder and food and energy prices continue to be volatile. Natural disasters associated with climate change are an ongoing threat. Following the 2004 tsunami, UNDP partnered with government agencies in **Indonesia** to create a national action plan that has significantly shifted government focus from disaster reaction to disaster prevention and preparedness. UNDP is not only ready to respond to crises, but through its global network it seeks out and shares innovative approaches to crisis prevention, early warning and conflict resolution.

**Environment and Energy:** The poor are disproportionately affected by environmental degradation, lack of clean, affordable energy sources, climate change and depletion of natural resources. UNDP is working to help coordinate climate change adaptation and mitigation responses and to advance national strategies. In **Belarus**, UNDP worked with national partners on a project that restored 40,000 hectares of wetland ecosystems on 17 degraded peatlands. The project ended up not only protecting and rehabilitating a larger than projected area, but it strengthened ecosystem monitoring systems within the country's Ministry of Forestry. Taken together, the cumulative challenges presented by the past year can seem insurmountable: food and fuel shortages, crashing financial systems, the growing effects of climate change and environmental degradation. But with a genuine collaboration between governments, civil society, international organizations and the private sector a new way of investing, innovating and cooperating can evolve with the potential to create a new, sustainable path to development.

**For more information, visit:** [www.undp.org](http://www.undp.org)

United Nations Development Programme  
One United Nations Plaza  
New York, NY 10017 USA



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