

Remarks by Helen Clark

Administrator of the United Nations Development Programme

on the occasion of the

ECOSCO Coordination Segment

Panel discussion on "The impacts of the financial and economic crises on sustainable development, particularly their social implications"

Monday, 13 July 2009, Geneva

Excellencies,

Distinguished Delegates,

Colleagues,

Ladies and Gentlemen

Around the world the economic crisis has caused misery and
hardship.

Those least responsible for the crisis, the poorest and the most
vulnerable, stand to bear the brunt of its effects.

They are also the least able to respond.

Forceful policy action, nationally and internationally, has prevented a collapse of the global financial system, and there are signs of stabilization and improved confidence, as the G8 leaders have noted.

For many developing countries, however, the full impact of the crisis is only now being felt, as they experience steep declines in exports, investment, remittances, and, where relevant, tourism volumes and receipts.

Faced with the resulting slump in revenues, governments in many developing countries are less able to respond their peoples' needs at this time when social protection is most required.

Without stepped up ODA now, complemented by more fiscal space and support from the International Financial Institutions (IFIs), the toll on human development will be felt for years to come. Behind the headline figures on growing poverty and unemployment is the deeper human suffering and longer term impacts on human development.

For example, as families face dwindling income, their children may be taken out of school and never reach their full potential. As well, the food available to them is likely to be less nutritious, compromising children's growth and development, and making them less able to contribute to their societies and economies in the future.

These issues were extensively discussed at the recent UN Conference on “The World Financial and Economic Crisis and its Impact on Development”. There, Member States called for scaled-up and coordinated UN action and for adequate support to be provided to the UN development system’s crisis response.

There is a largely common understanding that we must work to prevent a reversal in the hard-won gains made towards achieving the Millennium Development Goals (MDGs).

Providing the right type of support now will alleviate suffering and is therefore a humanitarian calling. But it is also a development imperative, since it will prevent many from slipping even further

into the poverty which would have consequences that lasting beyond a generation.

The UN development system has been articulating and supporting a coherent global response to the current global crisis.

In UNDP, for example, we are assisting programme countries to analyze the human development impact of the crisis, and to design appropriate programmes and policy responses on how to protect the most vulnerable through social protection initiatives.

UNDP can advise on what has worked in other countries to mitigate the impact of severe economic shocks, and is sharing lessons and advising nations accordingly.

The economic crisis has come on top of recent experiences of high food and fuel prices which placed great stress on poor and vulnerable countries and people. It also comes as we are facing the first influenza pandemic in forty years and the huge climate challenge.

These complex and often inter-connected challenges threaten to overwhelm the already limited capacity of poor countries and their populations to cope.

They remind us of the importance of developing the critical capacity needed to make nations and communities more resilient to shocks in the longer term.

They also remind us that we must have integrated approaches to dealing with the multiple and interlinked challenges our world faces.

UNDP is now bringing its climate change work into the centre of its thinking about development and poverty reduction. We are working to support developing countries achieve outcomes at Copenhagen this December which are positive both for development overall and for achieving the Millennium Development Goals (MDGs).

Times of crisis are times for bold thinking and action. Now as countries work to come back from recession, investing part of their fiscal stimulus in green technologies and infrastructure would be

positive for a future low-carbon route to development, as it would be for employment and for sustaining demand in economies.

Overall, “business-as-usual” approaches to development today are not sufficient to foster progress for tomorrow and beyond.

If the international community is to honour its commitment to achieve the MDGs by 2015, more ODA is needed now. ODA pledges already made, including those year after year at the G8, must be met, if not augmented, to support low-income countries through the current crisis. The next meeting of the G20 in September should also focus on the needs of low-income countries at this critical time.

With delivery of the ODA already pledged, and with more consideration from the IFIs, low-income countries can be supported to maintain their budgets for basic services and maintain traction on MDGs. That way the worst fears we have for the effects of the global recession on human development will not be realized.

Thank you.

