GLOBAL FINANCIAL AND ECONOMIC CRISIS

UN System Joint Crisis Initiatives

16 September 2009

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UN System Chief Executives Board for Coordination
Introduction

The United Nations System Chief Executives Board in October 2008 reviewed the implications of the ongoing crisis in financial markets which had begun to take on global dimensions and to impact real economies and livelihoods that threaten to reverse the gains of the last decade. CEB stressed that, while the crisis would impact all countries, its most serious repercussions would be felt by those who were least responsible – the poor in developing countries.

CEB recalls that the United Nations System, at the heart of its mission, had the cause of peace, justice and the protection of the poor and vulnerable, and expresses its commitment to the international community to play its full part in addressing and alleviating the negative repercussions of the crisis worldwide.

Major challenges facing the international community as a result of the crisis include the following:

1. **There is significant danger that progress in meeting the MDGs will be reversed.** Many countries are moving into a danger zone, threatening the development progress and MDG achievements of the last decade.
2. **The economic crisis is trapping at least 53 million more people in poverty in developing countries.** New estimates for 2009 suggest that lower economic growth rates will trap 46 million more people on less than the $1.25 a day than projected prior to the crisis. If the number living on less than $2 a day is included, 53 million will stay trapped in poverty. This is in addition to the 130-155 million people pushed into poverty in 2008 because of soaring food and fuel prices.
3. **Global trade is expected to fall in 2009 for the first time in 27 years.**
4. Wage employment declined significantly worldwide since the second half of 2008, leading to rising unemployment and informal employment, as well as falling wage earnings. **Unemployment worldwide is estimated to increase by some 50 million in 2009 with respect to 2007.** Even with return to positive growth in 2010, unemployment and underemployment will remain high for several years to come.
5. **Investment growth in the developing world is projected to fall from 13 percent in 2007 to 3.5 percent in 2009.** A third of GDP growth in developing countries can be attributed to investment growth.
6. **Commodity prices have fallen from their historic levels, but are expected to remain higher than during the 1990s for the next 20 years.** **Oil prices** are likely to average about $75 a barrel for the next five years. **Food prices** are expected to remain about 25 percent higher than they were in the 1990s.
7. So far the currency collapses of 1997 and 1998 have been avoided but 2009 will be a dangerous year. **Global GDP growth is predicted to fall from 2.5 percent in 2008 to 0.9 percent in 2009.** Developing country growth is expected to decline to an average of 4.5 percent in 2009.
8. **Human development impacts are expected to be severe as individuals and households are pushed into poverty and malnutrition, while government revenues fall precisely when safety nets need to be made more effective.** Many of these impacts will disproportionately affect the already vulnerable such as women and children.
9. The global economic crisis is exposing households in virtually all developing countries to increased risk of poverty and hardship, including increasing the number of undernourished. It is estimated that the number of undernourished people could increase by as much as 10 percent and will exceed 1 billion in 2009. Almost 40 percent of developing countries are highly exposed to the poverty effects of the crisis (with both declining growth rates and high poverty levels) and an additional 56 percent of countries are moderately exposed (they face either decelerating growth or high poverty levels), while less than 10 percent face little risk.
Under the leadership of the Director General of the International Labour Organization as the new Chair of the CEB High Level Committee on Programmes, the UN System undertook a detailed and multi-sectoral review of the challenges facing the international community and possible UN system responses, with a view to developing a coherent and comprehensive strategy for action. The draft strategy was presented by the Chair of HLCP to CEB at its April 2009 Session. CEB endorsed the strategy and adopted a Communiqué endorsing the nine initiatives proposed by HLCP:

1. **Additional financing for the most vulnerable:** advocating and devising a joint World Bank – UN system mechanism for the common articulation and implementation of additional financing, including through the World Bank proposed Vulnerability Fund.
2. **Food Security:** strengthening programmes to feed the hungry and expanding support to farmers in developing countries.
3. **Trade:** fighting protectionism, including through the conclusion of the Doha round and strengthening aid for trade initiatives and finance for trade.
4. **A Green Economy Initiative:** promoting investment in long-term environmental sustainability and put the world on the climate-friendly path.
5. **A Global Jobs Pact:** boosting employment, production, investment and aggregate demand, and promoting decent work for all.
6. **A Social Protection Floor:** ensuring access to basic social services, shelter, and empowerment and protection of the poor and vulnerable.
7. **Humanitarian, Security and Social Stability:** emergency action to protect lives and livelihoods, meeting hunger and humanitarian needs, protecting displaced people and shoring up security and social stability.
8. **Technology and Innovation:** developing technological infrastructure to facilitate the promotion and access to innovation.
9. **Monitoring and Analysis:** strengthening macroeconomic and financial surveillance and implementing an effective early warning system; and urgently establishing a UN system-wide vulnerability monitoring and alert mechanism to track developments and report on the political, economic, social and environmental dimensions of the crisis.

