

## UN: Economic troubles make delivery on anti-poverty commitments even more urgent

**United Nations, New York, 16 September** – Due to economic difficulties since the 2008 financial meltdown, many developing countries need to channel an additional 1.5 per cent of gross domestic product to achievement of the Millennium Development Goals (MDGs), a UN report out today contends. But support from donors, although up sharply since the inauguration of the MDGs in the year 2000, nonetheless is falling short of agreed targets.

“This report challenges the international community and other stakeholders to intensify their efforts to realize the potential of the global partnership for development,” said UN Secretary-General Ban Ki-moon, who launched the UN’s MDG Gap Task Force report today in New York.

“The stakes are high, but so are the rewards,” he added.

A deadlock in the Doha Round negotiations, for example, has frustrated opportunities for rapid advancement through trade, a traditional means by which nations lift themselves out of poverty, the report says. Agreements at the 2011 UN conference on the 48 Least Developed Countries (Istanbul) to step up market-opening and capacity-building measures offer one hopeful alternative, especially in light of the lack of substantial improvements in market access of LDC exports since 2004.

The UN report also warns against trade protectionism in response to slow economic growth, as a self-defeating measure that would also penalize poor countries.

Official development assistance (ODA) from traditional donors has more than doubled since 2000, reaching a record \$129 billion in 2010. But the 2010 total still falls \$21 billion short of commitments made in 2005 at the G8 Summit in Gleneagles, the report finds, and is less than half of the total needed to fulfill the longstanding target of 0.7 per cent of gross national income of traditional donors.

Millennium Development Goal 8, covering the international partnership, aims to create an enabling environment for poverty eradication through a fair and open trading system, substantial increase in development assistance, poor-country debt relief and improved terms of access of the developing world to medicines and technology. (Goals 1 – 7 target hunger, extreme poverty, disease, environmental degradation and obstacles to the advancement of women and to achieving universal primary education.)

Removal of the burden of unsustainable debt from many poor countries is another area in which the international environment has improved since 2000. But recent financial turmoil has caused some backsliding. The report cites the International Monetary Fund’s identification of 19 developing countries that are in debt distress or at high risk, including eight that earlier benefited from debt relief.

### **Enter new donors and trading partners**

Part of the slack in the delivery of international support has been taken up by developing countries, especially the dynamic emerging market economies.

By 2008, “South-South” cooperation flows had already reached \$15 billion – a 78 per cent rise over a

two-year period – and are still growing. The share of LDC exports to developing countries increased to 49 per cent in 2009, up from 45 per cent in 2006, and China, for instance, pledged zero-tariffs on more goods imported from LDCs, as well as continued debt cancellation.

Also picking up steam are innovative means to raise resources for development finance, such as voluntary donations of one or two dollars on airline ticket purchases. Nevertheless, increased commitments from traditional donors are urgently required, the report says. And even before the financial turmoil of recent months, ODA budgets were pegged by the Development Assistance Committee members of the Organisation for Economic Cooperation and Development (OECD) to rise only by a modest 2 per cent per annum over the next three years, compared to 8 per cent during the previous triennium.

### **Poor countries work towards MDG targets on the ground**

The Secretary-General is also urging developing nations to step up efforts in the drive to reach the MDG targets by the 2015 deadline.

In a separate but related report prepared for the September session of the UN General Assembly (document A/66/126), he analyzes actions by developing countries that have underpinned substantial albeit uneven progress towards the Goals and are key to continued gains.

Macroeconomic policies need to support job creation as well as economic growth, says the report on “accelerating progress towards the Millennium Development Goals”. Unlocking the potential of agriculture and the rural sector is a key to advancement in low-income countries, and all developing countries need to explore new ways to ensure sustainable growth and manage environmental conditions. The Secretary-General also emphasizes increased coverage by social insurance programmes, application of a human rights and gender equality framework for MDG achievement, and good governance.

Addressing the need to close the gap on wide and affordable access to medicines (essential medicines are available in only 42 per cent of public sector facilities in developing countries, according to the Task Force report), countries such as India have stepped in by producing low-cost generic drugs.

“The case of India illustrates how intellectual property policy can be used to increase access to affordable HIV medicines in developing countries,” the UN report says. “The Indian pharmaceutical industry is highly export-oriented and, by utilizing the transition period, became a major supplier of generic medicine and low-cost ARVs to developing countries.”

The report was written by the Secretary-General’s MDG Gap Task Force, which brings together more than 20 UN agencies, the International Monetary Fund, the OECD, the World Bank and the World Trade Organization. At the Millennium Summit in 2000, world leaders pledged to “create an environment at the national and global levels conducive to development and to the elimination of poverty.” At an MDG Summit in September 2010, world leaders re-committed to strengthening the global partnership to “keep the promises.” With only four more years until the target year, the report tells world leaders that it is “time to deliver.”

For more information, see [www.un.org/esa/policy/mdggap](http://www.un.org/esa/policy/mdggap)

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