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The Development Challenge in the Middle of the Global Recession

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Helen Clark: Thank you for inviting me to address you today in this “Women in Power” series.

I know that the Women' Foreign Policy Group is one of the premier forums in Washington on international issues, and that it plays an important role in promoting the leadership and participation of women in global affairs.

Thus the group's mission is one which is close to my heart. The empowerment of women matters enormously to me, as one long supported by other women and men to break through glass ceilings.

As a former Prime Minister of New Zealand, and now the first female Administrator of UNDP, I know full well the importance of ensuring that women are fully engaged in finding new approaches and solutions to the issues that confront us.

One such issue right now is the subject of my address today: The development challenge in the middle of the global recession.

As Administrator of UNDP I am pre-occupied by what the recession might do to the less developed parts of the world with the least resources, the least means of protecting themselves, and the least options for stimulating their own economies.

I will comment on these challenges today; on the kind of responses which are needed; and on why the UN's development work is so important not only at this time, but in pursuing development overall.

Nine years ago leaders gathered in New York at the General Assembly of the United Nations and agreed on the Millennium Development Goals, with a target date for reaching them of 2015. I was one of the heads of government who signed off on that commitment.

In my view the eight Millennium Development Goals were not meant to be merely aspirational : they were meant to be met, and it is in all of our interests that they are met. Meeting the goals would make a huge improvement to the lives of billions of people – in lifting income, offering opportunity through education and for better health status, empowering women, tackling deadly diseases, nurturing our environment, and forming strong global partnerships for development.

According to the latest UN report on the MDGs, there is good news. The global target of reducing by half the proportion of people living in extreme poverty between 1990 and 2015 seems likely to be achieved. Extreme poverty is defined as living on less than USD 1.25 a day.

Those considered extremely poor accounted for slightly more than a quarter of the developing world's population in 2005, compared to almost half in 1990.

Much progress has also been made in education, although the target of achieving universal primary education by 2015 is a little off track.

But the report also points to serious remaining challenges.

For example, as many as one billion people are likely to remain in extreme poverty by 2015.

And the goal towards which there has been least progress so far is that which seeks to improve maternal health. This speaks volumes about the low status of women in far too many societies, and about the low priority given to meeting their needs.

As well, the global achievements we are recording on the MDGs obscure the lack of traction on them for significant populations – both within countries and across regions. I am advised, for example, that no country in sub-Saharan Africa is on track to achieve all the MDGs.

A major concern now, however, is that the global recession could stall or reverse many of the hard-fought gains which have been made on development.

It is true that forceful policy action has prevented a collapse of the global financial system, and that there are signs of stabilization and improved confidence, as the G8 leaders noted recently.

For many developing countries, however, the effects of the crisis are only now being felt.

Worldwide, the number of people who will live in extreme poverty in 2009 is estimated to be 55 to 90 million higher than was forecast before the recession.

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 experiences of past economic downturns suggest that health status in the developing world is likely to deteriorate and that school enrolment and completion rates will drop, especially in the poorest countries. Many of the adverse effects will hit girls and women the hardest.

The economic crisis comes as we are experiencing the first influenza pandemic in forty years, the huge climate challenge, and have experienced food and fuel crises in recent times.

In our interconnected world, the dividing line between “their” problem and “our” problem is increasingly thin, if not altogether absent. But then, has it not always been the case that if our neighbour is poor, we are poor too ?

Providing development assistance, especially now, is surely a moral imperative. It should be of concern to all of us that those least responsible for the economic crisis stand to bear the brunt of its effects, and are the least able to respond.

But it is also in the developed world’s interests that developing countries are prosperous, have healthy populations, are enabled to support the fight against climate change, and are well governed and stable. Consider the counterfactual in extremis : a failed state can become a haven for terrorists whose reach, as our world well knows, can tragically be global.

Faced with stagnating or falling economic growth, with their trade and investment levels down, and with dwindling remittances coming in, developing countries now have reduced resources to cope with the additional burdens posed by the economic crisis.

Thus, development assistance is more vital than ever at this time, along with more fiscal space and support for developing countries from the International Financial Institutions headquartered here in Washington DC.

Used well, such support would allow governments to maintain their budgets for basic services, even as their domestic revenues decline, and maintain momentum on the MDGs.

It is to be hoped that the next meeting of the G20, at Pittsburgh in September, will focus more attention on how to support low income countries through the recession.

