



*Empowered lives.
Resilient nations.*



United Nations Development Programme

POVERTY REDUCTION

TOWARDS HUMAN RESILIENCE: SUSTAINING MDG PROGRESS IN AN AGE OF ECONOMIC UNCERTAINTY





*Empowered lives.
Resilient nations.*

TOWARDS HUMAN RESILIENCE: SUSTAINING MDG PROGRESS IN AN AGE OF ECONOMIC UNCERTAINTY

SEPTEMBER 2011

Copyright © September 2011

**United Nations Development Programme
Bureau for Development Policy**

One United Nations Plaza
New York, NY, 10017 USA
Tel: +1 212 906 5081

E-mail: poverty.reduction@undp.org

Website: www.undp.org/poverty

Copyright 2011, UNDP.

Cover Photo: Black Hmong girls in Laochai Village, Sapa (Vietnam), by Leslie Kok

Disclaimer:

The views expressed in this publication are those of the authors and do not necessarily represent those of the United Nations, including UNDP, or their Member States.

TABLE OF CONTENTS

Foreword	xi
Acknowledgements	xiii
List of Acronyms and Abbreviations	xiv
Overview	1
Main Arguments of the Report	3
Defining Vulnerability and Resilience	4
Drivers of Macro-Economic Vulnerability	5
Key Findings	7
Policy Options for Building Systemic Resilience	10
<i>Reduce Dependence on Volatile Sources of Income and Growth</i>	10
<i>Address the Volatility of Commodity Prices and Stabilize Incomes of Commodity Producers</i>	11
<i>Address the Volatility of Private Capital Flows and Leverage Innovative Financing Options</i>	11
<i>Address Aid Volatility, Aid Procyclicality and Aid Effectiveness</i>	12
<i>Address Rising Income Inequalities</i>	12
<i>Create Fiscal Capacity in the Short Term and Mobilize Greater Domestic Revenues over the Longer Term</i>	12
<i>Invest in Building Institutional Capacity and Improve Quality of Institutions and Core Country Systems</i>	13
Notes	14
References	15
Chapter 1: Export Dependence and Export Concentration	18
Introduction	20
Trends in Export Dependency	21
Trends in Export Concentration	24
Economic Shocks, Export Earnings and Growth Volatility	27
Export Concentration, Export Earnings and Growth Volatility	29
Building Resilience: Policy Options	30
<i>Boosting Domestic Demand</i>	31
<i>Promoting Export Diversification</i>	34
<i>Strengthening Regional Trade Cooperation</i>	39
<i>Enabling International Trade Environment</i>	40
Notes	44
Annex 1.A: Import Dependency	45
Annex 1.B: List of Countries and Territories by Region	47
Annex 1.C: List of Countries and Territories by Development Status	49
Annex 1.D: Economic Groupings of Developing Countries and Territories	51
References	52

Chapter 2: Commodity Dependence and International Commodity Prices	56
Introduction	58
Trends in Commodity Dependence	59
Trends in International Commodity Prices	62
<i>Long-term Trends in International Commodity Prices</i>	62
<i>Short- and Medium-term Trends</i>	64
Price Instability Over Time	66
Causes of Commodity Price Volatility	67
Commodity Price Volatility and Economic Growth	68
Building Resilience: Policy Options for Stabilizing Commodity Prices and Incomes of Commodity Producers	68
<i>Supply Management</i>	70
<i>National Revenue Management</i>	70
<i>Market-based Price Risk Management</i>	71
<i>Alternative Trade Initiatives</i>	73
Notes	75
Annex 2.A: Share of Primary Commodity Exports in Total Exports for LDCs by Region, 1995–2009	77
Annex 2.B: Monthly Current Price Index for Major Commodity Categories, Jan 1995–Aug 2010	78
Annex 2.C: Long-term Trends in Primary Commodity Prices	79
Annex 2.D: Changes in Prices of Food, Minerals and Oil	80
References	82
Chapter 3: Private Capital Flows: Foreign Direct Investment and Portfolio Investment	84
Introduction	86
Trends and Composition of Private Capital Flows	88
Foreign Direct Investment	89
<i>Sources of Foreign Direct Investment</i>	92
<i>Destination of Private Capital Flows by Sector</i>	94
<i>FDI as a Source of Investment</i>	95
<i>Volatility in FDI Flows</i>	96
<i>Causes of Volatility</i>	99
<i>Development Impact of FDI</i>	101
Portfolio Investment	102
<i>Volatility of Portfolio Investments</i>	104
Building Resilience: Policy Options for Strengthening Domestic Resource Mobilization, Stabilizing	105
Private Capital Flows and Maximizing their Development Benefits	
<i>Strengthening Domestic Resource Mobilization</i>	105
<i>Stabilizing Private Capital Flows</i>	107
<i>Maximizing the Development Payback of Private Capital Flows</i>	108
Notes	111
Annex 3.A: FDI Outflows by Region, 1995–2009	112
Annex 3.B: FDI Outflows by Development Status, 1995–2009	112
Annex 3.C: Volatility of FDI by Country and Territory	113
Annex 3.D: Volatility of PI by Country and Territory	116
Annex 3.E: Portfolio Investments for Sample of Developing Countries	118
References	119

