

The Global Community Responds to Crisis

We live in a world of both crisis and hope, a world where development is working, but not for everyone. A mere 50 years ago, more than half of all people lived on the equivalent of less than a dollar a day. Today, that figure is 20 percent. Over the same period, life expectancy grew by 20 years, as much as had been achieved in all of prior human history. Literacy rates soared to 75 percent. During the 1990s alone, a billion people finally had safe water to drink. A third fewer children died from preventable causes before their fifth birthday, and the eradication of polio seemed near.

These achievements have unfurled against the steady growth of democracy around the globe, which means that more people have discovered the political voice to shape a better life. A vibrant civil society has flourished, with a multitude of voices challenging the world to engage in debates on issues from women's rights to debt relief to peace. Private enterprise has taken hold in places where it offers the best possibility for economic well-being. New technologies have spun a web of global connections, giving countries the chance to leapfrog decades of incremental technological advances. And the international development community, including the United Nations Development Programme (UNDP), is better equipped to take action: more accountable, more willing and able to work in partnerships, and more committed to the principle that countries must take the lead in creating their own solutions to the difficulties they face.

Yet even with all these signs of progress and a great reservoir of good intention, in many places of the world

there is a grimmer tale that can also be told, about circumstances so dire that they could—in some cases already do—overwhelm all that has been gained. In 2002, nearly 1.2 billion people lived in extreme poverty, defined as an income of less than US\$1 per day. More than 50 countries were either recovering from or embroiled in war or natural disaster. AIDS continued to gut the most productive portions of the workforce in a number of countries, while famine stole swiftly through Southern Africa. Economic and political institutions bordered on collapse in several states. Unrest steadily brewed among peoples torn between the promises and the pitfalls of globalization.

Poverty and its net of deprivations lie at the heart of all of these issues, and some developing countries have made tremendous gains in reducing it. Asia, which bears the greatest number of people living in extreme poverty, is on track to offer ways out over the coming decade: China has cut income poverty in half during the 1990s alone. Sadly, many more countries, hit with a welter of political and economic crises, are experiencing development reversals for the first time in decades. Worldwide, 54 countries are poorer than they were in 1990. The picture is particularly critical in sub-Saharan Africa, where the proportion has actually increased, enveloping nearly one in every two people. If current trends continue, extreme poverty will be a way of life here until late in the 23rd Century.

SOME MAJOR WORLD EVENTS, 2002

The Chechen conflict reaches Moscow when rebels take over a theatre with 600 people inside.

The International Criminal Court is born, heralding a new era of accountability.

The European Union ratifies the Kyoto Protocol, moving closer to binding reductions of greenhouse gases.

Introduction of the Euro in EU countries.

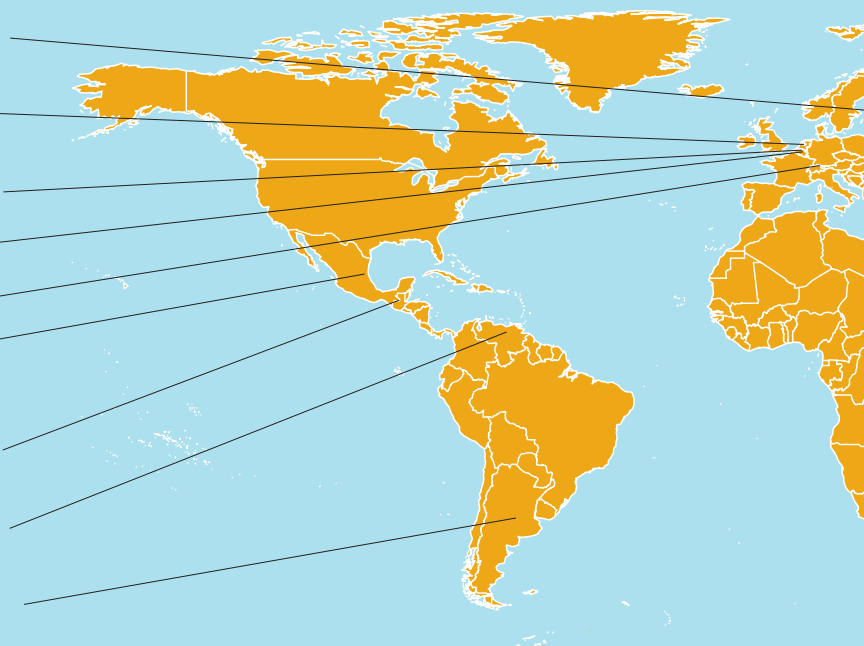
NATO grew by six countries; the EU opens for 10.