It is also time for the delivery of the G8’s Gleneagles commitments, made in 2005 and reiterated annually, including at the G8 summit in Italy earlier this month. These commitments envisage doubling ODA delivery overall by 2010 over 2004 levels, and specifically within that of doubling ODA to Africa. Yet as of now, in 2009, the G8 pledge to Africa remains about 90 percent short of delivery.

As the Gleneagles pledges were made before developing countries were hit by the food and fuel crises and now the global recession, they should be seen as a minimum for what is delivered now.

Of course development assistance is not a cure-all. Development also depends on good governance; on growth, trade, and investments; and on making the right investments in people, policies, and infrastructure.

What ODA can do is help build and strengthen the capacities and institutions which make sustainable development possible, and, hence the circumstances in which aid, country by country, can be scaled down and eventually ended altogether.

Presently a bright light on the horizon is the commitment by the United States Administration to double America's ODA by 2015. President Obama spoke at the G-8 and in Africa about these commitments, and specifically designated major sums of money for agriculture and global health.

I also welcome Secretary of State Clinton's announcement in recent days that the United States will make development a central component of its foreign policy planning and a mainstream objective in its relations with the rest of the world. The Administration's proposed Quadrennial Review of Diplomacy and Development should provide a clear framework for engagement between the United States and the United Nations on development initiatives.

In my meetings with people in the Administration and on Capital Hill, I have been emphasizing the opportunities which the UN's development agencies offer for the Administration as it seeks to scale up its ODA quantity. The UN agencies, including the one I head, work in so many areas where the United States too wants to make a difference for the better.

As well, America's resources for development will go much further when they are combined with those of other donors, and aligned around a common strategic framework.

The UN's development work has been built up over the decades since the Second World War. In the case of UNDP, it got its start with tremendous financial support and leadership from the United States. While many others have become involved since, the United States remains a very important funding partner for us.

At UNDP, we see peace and security and good governance as pre-conditions for sustainable development.

Efforts to reduce poverty and tackle tough environmental challenges will always be more effective where government at all levels is transparent, accountable, and responsive to its citizens.

President Obama was right when he spoke recently about the need to check abuses of

power and advance the rule of law.

At UNDP we work on making human rights institutions more effective in around 100 countries, and we support an election somewhere in the world approximately every three weeks.

Across our work we seek to empower and raise the status of women. I am delighted that Secretary of State Clinton made it clear last week that this will also be a top priority in her work.

We are very active in countries emerging from trauma and conflict on early recovery programmes and laying the foundations for sustainable peace.

I saw this work for myself on my first trip to Africa as Administrator, where in both Liberia and Congo we work to address sexual and gender-based violence, which remains so troubling. We are active in the disarming, demobilizing, and reintegration of former fighters, and in supporting communities which were devastated by conflict to rebuild their livelihoods.

What none of us want at this time is the global recession precipitating more conflicts in already fragile states, and winding back the clock on development in stable but still poor countries.

At UNDP we are supporting countries to analyze the impacts of the recession on their people. We are advising on approaches to social protection, and on reprioritization of budgets so that momentum can be maintained in crucial areas like health and education. We work closely alongside the World Bank and the IMF. But for pathways through this recession to be found which do not jeopardize development progress, the extra ODA I spoke of earlier and more consideration from the Bretton Woods Institutions will be required.

One area of great potential for developing countries is the benefit which could flow from success at Copenhagen in sealing a new deal on climate change.

This deal will need to be a deal for development which delivers significant resources for adaptation and for making a low carbon route to development possible.

Potentially there is a triple win here – which reduces and offsets emissions; addresses energy poverty; and makes green and inclusive growth possible. That really would contribute to sustainable development and to achieving the MDGs.

Progress on the MDGs will be reviewed next year when the General Assembly meets in September. We cannot let the MDGs simply become another promise the international community has made but has not kept. While the recession and other crises have made an already difficult challenge more difficult, we can, working together, still achieve our goals.

While I am under no illusion that this will be easy, the size of the economic bailouts of recent times has shown that developed nations have the resources available to make a difference if they want to.

At this time we need unwavering leadership, political commitment, and dedicated resources for development which will bring about lasting improvements in the lives of poor and vulnerable people around the world.

This is the development challenge we face in the middle of not only a global recession, but in the wake of and in the midst of numerous other crises too.

I hope that the Women's Foreign Policy Group can be mobilized in support of development and the MDGs at this critical time.

Thank you.