Chapter 4: Remittances	122
Introduction	124
Trends in Remittances	125
The Growing Economic Importance of Remittances	127
The Stability and Countercyclicality of Remittances in the Context of External Economic Shocks	129
Remittances, Economic Growth and Poverty Reduction	131
Policy Options for Building Resilience: Leveraging Remittances for Development	133
<i>The Monitoring, Analysis and Projection of Remittance Inflows</i>	133
<i>Developing Retail Payment Systems</i>	134
<i>Reducing Transactions Costs for Remittance Transfers</i>	135
<i>Financial Access of Individuals and Households</i>	136
<i>Leveraging Remittances for Capital Market Access of Financial Institutions or Countries</i>	136
Notes	138
Annex 4.A: FDI, Portfolio and Remittances Inflows to Developing Countries, 1995–2008	139
Annex 4.B: Remittances Received as a Share of GDP by Region, 1995–2009	140
Annex 4.C: Remittances Received as a Share of GDP by Development Status, 1995–2009	141
References	142
Chapter 5: Official Development Assistance	144
Introduction	146
Setting the Scene: Aid at a Glance	147
ODA as a Source of Vulnerability to Sustaining MDG Progress	151
<i>The Determinants of Aid-related Vulnerability</i>	152
Policy Conclusions and Recommendations	173
Notes	178
References	180
Chapter 6: Income Inequality and the Condition of Chronic Poverty	184
Introduction	186
Trends in Income Inequality	188
<i>Income Inequality in Advanced Countries</i>	188
<i>Rising Inequality in Advanced Economies and Global Financial Fragility</i>	188
<i>Rising Inequality in Advanced Countries and its Impact on Developing Economies</i>	191
<i>Trends in Income Inequality Within Developing Countries</i>	192
<i>Explaining the Rise in Income Inequality in Developing Countries</i>	196
<i>Within-Country Inequality and Domestic Financial Fragility</i>	198
<i>Inequality, Economic Growth and Poverty Reduction</i>	198
<i>Poverty Traps</i>	202
Policies for Reducing Chronic Poverty and Inequality	202
<i>Promoting Inclusive Growth and the Expansion of Productive Employment</i>	203
<i>The Redistribution of Incomes and Assets</i>	205
<i>Pro-poor Macro-economic Policies</i>	208
Notes	211
Annex 6.A: Change in Inequality	214
Annex 6.B: Poverty Reduction, Growth and Inequality	216
References	217

