

Remarks by Helen Clark, Administrator of United Nations Development Programme
on “Advancing development in an era of multiple crises” at the Foreign Policy Association

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Thank you for inviting me to address you this evening.

I know that the Foreign Policy Association is one of the premier American forums on foreign policy, and that for over ninety years it has played an important role in promoting an understanding of global issues.

Coming from a background of many years in public life, I particularly appreciate the role which organizations like this play in stimulating informed debate about the global issues which affect us all.

This debate cannot be conducted only in the corridors of governments and think tanks and the halls of academia. It needs active citizen engagement – and citizens need information to be able to engage effectively.

The theme of my remarks today is one which preoccupies me as the Administrator of the UN Development Programme : the challenge of realizing international development goals in an era of multiple crises.

Nine years ago I was one of the heads of government who travelled to the United Nations General Assembly here in New York and signed the Millennium Declaration. That document enshrined the eight Millennium Development Goals as the international community’s collective commitment to create a better tomorrow for billions of people. It prioritized efforts to reduce poverty and hunger, empower women, increase access to essential services like education, healthcare, clean water and sanitation, and forge strong global partnerships for development.

But the 21st century has not got off to a good start. In just the past two years alone, there have been food and fuel crises, the global recession, and major climatic events and other natural disasters. Recently an influenza pandemic was declared.

Many of these crises challenge developed countries too. The small country I come from certainly felt them all – but one is aware of how much greater the impact is on poor and vulnerable nations.

This reminds us that it is in all our interests to support those countries in developing the resilience to withstand the shocks which in one form or another are likely to keep coming.

I am under no illusion that development is an easy mission in the current circumstances. But meeting development challenges never has been easy. In meeting them now, I would like to focus on three key areas :

- It would help if the promises long made on official development assistance were fulfilled. ODA is only ever part of the development equation – but it can be a catalytic part, supporting step changes in governance, smart strategies, and the capacity building required for nations to transform their prospects;
- a new development paradigm needs to be widely articulated – combining development goals, like those in the Millennium Development Goals, with environmental objectives so that we can truly achieve long term and sustainable development; and
- a reinvigoration of partnerships for development is needed which better takes into account new geopolitical realities, and the expanded role of the philanthropic and private sectors in development.

Now to the context of the development challenge :

Worldwide, prior to the global recession, and notwithstanding the many pressures already exerted on developing countries from high food and fuel prices and extreme climate volatility, there had been significant progress on a number of the MDGs.

But, even so, as many as one billion people worldwide seemed likely to remain in extreme poverty in 2015, and many countries were off track on key targets.

Now the severe impact of the international recession on developing countries has added extra challenges, and the concern that progress on some goals will be reversed.

That is already the case with those living in hunger. In 2007, just before the global food crisis hit, the number of chronically hungry people in developing countries stood at around 850 million. FAO believes that number will exceed one billion this year.

The overall net effect of the increased food and fuel prices experienced in recent years was to push up to 200 million more people into extreme poverty from 2005-2008.

The latest IMF projections released in October revised global growth rates for this year upwards. Even so, emerging and developing economies are projected to grow by only 1.7 per cent this year, compared to 6 per cent last year. The recovery is projected to be sluggish for the next few years, and uneven and uncertain.

In developing countries in 2010, growth is forecast to rise above 5 per cent. That rebound will be driven mainly by developing countries in Asia, boosted by China's performance. Its economy is forecast to grow by nine per cent in 2010 - almost twice as fast as for developing countries as a whole.

While developed countries have been badly affected by the recession too, it is also true they have more tools at their disposal with which to respond. In the course of the recession, many have been able to provide massive counter-cyclical fiscal stimuli and financial bailouts to shore up their economies and financial systems.

Many developing countries, however, do not have deep pockets to dip into to cushion the blow of the recession to their economies.

Poverty could increase significantly in a number of them, particularly in sub-Saharan Africa where real GDP per capita in the region is projected to contract in 2009 – the first decline in a decade.