The CEB initiatives are built upon a commitment by the UN system’s leaders to deliver as one in assisting countries and the global community to confront the crisis, accelerate recovery and build a fair and inclusive globalization allowing for sustainable economic, social and environmental development for all, while facing the future in a spirit of conviction of the need for transformational change.

Each of these nine initiatives is being led by one or more CEB member organizations with the relevant competence, with the voluntary participation of others who are contributing from their various perspectives. The lead and cooperating organizations have prepared their initial frameworks for action, which are presented in this document. The initiatives clearly highlight that unless urgent action is taken, the crisis will have devastating effects for the most vulnerable people, with growing social insecurity and displacement. They have at their centre the importance of holding fast to commitments to ensure that the Millennium Development Goals and other internationally agreed development goals are met, and that a path to recovery also builds upon measures to safeguard the planet’s climate. They address the linkages between policy prescriptions at the global level and implementation based on country needs and priorities. The initiatives clearly distinguish between the measures that require immediate steps to be taken and those aimed at sustained human security over the long run. All these measures require support.
CEB underlines the risk of a reduction in development assistance and the need to ensure that all efforts are made to prevent a global economic crisis from becoming a humanitarian and security crisis of potentially immense proportions. It also calls upon stakeholders to build on the current momentum of intensified multilateral cooperation in order to promote a fully inclusive framework of global governance. The capacity of governments to design, afford and implement the right policies, while coordinating them with international partners, must be strengthened. The multilateral system plays a central role in articulating and delivering a global and coherent response to the crisis, with a direct impact on the lives of the women, men and children who are struggling to survive and maintain their dignity.
Initiative I
ADDITIONAL FINANCING FOR THE MOST VULNERABLE

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<tr>
<th>Lead Agencies</th>
<th>UNDP, World Bank</th>
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<tr>
<td>Cooperating Agencies</td>
<td>All relevant agencies with large field presence in vulnerable countries</td>
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Additional Financing for the most vulnerable-Effective advocacy and establishment of frameworks for additional financial and policy and operational support for most vulnerable including the World Bank proposed Vulnerability Fund.

In order to support the implementation of an ambitious and effective framework of action as proposed by the CEB, it is essential that the UN system bring together its funding and operational capacities in a coherent and concrete implementation approach.

This approach would be based on the following:

**Comprehensive country-based crisis response**

I. Commitment by the UNCT and the WB to implement a Comprehensive Country-level Crisis Response (CCCR) to respond to the challenge of the crisis in the most vulnerable countries and populations.

Tailoring solutions to the country’s needs is key, given that the reality of the crisis is on the ground and differs according to the country situation. The process must be country-driven and country-owned and the UN system and the Bretton Woods Institutions support the country-initiative as one.

The CCCR should incorporate the following characteristics:

- a focus on the issue of social protection for vulnerable countries and populations;
- integration of the CCCR in relevant national and UN strategies and frameworks;
- build on existing systems and capacities at country level between the BWIs and the UN system;
- a balance between scaling up efforts, local development and an alignment of macroeconomic frameworks with social protection policies.

The selection criteria in determining countries in which this approach could be followed must be consistent with methodologies used in other initiatives, such as food insecurity, the World Bank list and other criteria.

II. The UNDG should:

- Agree on criteria for vulnerable countries and populations where the common approach will be launched.