Chapter 7: Economic Resilience and Fiscal Capacity	224
Introduction	226
Fiscal Capacity Indicators	227
Trends in Fiscal Capacity	228
<i>External Indebtedness</i>	228
<i>The Fiscal Balance</i>	234
<i>Procyclical Bias of Fiscal Accounts</i>	237
<i>The Current Account Balance</i>	239
<i>The Relation between Current Account Deficits and the Fiscal Deficit</i>	242
<i>Gross Savings</i>	244
<i>Foreign Reserves</i>	247
Policy Options for Building Fiscal Capacity	250
<i>External Debt</i>	250
<i>Trade Finance</i>	251
<i>Fiscal Policy Measures</i>	253
<i>Domestic Revenue Mobilization</i>	254
Notes	256
Annex 7.A: Note on Data	259
Annex 7.B: External-Debt-to-GDP Ratio for LDCs, 1995–2009	263
Annex 7.C: Gross Savings Rate in LDCs, 1995–2009	263
References	264
Chapter 8: Governance Principles, Institutional Capacity and Quality	268
Introduction	270
Institutional Capacities and Qualities	271
<i>Defining Institutional Qualities</i>	271
<i>Measuring Change in Institutional Performance, Adaptability and Stability</i>	272
<i>Application of Institutional Qualities to Core Country Systems and Country Evidence</i>	274
Governance Principles	279
<i>Definition of Core Governance Principles and Country Examples</i>	279
<i>Measures of Governance Principles</i>	281
<i>Linkages Between Institutional Qualities and Key Governance Principles</i>	282
Policy Recommendations and Conclusion	284
Notes	286
Annex 8.A: UNDP Framework for Measuring Change in Institutional Performance, Adaptability and Stability	289
References	290

List of Boxes

Box 1.1: Increasing Domestic Demand Cushions Economic Downturn in Asia	31
Box 1.2: Boosting Domestic Demand in China	32
Box 1.3: Regional Infrastructure Development in Africa	35
Box 1.4: Promoting Business Linkages in LDCs: UNCTAD's Business Linkages Programme	38
Box 1.5: Developing a Single Window to Facilitate Trade in Senegal	40
Box 1.6: Export Diversification Strategy: The Case of Cambodia	42
Box 2.1: Compensatory Finance Mechanisms	69
Box 2.2: Chile's Copper Stabilization Fund	71
Box 2.3: Index-Based Livestock Insurance in Mongolia	72
Box 2.4: Organic Coffee Production Reduces Small-scale Farmers' Vulnerability in Nicaragua	73
Box 3.1: Combating Exploitative Transfer Pricing Practices	106
Box 3.2: Maximizing the Development Payback of Private Capital Flows	108
Box 3.3: Targeted Domestic Development Promotion	109
Box 3.4: Attracting FDI in New Sectors	110
Box 4.1: Diaspora Bonds as a Source of Financing during Difficult Times	132
Box 4.2: Monitoring Remittance Inflows	133
Box 4.3: Developing Retail Payment Systems	135
Box 4.4: Lower Transactions Costs for Remittances	136
Box 4.5: Access to Financial Services	137
Box 5.1: South-South Cooperation Traditionally Has a Large Intra-regional Component	156
Box 5.2: ODA Concentration	157
Box 5.3: 'Sectoral' Aid Dependency	162
Box 6.1: South Africa's Expanded Public Works Programme	204
Box 6.2: Assessing and Establishing a Social Protection Floor	207
Box 6.3: Five Emerging Success Stories	208
Box 7.1: The Heavily Indebted Poor Countries Initiative and the Multilateral Debt Relief Initiative	230
Box 7.2: Sovereign Wealth Funds	250
Box 8.1: Moldova's National Participation Council	280
Box 8.2: Role of the Judiciary System in Crisis Response	281