Many developing countries have seen their export revenues crash, along with a decline in the inflow of investment and remittances. The IMF estimates that gross foreign direct investment flows to low income countries will fall by 25 per cent this year as compared to last. Remittances are expected to come down this year for developing countries overall, although the effect is not even across regions. As the economic outlook improves, these projections on the effects on capital flows and remittances may be revised upwards.

A particular concern is that profound economic crisis in vulnerable countries can extend into humanitarian crisis. At worst, it may also precipitate instability and outright conflict. The consequences then are long lasting and expensive to remedy, ultimately at a much greater cost to the affected country and the international community than timely support in their hour of need would have been.

This highlights another dimension of the development equation : that promoting peace and stability is vital for development to take root, and is something the international community must underwrite more effectively.

The risks of instability may increase in the next few decades if there are growing tensions over managing natural resources, including one as basic as water.

Conflict itself has lasting negative impacts on human development, destroying lives, livelihoods, communities, and infrastructure.

When there is not rapid recovery from conflict, the prospect of maintaining new found stability fades. Countries trying to escape from conflict have all too often seen conflict recur when no peace dividend was apparent.

The UN system, including the agency I head, UNDP, does work tirelessly in conflict zones around the world, from Afghanistan to Somalia, and from Haiti to Sudan, helping to disarm, demobilize, and reintegrate former fighters; support communities to rebuild their livelihoods; promote the rule of law; and combat the scourge of sexual violence against women.

There, and elsewhere, the UN can and does make an important difference for the better working with our partners.

But to do our job, to support development in a world beset by crises, we need resources, and so do developing countries.

On paper, the commitments have been made to provide more support for this work. But the fulfillment of the promises has been lagging.

When the G8 met in Gleneagles in 2005, it pledged to increase aid to developing countries by \$50 billion a year by 2010 compared to 2004 levels and prices. Within that, the G8 pledged to double aid to Africa by 2010 over 2004 levels. That promise has been reaffirmed at G8 meetings ever since, and was supported again as recently as at the G20 meeting in Pittsburgh last month. But it still remains far short of delivery, especially for Africa – where it is over eighty per cent short.

Providing the right type of support now to developing countries will alleviate suffering; it will help build and strengthen the capacities and institutions which make sustainable development possible; and it will help build resilience in low income countries. If together we can achieve that, we would not in future need to respond so often and in a piecemeal way to the crises of the moment.

Increasingly we see many donors spending more on humanitarian relief operations in very fragile states. But in those states, we need to move to early recovery and development as fast as we can. And we cannot neglect the development needs of currently stable but still poor countries. They may be coping now – but they have rather a lot to cope with.

This brings me to my second message : if we are to tackle multiple crises, we cannot apply old development paradigms. The environment was given too little consideration in the past – witness the weak focus on it in the Millennium Development Goals, and the failure of the World Summit on Sustainable Development in 2002 to set ambitious targets.

Now it is critical to integrate climate and broader environmental considerations into our development thinking and planning. After all, the state of our ecosystem has a profound effect on the terms and conditions on which we all dwell on this planet.

By some estimates, forty per cent of development investment from ODA and concessional lending is sensitive to climate risk. If that risk is not being factored into future investments, then we are not spending the development dollar responsibly.

The climate crisis is one of the greatest ongoing challenges our world faces – and indications are that climate change is taking place faster than previously predicted.

Recent calculations of the projected increase in global sea levels suggest a rise by one meter by the end of the 21st century compared to the end of the 20th century. This almost doubles the

projection which was made only two years ago by the Inter-governmental Panel on Climate Change.

Based on one of the Inter-governmental Panel on Climate Change's scenarios, without mitigation action, certain crop yields in 2050 in some developing countries could be only half of their 2000 levels – leading to significant price increases for those crops.

Last month the Secretary-General of the United Nations convened a major leader-level climate summit in New York.

All who are following the climate change negotiations closely know how difficult it has become to reach a high quality, new climate agreement in December in Copenhagen.

For a new agreement to be reached, it will need to be a good deal for development. It needs to support low carbon routes to growth and energy access, and support adaptation and build greater resilience to climate change.