A) Methodology

UNCTs and the BWIs would support Governments in:

(i) analyzing the implications of the crises in the country (including which of the nine crisis initiatives apply);
(ii) identifying existing programs that respond to these needs, and their potential for scaling up;
(iii) identifying the gaps - where there are no programs or response mechanisms to address the challenges - and which initiatives could be taken that are aligned within the overall country policy framework; as much as possible in the delivering as one-mode;
(iv) identifying support requirements:
- Policy support
- Technical support
- Funding (whether additional funding through scaling up programs or potential need for additional financial mechanisms)
- Monitoring mechanisms and links to the Global Vulnerability Alert (monitoring in real time)

B) Exposure to the crisis
- Countries are considered more exposed where poverty was a significant problem before the crisis and where an adverse impact on economic growth is expected.
- While in the short-run, the non-poor may be the most affected by the crisis, experience suggests that the adverse impacts are likely to spread in the medium-term to poor households.
- Countries are considered “highly exposed” when real per capita economic growth is expected to be lower in 2008–09 compared to the period 2004–07 and where 20 percent or more of households were below the $1.25 poverty line in 2005.
- Countries are considered to “moderately exposed” when only one of the conditions described above exists.
- Poor household have fewer assets, more limited mechanisms for coping with risk, and less access to capital markets to help them weather economic fluctuations.
- Countries with a greater proportion of poor households have a larger share of the population that will be vulnerable to shocks in the medium-term.

C) Capacity to cope
Refers to institutional capacity to plan, design, implement, manage and monitor initiatives aimed at mitigating the impact of the crisis. Strengthening these capacities would require priority attention to:
- Strengthening the capacities of national institutions that design and develop national and sectoral strategies.
- Strengthening the capacities of national institutions charged with service delivery and social protection.
- Strengthening capacities of national institutions that coordinate and manage resources, especially ODA resources
- Strengthening the cross-cutting capacities required for implementation, including procurement capacity, project management capacity and human resource management capacity.

Funding

The Comprehensive Country-based Crisis Response mechanism should:
- Identify overall budgetary needs and prepare a budgetary framework.
- Identify key organizations that lead in these areas.
- Identify existing sources of income and items to be covered by funded organizational programmes.
- Analyze the use of existing sources of funding, including how to make more effective and efficient use of existing resources including, as required, the redirection of funding to those most in need.
- Identify new sources of funding, such as the WB Vulnerability Fund Facility and funding to address food
security issues.

- Identify the remaining financial gaps and the interest of countries to establish country-level MDTFs. This mechanism would also include the World Bank. Consideration could also be given to utilizing existing mechanisms, such as funding for food security.
- Prepare a resource mobilization strategy.
- Review over time the possibility of a mechanism to provide additional funding to country-level programmes centrally.

**Technical assistance**

Vulnerable countries should be appropriately supported with technical assistance, to strengthen national institutions and capacities to implement policies.

A major requirement is to enhance capacities at the country level for formulation and implementation of the CCCR. The capacity development effort should be at the national as well as local levels; within governments as well as civil society. The UNDG Policy Network Platform, can assist in this regard.

The Comprehensive Country-based Crisis Response should:

- Identify and mobilize in-country experience.
- Strengthen the UN inter-agency technical assistance to countries, especially to:
  - Assess the existing social protection ‘floor’;
  - Design sustainable social protection systems;
  - Monitor and manage resource flows and expenditure in countries susceptible to large revenue shocks.
- Provide longer term technical assistance and capacity development programmes through UN Country Teams.
- Organizations HQs should provide coordinated inter-agency policy advice and facilitate the exchange of lessons learned, for example UN system wide e-networks and communities.
- Explore the possibility of accessing the WB Vulnerability Fund and matching this with supplementary UN funding to support this technical assistance.

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### Initiative II

#### FOOD SECURITY

**On-going High-Level Task Force**

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<tr>
<th>Lead Agencies</th>
<th>FAO, IFAD, UN, WFP</th>
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<td>Cooperating Agencies</td>
<td>All organizations within the Task Force</td>
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The Secretary General’s High Level Task Force on the Global Food Security Crisis developed a Comprehensive Framework for Action, published in July 2008, and adopted by a broad set of development partners, both governmental and non-governmental. The High Level Task Force comprises 22 different bodies within the UN and Bretton Woods systems. The Framework articulated a series of outcomes required to address the global food crisis and introduce greater food and nutrition security globally, within a broad framework of the ‘right to food’.

A billion people in the world are hungry, unable to acquire the quantity and quality of food they require. As a result, every six seconds, a child dies of malnutrition. Food prices in developing countries remain volatile and the number of hungry is increasing as their purchasing power is further threatened by the global financial situation. The vulnerability of households, governments and the international system to food and nutrition security is heightened and broad UN joint crisis action is urgent, in support of building government response and adoption of national food and nutrition security strategies with the collaboration of non-governmental organizations and the private sector.