List of Charts

Chart 1.1: Export share in GDP, 1995–2009	21
Chart 1.2: Export share in GDP by region, 1995–2009	22
Chart 1.3: Export share in GDP by development status, 1995–2009	23
Chart 1.4: Export concentration ratio, 1995–2009	24
Chart 1.5: Export concentration ratio by region, 1995–2009	26
Chart 1.6: Export concentration ratio by development status, 1995–2009	27
Chart 1.7: Decline in export revenues, 2009	28
Chart 1.8: Economic growth rates by region, 2008–2009	29
Chart 2.1: Share of primary commodity exports in total exports, 1995–2009	60
Chart 2.2: Share of primary commodity exports in total exports by region, 1995–2009	61
Chart 2.3: Share of primary commodity exports in total exports by development status, 1995–2009	61
Chart 2.4: All primary commodities' monthly price index, Jan 1995–Aug 2010	63
Chart 2.5: Index of real commodity prices, 1960–2009	63
Chart 2.6: Rate of change of commodity prices by month, Feb 1995–Aug 2010	65
Chart 2.7: Rate of change in annual commodity prices and GDP growth rate in developing countries, 1995–2009	68
Chart 3.1: Private capital flows to all developing economies, 1995–2009	88
Chart 3.2: Composition of private capital flows, 1995–2009	89
Chart 3.3: FDI inflows by region, 1995–2009	90
Chart 3.4: FDI inflows by development status, 1995–2009	91
Chart 3.5: FDI outflows, 1995–2009	93
Chart 3.6: FDI inflows as a share of GFCF by region, 1995–2008	95
Chart 3.7: FDI as a share of GFCF by development status, 1995–2008	96
Chart 3.8: Annual rate of change of FDI inflows to developing countries, 1995–2009	97
Chart 3.9: FDI income repatriated, 1995–2008	100
Chart 3.10: Portfolio inflows by region	102
Chart 3.11: Portfolio inflows by development status	103
Chart 4.1: Remittances received by advanced and developing countries, 1995–2010	125
Chart 4.2: Remittances received by development status, 1995–2010	126
Chart 4.3: Remittances received by region, 1995–2010	127
Chart 4.4: Remittances received as a share of GDP for advanced and developing countries, 1995–2009	128
Chart 5.1: Total ODA, all recipients and all donors, 1995–2009	148
Chart 5.2: ODA as a percent of GNI, OECD-DAC donors, 1995–2010	149
Chart 5.3: Non-OECD-DAC donors' total ODA	149
Chart 5.4: Total ODA by region, 1995–2009	153
Chart 5.5: ODA to Asia and sub-Saharan Africa as a percent of total ODA	154
Chart 5.6: ODA to income groups, all donors	154

Chart 5.7: ODA to different income groups as a percent of ODA, all donors	155
Chart 5.8: ODA to recognised vulnerable country groups as a percent of total ODA	155
Chart 5.9: Countries and territories that receive more than \$100 in ODA per capita	158
Chart 5.10: Countries with ODA in excess of 10 percent of GNI	160
Chart 5.11: Technical assistance as a percent of total ODA, 1995–2009	167
Chart 5.12: Debt relief as a proportion of total ODA	168
Chart 5.13: ODA to social sectors	169
Chart 5.14: ODA to economic infrastructure and agriculture	169
Chart 5.15: ODA to MDG sectors as a percent of total ODA	171
Chart 5.16: ODA to economic infrastructure and agriculture as a percent of total ODA	171
Chart 5.17: Direct budget support	172
Chart 6.1: Average annual growth of income minus growth of average wage, mid-1980s to mid-2000s	189
Chart 6.2: Bank failures, regulation, and inequality in the United States	190
Chart 6.3: Number of countries with rising and falling income inequality by region, mid-1990s to mid-2000s	194
Chart 6.4: Average change in income inequality by region, mid-1990s to mid-2000s	194
Chart 6.5: Number of countries with rising and falling income inequality by development status, mid-1990s to mid-2000s	195
Chart 6.6: Average change in income inequality by development status, mid-1990s to mid-2000s	196
Chart 6.7: Relationship between economic growth and poverty reduction, mid-1990s to mid-2000s	199
Chart 6.8: Relationship between change in poverty and change in income inequality, mid-1990s to mid-2000s	200
Chart 6.9: Relationship between initial level of income inequality and economic growth, mid-1990s	201
Chart 7.1: External-debt-to-GDP ratio for developing economies, 1995–2009	229
Chart 7.2: External-debt-to-GDP ratio by region, 1995–2009	229
Chart 7.3: External-debt-to-GDP ratio by development status, 1995–2009	231
Chart 7.4: Fiscal balance in developing countries, 1995–2009	234
Chart 7.5: Fiscal balance by region, 1995–2009	235
Chart 7.6: Fiscal balance by development status, 1995–2009	236
Chart 7.7: Current account balance for developing countries, 1995–2009	240
Chart 7.8: Current account balance by region, 1995–2009	241
Chart 7.9: Current account balance by development status, 1995–2009	242
Chart 7.10: Current account balance and fiscal balance for developing countries, 1995–2009	243
Chart 7.11: Gross savings rate for developing countries, 1995–2009	244
Chart 7.12: Gross savings rate by region, 1995–2009	245
Chart 7.13: Gross savings rate by development status, 1995–2009	246
Chart 7.14: Total reserves in developing countries, 1995–2009	247
Chart 7.15: Total reserves by region, 1995–2009	248
Chart 7.16: Total reserves by development status, 1995–2009	248
Chart 8.1: Linkages	282