Since the International Conference on Financing for Development in Monterrey, Mexico, donor countries pledged US\$16 billion in aid by 2006.

The Guatemala National Women's Forum brings record numbers of women into local and national politics.

A coup fails in Venezuela, but is followed by widespread unrest.

Argentina stumbles into deep economic crisis, defaulting on private and multilateral loans.



A Defining Moment

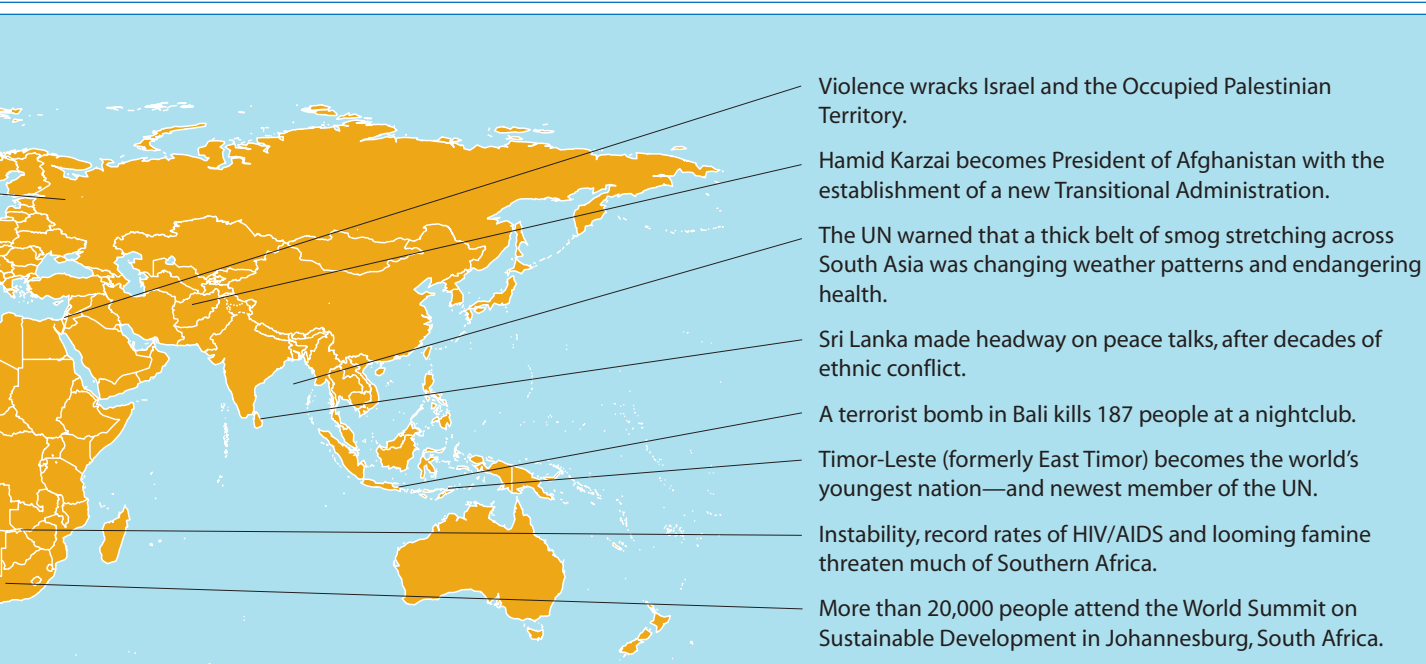
For UNDP, despite these points of despair, there is also wide room for optimism. In 2003, the world has come to a defining moment, with the convergence of several important trends opening unprecedented opportunities to move into a new and better century. While globalization has drawn sharper lines between those who have and those who don't, it has also made them more aware of each other than ever before. If trade and capital flows know no borders, neither do disease, environmental destruction and terrorism. Faced with steadily mounting instability in every region, the international community has been confronted with the fact that sharing benefits and burdens is not just a moral imperative, but in the interest of the world as a whole.

Already, the recognition has dawned that little progress will be made without additional funds. Sources of assistance for development have been increasing and diversifying, with private wealth pouring into foundations, including those created by the American entrepreneurs Bill Gates and Ted Turner. New public and private financing mechanisms have sprung up, including the Global Fund to Fight AIDS, Tuberculosis and Malaria, and the Millennium Challenge Account. And at the 2002 International Conference on Financing for Development, donor governments made striking new commitments to raise development assistance—Europe and the United States together promised an additional \$16 billion by 2006. Subsequently, just before the World Summit on Sustainable Development, donors agreed to replenish the Global Environment Facility—in which UNDP is one of the three main implementing partners—with nearly \$3 billion.