The seven action points of the note on the global financial situation and food security presented to the HLCP are collected into seven components in this UN System Joint Crisis Initiative, reflecting the on-going work of the High Level Task Force and its members and the provisions of the Comprehensive Framework for Action it produced:

1. Food assistance, including safety nets;
2. Nutrition programmes for children, mothers and vulnerable populations;
3. Social protection systems for vulnerable populations;
4. Smallholder farmer food productivity, with a primary focus on women farmers;
5. Agricultural sector development; infrastructure and trade and tax policies;
6. Information and monitoring systems;
7. Advocacy for sufficient, sustained and predictable funding and sustained investments.
1. Food assistance, including safety nets

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<tr>
<th>Lead agencies:</th>
<th>WFP, WB, FAO, WHO, UNESCO, UNICEF</th>
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<tr>
<td>Cooperating agencies:</td>
<td>whole HLTF membership</td>
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Challenges:
A critical aspect of food security is individual access to adequate and affordable nutritious food. This has been deeply threatened by the combined impact of the food and financial crises. The scourge of hunger and malnutrition is on the increase across the developing world, with now over a billion hungry people on the planet. The global economic downturn is exacerbating the impact of the food crisis and increasing food insecurity for the world’s most vulnerable people, reversing progress towards the MDGs. This threatens human well-being and development, economic growth and peace and stability, and puts an entire generation at risk in many countries.

The strengthening of effective, timely and needs-based delivery of food assistance and support to vulnerable households in developing countries is important until such time as all countries have the means to ensure the people’s right to food. This support will need further increase as more people fall below the poverty line as a result of the global financial crisis. Increased flexible, free and predictable flows of assistance are required to meet increasing needs. Four key challenges are faced in scaling up and improving the effectiveness of food assistance: 1) low accessibility and appropriateness of foods; 2) lack of food reserves; 3) difficulties in targeting effectively the vulnerable and needy; 4) under-developed in-country delivery logistics systems.

Objectives: To save lives; to improve access to food and nutrition

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<td>Ensure emergency food and nutrition assistance needs are met, protecting basic consumption needs of the poor; Promote school feeding, food for work and other food-based safety net programmes; Enhance in-country logistics for food delivery; Ensure that food purchased for humanitarian purposes is exempted from any export bans, extraordinary</td>
<td>Provide continued food assistance to vulnerable groups; Scale-up school feeding, food-for-work and other food-based safety nets, using in-country and/or regional food sources; Explore establishment of humanitarian food reserves;</td>
<td>Phase out of imported food assistance; Establish set of food assistance interventions fully available to vulnerable populations, using in-country and/or regional food sources</td>
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<td>Communication interventions:</td>
<td>Continuous advocacy on meeting the needs of 1 billion hungry will be essential to ensuring the availability of funding for food assistance – using the increasing purchasing of local foods can strengthen this advocacy. Regular communication to the public will be needed showing the results achieved with food assistance and specific safety nets.</td>
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<td>Constraint:</td>
<td>Food availability is one constraint, as is the availability of adequate funding. Targeting of vulnerable populations can be challenging, especially in food-deficit areas.</td>
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<tr>
<td>Linkages:</td>
<td>Smallholder farmers’ production;</td>
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### 2. Nutrition programmes for children, mothers and vulnerable populations

| Lead agencies: | FAO, UNICEF, WFP, WHO |
| Cooperating agencies: | whole HLTF membership |
| Challenges: | At any time, there are close to 60 million children suffering from severe or moderate wasting (acute malnutrition) and around 170 million severely or moderately stunted (chronic malnutrition). This presents a huge toll on future generations as malnutrition has long-term health consequences, with diminished mental and physical growth and vulnerability to both acute and chronic diseases. Child nutrition is inextricably linked to the nutrition of the mother. Already with the food crisis, the poor are coping by reducing the quantity and quality of food they consume, so malnutrition is worsening, especially in the urban poor. Priority interventions should enhance maternal nutrition, promote exclusive breast-feeding up to six months, scale up the use of appropriate and affordable supplementary and complementary foods for young children, treat children suffering from severe acute malnutrition with therapeutic foods, and fortify the foods of vulnerable populations. Four key challenges are faced in preventing and treating malnutrition in vulnerable groups: 1) Lack of national structures in many countries to address nutrition; 2) Lack of recognition that malnutrition occurs in households unable to produce or acquire the nutritious foods they require and thus need food or cash-equivalent inputs; 3) Weak health services unable to deliver nutrition interventions; 4) Low level of popular understanding of nutrition and ways to prevent malnutrition. |
Objectives: Through consultation with all stakeholders, including marginalized segment of the society: 1) Increase the profile of nutrition of children, mothers and vulnerable populations in governments’ strategies; 2) enhance public knowledge on nutrition; 3) incorporate key nutrition interventions into public health services and outreach activities; 4) enhance household food fortification; 5) expand the availability of therapeutic foods through global and local production.