List of Tables

Table 1.1: Export Concentration and Export Revenue Volatility, 2002–2008	30
Table 2.1: Average Monthly Price Instability, 1995–2010	66
Table 2.2: Average Monthly Price Instability over Time	66
Table 3.1: Top 10 Recipients of FDI Inflows	91
Table 3.2: FDI Inflows to Developing Countries by Sector	94
Table 3.3: Volatility of FDI Inflows by Region	97
Table 3.4: Volatility of FDI Inflows by Development Status	98
Table 3.5: FDI as a Share of GFCF and Growth Volatility by Region	98
Table 3.6: FDI as a Share of GFCF and Growth Volatility by Development Status	99
Table 3.7: Mergers & Acquisitions in Developing Countries	101
Table 3.8: Change in Portfolio Investments by Region	104
Table 3.9: Change in Portfolio Investments by Development Status	104
Table 4.1: Remittances as a Share of GDP, 2009	129
Table 5.1: ODA and Other Aid Flows: An Overview	150
Table 5.2: Most Heavily Aid-Dependent Countries as a Proportion of Central Government Expenditures	159
Table 5.3: The Determinants of Aid Volatility	165
Table 6.1: Financial Crises and Changes in Income Shares in East Asia and Latin America	192
Table 6.2: Gini Coefficient of Income Distribution by Region and Development Status, mid-2000s	193
Table 6.3: Social Protection in the Developing World	205
Table 7.1: Average Fiscal Budget Balances and GDP Growth Across Developing Regions, 1995–2009	232

FOREWORD

The recent global economic crisis has reinforced significant concerns about the impact of financial and economic shocks in an integrated world economy. Moreover, the increasing frequency and severity of such shocks raise important questions about their systemic character and the ability of individual countries to withstand the most damaging and lasting effects of such economic uncertainty. Perhaps most significantly: How do economic crises affect the world's most vulnerable populations? What structural characteristics make some economies more susceptible to the harmful effects of such shocks? And what policies or strategies can help developing countries grow and prosper in times of profound and unpredictable economic change globally?

The problem of economic vulnerability and the need for policies that make nations more resilient to volatility has a human face. It directly impacts how well households meet basic needs. Responsive strategies, or the lack thereof, affect how many people live in poverty, the overall impact of disease, the educational hopes and expectations of youth, the overall sustainability of housing and food supplies, and the likelihood of meaningful work opportunities for all men and women. Economic shocks have the potential to slow progress towards these and other important Millennium Development Goals. As seen in the wake of the 2007-08 financial and economic crisis, disruptions and unpredictability in world markets exasperate generational cycles of poverty, dash the dreams of hard working families, and unnecessarily squander human potential.

To address the essential questions about economic vulnerability and resilience, UNDP has prepared this detailed report, *Towards Human Resilience: Sustaining MDG Progress in an Age of Economic Uncertainty*. It identifies key determinants that shape how countries experience and adapt to economic and financial shocks while considering policies and practices that minimize susceptibility. This report highlights how an increasingly interdependent and integrated global economy shapes the vulnerability and resilience of developing countries.