A renewed spirit of partnership has also flourished, through an understanding that coping with great challenges and effectively marshalling the funds to meet them requires all those who work in development to work together. The UN Secretary-General's reform agenda has called upon UN agencies, led by UNDP, to harmonize their country programmes. Stronger bonds have been forged between the United Nations, the World Bank, the regional development banks and the International Monetary Fund (IMF). These institutions are in turn successfully establishing new links with government counterparts, foundations, private corporations and a rich array of civil society organizations.

A global agreement has emerged as the premise for the flow of resources and the construction of partnerships. Wealthier nations are willing to make trade concessions, offer debt relief and raise development assistance for those countries willing to use resources well, even if that means making tough choices. The world's chequebook and goodwill can never be large enough. Economic and political transformation can be supported from outside, but they must start from within.

As the UN's global development network, UNDP works on the ground in 166 countries, advocating and building the capacity for this transformation to take place. We connect countries to knowledge, experience and resources that help people build a better life, and work with them on their own solutions to global and national development challenges. As they develop local capacity, they draw on the people of UNDP and our wide range of partners, forming coalitions for change.



The Millennium Development Goals

At the Millennium Summit in 2000, world leaders signed onto the Millennium Development Goals, a political compact to translate globally agreed priorities into a better world for everyone. The MDGs are a simple but powerful idea. By setting basic targets for development outcomes, they provide a direction for taking action on eight key development issues, beginning with poverty. It is up to governments and people themselves to choose the steps to reach these goals, whether that means sound policies, shifted budget priorities, reformed institutions, or

Tanzania: A Model for MDG Reporting

With a sound framework of development policies in place and a comprehensive national poverty monitoring system, Tanzania was able to quickly produce the world's first MDG Report. Since then, it has become a model for other countries.

In 2001, UNDP began working with other UN system partners to help the government mainstream the MDGs throughout its policies and poverty monitoring system. A major benefit readily became clear: the long-term aspirations of the MDGs complement the shorter-term targets of Tanzania's poverty reduction strategy. Policymakers could now envision the future while taking the steps required to reach it.

Integrating the MDGs into Tanzania's poverty monitoring process proved to be relatively straightforward. Earlier, UNDP had brought together other partners, including bilateral donors, to offer assistance in creating a survey and research system with a range of data sources. Following the introduction of the goals, the system expanded to feature almost all of the MDG indicators. Data is now collected in the Tanzania Socio-Economic Database, which generates statistics at the touch of a button.

While Tanzania's first MDG Report in 2001 was produced separately, by 2002 the assessment of MDG indicators had become an essential part of the annual *Poverty and Human Development Report*. A lesson already learned is that MDG reporting must venture beyond national averages, which sometimes obscure variations. The 2002 report breaks down data on poverty, clearly revealing, for example, that while overall school enrolment rose during the 1990s, it fell among children in the poorest families. Policymakers will now need to consider ways to address this shortfall.

UNDP and the UN country team have also promoted the MDGs as a natural instrument for advocacy and partnership. The process of preparing reports brings together government officials, civil society representatives, academics, gender specialists and development agencies, and offers opportunities for people to contribute their views as findings emerge. They ask questions: Will this policy be a breakthrough? Are there enough resources? Is short-term economic growth compatible with longer term environmental issues? Finding the answers will ensure that Tanzanians make real progress toward the vision they have outlined for themselves.

stronger links to the outside world. International agencies such as UNDP support these choices.

Much more than numbers and words on paper, the MDGs encapsulate the common concerns of people everywhere. They are the ordinary issues of putting enough food on the table and educating children and staying healthy. They do not require anything more than the experience of everyday life to understand. As such, they carry enormous potential for steering the political will to combat poverty. They open space for people to imagine a better future and ask their government to plan how to get there. They offer a universal yardstick for performance as well as an agreed platform for comparison across countries and regions.

Already, political leaders are running on promises to achieve the MDGs, and oppositions are developing campaigns to challenge governments who have failed to do so. As a basis for partnership, the MDGs now inform the core of some national poverty reduction strategy agreements, and donors are realigning their support around the goals. Civil society campaigns are busy educating people about how to use them for advocacy.

The MDGs set the terms of a globalization driven not solely by the interests of the strong, but managed in the interests of the poor. They offer an avenue for accountability between governments and people, a tool for assessing whether development donors are matching their commitments, and a means for states to prove to investors, whether donors or private corporations, that their future deserves support. At UNDP, our global network links and coordinates efforts to achieve the goals, helping countries take on their most critical development challenges.