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<td>Scale up treatment of children with severe acute malnutrition, using ready-to-use therapeutic foods; Assess causes of child undernutrition and link with appropriate sectoral institutions (in particular agriculture); Enhance on-going programmes promoting maternal nutrition, exclusive breastfeeding, and adequate appropriate infant and young child feeding; Promote food fortification, including household food fortification; Develop appropriate information and communication strategies.</td>
<td>Develop national structures accountable for nutrition; Achieve full coverage of treatment of children with severe acute malnutrition; Promote improved traditional complementary feeding practices; Provide livelihood support to families of acutely malnourished children; Scale up the treatment of children with moderate acute malnutrition; Develop locally appropriate nutrition education and communication strategies; Scale up nutrition programmes aimed at achieving well-nourished mothers and young children; Increase attention to the nutritional requirements of adolescents, especially girls; Scale up food fortification, at national and household levels; Implement mass information and communication systems for improving nutrition knowledge.</td>
<td>Maintain effective national structures accountable for nutrition; Achieve main focus on preventing malnutrition in vulnerable groups, through nutrition programmes promoting appropriate feeding habits while paying due attention to local food culture (e.g. for indigenous communities); Maintain food fortification, at national and, where necessary, household levels; Maintain mass information and communication systems for improving nutrition knowledge. Promote full participation of private sector in producing nutritious foods for vulnerable populations.</td>
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<tr>
<td>Communication interventions:</td>
<td>The importance of nutrition in preventing disease, and ensuring children are healthy and can reach their full potential, needs to be widely communicated. Using new data that show that early nutrition can increase adult productivity and earnings and limit health costs associated with future chronic diet-related diseases is a powerful argument. Success is being shown when heads of government take on the leadership in nutrition. Advocate for active participation of marginalized groups in relevant decision-making, implementation of actions and monitoring of the outcome.</td>
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<td>Constraints:</td>
<td>Nutrition often does not have a solid ‘home’ in many governments and this is why heads of government have to become engaged in order to mobilize different sectors – but this has happened in very few countries. The nutrition sector is fragmented also in approaches, and is also plagued by ideology (e.g. aversion to imported foods).</td>
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<tr>
<td>Linkages:</td>
<td>1) School feeding programmes; 2) Ongoing interagency efforts including REACH.</td>
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### 3. Social protection systems for vulnerable populations

| Lead agencies: | UNICEF, ILO, UNDP, WB, WFP |
| Cooperating agencies: | whole HLTF membership |
| Challenges: | The poor stress their vulnerability to lack of livelihoods, violence and catastrophic health and related expenditures. Ultimately, alleviating poverty is central to reducing vulnerability. In most developing countries, there are only nascent systems to provide socially and economically vulnerable populations with benefits sufficient to cover their basic needs and reduce their vulnerability. Resource transfers to the poor have important gains; pensions are linked to reduced fertility, as they protect old age which is often the reason for having large numbers of children; cash grants are spent on food, on health care and keeping children in school. The development of longer-term comprehensive social protection systems will vary between countries depending on specific needs. From a food and nutrition security perspective, in the context of enhancing human capital, serious consideration will be given to taking as a priority the 33-month development ‘window’ (from conception to 2 years old) which is irreversible for the young child in terms of their mental and physical capacity. Four key challenges are faced in expanding social protection systems in |
developing countries: 1) relative lack of national scale systems especially in low income countries; 2) difficulties in targeting, as means tests are extremely hard to implement and keep updated; 3) in-country logistics to deliver resource transfers; 4) weak national fiscal space to take on long-term commitments.

Objectives: Through consultation with all stakeholders, including marginalized segments of the society: 1) Develop national frameworks for social protection, taking into account fiscal space considerations; 2) focus on protecting the situation of vulnerable groups through realization of relevant human rights, especially pregnant women and children, with additional focus on adolescent girls (to-be mothers) to prevent unwanted early marriage and pregnancy, and mitigate against sexual exploitation; 3) strengthen targeting and delivery mechanisms; 4) develop linkages with basic health and education services, and with agricultural development initiatives, including access to organized women’s groups.