Significantly, the research in this report demonstrates that dependence on highly volatile commodity exports not only decreases the ability of governments to predict budget revenue and thus expenditure, but also impacts income in dependent households. In this manner, unpredictability in world markets produces considerable uncertainties at the household level. Additionally, investment and official aid flows can render developing economies particularly vulnerable to economic shocks depending on how reliant they are on these to maintain government spending. Indeed, such flows often trend in a manner that is procyclical, falling during unexpected downturns, precisely when developing countries need financial resources the most.

Increasing income inequalities at the global and country level also play a substantial role in the susceptibility of developing countries to financial shocks. Income inequality is unique in that it contributes to financial instability itself by fostering a political environment that lends itself to risky investment behaviour and the emergence of asset bubbles. Furthermore, such inequality, when it is high and persistent, makes poverty reduction goals particularly difficult to achieve.

Resilience to economic shocks may be dependent on a developing country's ability to maintain spending despite significant losses in revenue and without compromising the overall health of its economy. Functional institutions and governance structures play an important role in shaping resilient responses to change. However, in some of the nations affected, existing high debt levels and international restrictions on deficit spending often constrain the prompt and targeted spending needed to minimize the harm of shocks — harm that for the people affected can be long-term or even permanent in nature.

While there is no one size fits all approach to reducing vulnerability and increasing resilience in developing countries, this report provides many policy recommendations that can be applied to the needs of particular developing economies. With these recommendations as a guide and with support from the international community and global institutions, developing countries can build strong mechanisms to safeguard against economic shocks and protect essential development progress towards 2015 and beyond.



A handwritten signature in black ink, appearing to read 'Olav Kjørven'.

Olav Kjørven

Assistant Administrator and Director, Bureau for Development Policy
United Nations Development Programme

ACKNOWLEDGEMENTS

This report has been prepared by the Poverty Practice in the Bureau for Development Policy, UNDP, under the overall guidance of Selim Jahan, Director of the Practice. The insights, advice and support received from Olav Kjørven, Assistance Administrator and Director, Bureau for Development Policy and Douglas Gardner, Deputy Assistant Administrator and Deputy Director, Bureau for Development Policy, are thankfully acknowledged.

Anuradha Seth (Poverty Practice) is the lead author and coordinator of the report. Principal authors for chapters five and eight are Gail Hurley, and Tuya Altangerel, Julia Kercher (Poverty Practice) and Alessandra Casazza (Capacity Development Group). Additional research inputs were provided by Massimiliano Riva and Claudia Vinay (Poverty Practice) and Alma Nurshaikhova and Carlos Yescas. Amr Ragab and Melissa Mahoney were key members of the core team and assisted with the research, overall preparation and coordination of the report. Lance Garmer was the editor of the Report and his superb attention to detail is much appreciated. S. Alex Majumder served as the designer of the Report.

Numerous colleagues made important substantive contributions as internal peer reviewers: Degol Hailu, Paul Ladd and Massimiliano Riva (Poverty Practice); Danila Boneva and Nigel Coulson (Capacity Development Group), and Patrick Keuleers and Shireen Said (Democratic Governance Group). Gennaro Zezza (Faculty of Economics, Università degli Studi di Cassino, Italy), who served as the external peer reviewer, provided invaluable comments and suggestions, which are gratefully acknowledged.

Finally, strategic management advice was provided by Xiaojun Wang (Poverty Practice) and critical operational support, instrumental in bringing the Report to publication, was provided by Shams Banihani, Eliane d’Pierre, Uyanga Gankhuyag, and Prerna Kapur (Poverty Practice). Their contributions are thankfully acknowledged.