UNDP and a Global Partnership for Development

Work on the MDGs took on urgent momentum in 2002, propelled by the continued eruption of political crises and global economic downturn, and facilitated by growing collaboration between UNDP and the other agencies of the UN Development Group (UNDG). The Secretary-General entrusted the UNDP Administrator with the leadership of the MDG agenda within the UN system, and in the middle of the year the UNDG, chaired by UNDP, agreed on a collective UN strategy for mobilizing national and global partners to support countries striving to reach the goals.

A key activity has already become the preparation of MDG Reports in each country: 25 have been issued, with another 60 on the way. The reports provide people with basic information that is easy to grasp, and in some countries offer a simple and nonprescriptive complement to the complex macroeconomic analysis of poverty reduction strategies. Using the eight basic goals, the reports quickly reveal where a country is lagging behind or moving forward, where resources are lacking or being used efficiently.

UNDP has called for firmly rooting the MDG Reports in partnerships involving governments, civil society and members of UN country teams, which are often coordinated by UNDP Resident Representatives. This fosters national ownership and interest, along with widespread commitment. Some recent reports have underscored what is locally relevant in the goals; others have broken down data to highlight disparities by gender, region or ethnicity. By providing empirical evidence that stimulates public debate, the reports are stirring the political choices that mark the move into successful development strategies, whether that means spending more on girls education or shunting funds into slum improvement.

Another important MDG initiative is the Millennium Project, launched in August 2002. Led by renowned Columbia University Professor Jeffrey Sachs, the Special Adviser to the Secretary-General for the MDGs, it taps 350 of the best minds in the North and South from across the natural and social sciences. The project will explore innovative ways to reach the goals, and use sophisticated mapping technology to track progress around the globe. It has already made a major contribution to UNDP's *Human Development Report 2003: Millennium Development Goals—A Compact Among Nations to End Human Poverty*. For the first time, the report compiles all available data on every country's progress.

The Millennium Campaign kicked off late in 2002, under the leadership of former Netherlands Development Minister Eveline Herfkens. It is hard at work fashioning networks of civil society members, parliamentarians, the media and others who can advocate for the MDGs. To encourage public debate, the campaign has embarked on

a global partnership with the British Broadcasting Corporation as part of a broader effort to expand world-wide media outreach.

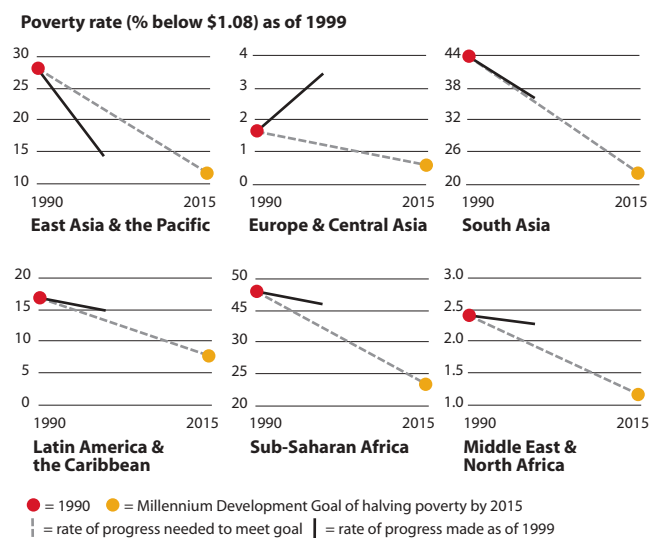
The UN system itself, under the umbrella of the UNDG and as part of the UN reform process, has also begun aligning its own work with the MDGs. In 2003, UNDP and its UNDG partners piloted initiatives for synchronizing programming policies, and a new generation of harmonized country programmes, which guide the work of UN agencies on the national level, came on line.

As a coordinator of the MDGs, as the leader of joint aid and assistance efforts within the UN system, and as a development partner in 166 countries, UNDP is particularly committed to setting a strong example on the MDGs within our own house. Our 2004-2007 corporate priorities will frame how our programmes can best support countries working on the goals. We are also reshaping operations, communications, training and annual staff assessment exercises. As a four-year cycle of reform at UNDP ends, we are well positioned to take on the challenges posed by the MDGs, and move forward, in partnership, to bring the goals alive.

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

POVERTY IS FALLING, BUT NOT FAST ENOUGH



Source: World Bank