For developing countries, the level of funding flowing from the agreement will be critical.

It will take significant new resources and technology transfer to provide greener alternatives to development. They are available, but the full cost cannot be met by developing countries alone.

The alternative is the heavy carbon footprint route we are familiar with, which is so destructive to our climate.

The same resource issue arises with adaptation. The poorest and most vulnerable countries need significant support which goes above and beyond existing ODA to meet the costs they face.

The preliminary findings of a World Bank study estimate that adequately adapting to the impacts of climate change would cost between \$75 billion and \$100 billion per year in the developing world between 2010 and 2050. If countries do not adapt, climate change will impact severely on their ability to reach development goals.

I believe that fostering growth and development and protecting our climate and ecosystems are entirely compatible goals.

But tackling multiple problems in a comprehensive manner requires many stakeholders all pulling in the same direction.

No one actor can achieve the Millennium Development Goals, tackle climate change, or bring about peace and stability. But we can do together what we cannot do alone.

This then brings me to my third message of the evening : the need for innovative and renewed partnerships for development.

Major geopolitical shifts are taking place in our world, and there are calls in many quarters for these to be reflected in the multilateral decision-making architecture.

This debate is far reaching, touching on every area of multilateral endeavor, from the global financial infrastructure to climate change and how to respond to complex security challenges.

It is clear too that development partnerships in the 21st century are very different from those of the past.

South-South flows of finance, technology, and know-how are now very substantial. Developing countries have so many lessons learned and useful technologies available to assist others in the South to meet their development challenges.

It is imperative that we channel these lessons to where they can be most useful. An important part of our role at UNDP is to support and facilitate the sharing of such experience and knowledge across the South. That is relevant in the context of the economic crisis where there are, for example, many relevant models of social protection in the South for others to study and adapt to in their own contexts.

We also need the best possible partnerships between multilateral development agencies and the philanthropic funds and the private sector. The private sector's initiative, innovation, technology, and resources can make a vital contribution to achieving the Millennium Development Goals and tackle climate change.

UNDP-commissioned research has shown that including the poor in core business strategies works both for businesses, and for development.

That research estimated that the world's poorest 4 billion people have a combined income of about \$5 trillion – a significant market by any standard.

This led UNDP to develop a “Growing Inclusive Markets” initiative. It promotes business models in which the pursuit of wealth creation, human progress and environmental sustainability are seen as entirely compatible.

There are many examples of local and international companies which have successfully integrated the poor into their business models to create wealth, spur growth, and spark social change, thereby helping achieve development goals.

The workings of the market alone, however, will not end poverty. Left to its own devices, the market will not deliver either equity or justice.

That is where public policy and enlightened approaches from business have a role to play, and where the multilateral development agencies can be especially helpful.

The UN development system has a global presence in good times and bad, and a wealth of knowledge and experience on a wide range of development questions. We also work with a wide

range of partners on the less visible, but absolutely vital, work of strengthening the national and local governance and other capacities which will help developing nations achieve their goals and make them more resilient to whatever shocks the future holds.

For UNDP, this work includes helping countries identify the bottlenecks which are preventing the achievement of development goals, and developing comprehensive action plans and helping mobilize resources to overcome them. Right now this work has a particular focus on how we can accelerate progress towards the Millennium Development Goals by 2015.

A very high priority for us as the UN agency with a climate and development mandate is supporting countries to develop low carbon growth, energy access, and adaptation strategies – and to place them at the heart of their national development plans.

There is also urgent work to do in supporting the least developed countries to be able to access climate finance. We expect that there will be a lot more available – but that is a chimera if the capacity of countries to obtain it is not there.

In summary, there are huge challenges to development right now – and all too often the medium and long term needs get crowded out by the need to respond to the crisis of the day.

But it is important to keep a strong focus on the internationally agreed development goals which, when achieved, will make such a huge difference to so many people's lives.

With enough resources, with better integrated approaches to development, and with strong partnerships, I believe we can reach those goals.