LIST OF ACRONYMS AND ABBREVIATIONS

A&P	Asia and the Pacific	FAO	Food and Agriculture Organization of the United Nations
AsDB	Asian Development Bank	FDI	Foreign Direct Investment
ADDAC	Asociación para la diversificación y desarrollo agrícola comunal	FTE	Full-time Equivalent
AfDB	African Development Bank	G20	Group of Twenty
CBERA	Caribbean Basic Economic Recovery Act	GCC	Gulf Cooperation Council
CCTs	Conditional Cash Transfers	GDP	Gross Domestic Product
CIS	Commonwealth of Independent States	GFCF	Gross Fixed Capital Formation
CLUSA	Cooperative League United States of America	GNI	Gross National Income
COMESA	Common Market for Eastern and Southern Africa	HIPC	Heavily Indebted Poor Country
CPA	Country Programmable Aid	ICAs	International Commodity Agreements
CPIA	Countries Policy and Institutional Assessment	ICC	International Chamber of Commerce
CSF	Copper Stabilization Fund	IDA	International Development Agency
CSO	Civil Society Organization	IDB	Inter-American Development Bank
DAC	Development Assistance Committee	IDEA	International Institute for Democracy and Electoral Assistance
DC	Developing Countries	IF	Integrated Framework
DCF	United Nations Development Cooperation Forum	IFPRI	International Food Policy Research Institute
DFID	Department for International Development (United Kingdom)	IISD	International Institute for Sustainable Development
DfQf	Duty Free and Quota Free	ILO	International Labour Organization
DSGD	Democratic Strategy and Governance Division	IMF	International Monetary Fund
DTOS	Diagnostic Trade Integration Study	IPA	Investment Promotion Agencies
EAC	East African Community	ITC	International Trade Centre
ECIS	Europe and the Commonwealth of Independent States	LAC	Latin America and the Caribbean
ECR	Export Concentration Ratio	LIC	Low-income Country
EPWP	Expanded Public Works Programme	LDC	Least Developed Country
ESSF	Economic and Social Stabilization Fund	LIIP	Livestock Indemnity Insurance Pool
ETSU	Economic and Technical Support Unit	LLDC	Landlocked Developed Country
EURODAD	The European Network on Debt and Development	LMIC	Lower Middle-income Country
		M&A	Mergers and Acquisitions
		MAF	MDG Acceleration Framework
		MDGs	Millennium Development Goals
		MDRI	Multilateral Debt Relief Initiative
		MECIB	Malaysia Export Credit Insurance Berhad
		MENA	Middle East and North Africa

MIC	Middle-income Country	SWF	Sovereign Wealth Fund
NAFTA	North American Free Trade Agreement	S&P	Standard & Poor's
NEPAD	New Partnership for Africa's Development	TNCs	Transnational Corporations
NGO	Non-governmental Organization	TWN	Third World Network
NPV	Net Present Value	UMIC	Upper Middle-income Country
NRFs	National Revenue Funds	UN OHRLLS	United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States
OCIA	Organic Crop Improvement Association International	UNCOMTRADE	United Nations Commodity Trade Statistics Database
ODA	Official Development Assistance	UNCTAD	United Nations Conference on Trade and Development
ODI	Overseas Development Institute	UNDESA	United Nations Department of Economic and Social Affairs
OECD	Organisation for Economic Co-operation and Development	UNDP	United Nations Development Programme
OHCHR	Office of the High Commissioner for Human Rights	UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
OLICs	Other Low-income Countries	UNNEXt	United Nations Network of Experts for Paperless Trade in Asia and the Pacific
OPEC	Organization of the Petroleum Exporting Countries	UNRISD	United Nations Research Institute for Social Development
PAPEP	Prospective Political Analysis and Prospective Scenarios Project	UNU	United Nations University
PCF	Private Capital Flows	VAT	Value Added Tax
PFM	Public Financial Management	WDI	World Development Indicators
PI	Portfolio Investment	WIDER	World Institute for Development Economics Research
PPP	Purchasing Power Parity	WTO	World Trade Organization
PRF	Pension Reserve Fund		
PTA	Preferential Trade Agreements		
R&D	Research and Development		
RCPAR	Regional Centre for Public Administration Reform		
SADC	Southern African Development Community		
SAR	Special Administrative Region		
SIDS	Small Island Developing State		
SMEs	Small and Medium Sized Enterprises		
SSA	Sub-Saharan Africa		
SSC	South-South development cooperation'		
SW	Single Window		
SWAp	Sector-Wide Approach		