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<td>Adjust pensions and other existing social protection systems to counteract decreasing purchasing power caused by high prices and the global financial crisis;</td>
<td>Strengthen capacity to design and implement social protection policies and programmes;</td>
<td>Maintain set of social protection systems for vulnerable populations;</td>
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<tr>
<td>Develop national social protection frameworks geared to vulnerable populations, with initial focus on enhancing the situation of pregnant/lactating mothers and young children to ensure their survival and health development;</td>
<td>Develop national policies necessary for implementing the national social protection framework;</td>
<td>Maintain continuous communication efforts aimed at continuous positive change.</td>
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<td>Develop targeting strategies and in-country logistics capabilities;</td>
<td>Scale up of pensions, child grants and other social protection systems geared to ensuring adequate purchasing power of vulnerable populations;</td>
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<tr>
<td>Develop mass communication strategy to enhance awareness of available social protection systems and services, and to help attain desired results (such as, adequate appropriate foods for the household, retention of children in school, use of health services when a child is sick);</td>
<td>Explore increases in efficiencies of social protection systems, including through improved targeting;</td>
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<td>Provide vulnerability analysis, programme design and contingency planning for scaling</td>
<td>Maintain effective communication with beneficiaries to ensure positive change relating to desired results.</td>
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up nutritional support through safety nets to meet specific food and nutrition needs of vulnerable groups and improve quality and diversity of foods.

**Communication interventions:**
Strong communication is necessary around the results achieved with social protection, showing improvements in access to food, health and education. Mass communication is a necessary component of social protection to promote awareness of available services, and ensure desired behavioural change (in lieu of conditional systems that are very difficult to implement in weak-infrastructure situations.

**Constraints:**
Adequate fiscal space is required to implement social protection systems, and currently fiscal space is diminishing. Effective targeting and logistics systems are required but often difficult to accomplish.

**Linkages:**
1) Agricultural development and smallholder farming; 2) Basic health and education services; 3) School feeding and other food-based safety nets

4. Smallholder farmer food productivity, with an emphasis on women farmers

**Lead agencies:**
IFAD, WB, FAO

**Cooperating agencies:**
whole HLTF membership

**Challenges:**
The majority of people in developing countries still depend directly or indirectly on agriculture, including crops, livestock, fish and forests. Smallholder farmers and their families represent around 2 billion people; there are estimated to be 450 million farms worldwide less than 2 hectares in size. Around 60% of smallholder farmers are women, and this number is higher in low-income countries. No solution to improving the situation of smallholder farming can be achieved without a strong focus on women who not only farm but also undertake most other household work. Women farmers are often not able to secure land titles nor access to inputs and credit, and are, therefore, at a significant disadvantage in increasing their productivity. Five key challenges are faced in increasing the productivity of smallholder farmers: 1) insufficient availability of factor of production and credit facilities; 2) inadequate rural infrastructure resulting in lack of access to capital and access to markets for outputs; 3) inability to access risk-hedging instruments such as weather insurance or long-term contracts for output prices; 4) weak and often inappropriately-oriented agricultural technology, and information and extension services; 5) lack of agricultural diversification for income generation and better nutrition.
Objectives:
1) Improve the organization and voice of smallholder farmers, including women farmers, including those belonging to marginalized groups such as indigenous communities or ethnic minorities as well as those with disabilities; 2) Increase access to land, credit and agricultural extension services, especially for women; 3) Widen the availability of accurate and relevant knowledge for the management of crops, livestock, fish and forests; 4) develop risk-hedging mechanisms such as weather insurance and price protection mechanisms; 5) Increase smallholders’ access to irrigation, inputs for production and post-harvest storage and marketing; 6) Expand the use of irrigation and water harvesting to improve productivity and reduce vulnerability to drought and climate change 7) Enhance rural infrastructure to contribute to the improvement of market access; 8) Increase agricultural diversification to contribute to improved nutrition of households; 9) Source local foods for school meals and for safety nets using food inputs.

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<td>Support development of farmers’ organizations with full participation of women farmers;</td>
<td>Build capacities of farmers’ organizations and women’s groups, including access to information and services, and participation in local policies, and M&amp;E;</td>
<td>Achieve full participation of farmers’ organizations in policy discussions;</td>
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<td>Introduce labour-saving technologies and strengthen social organization to enable women to combine productive and reproductive tasks;</td>
<td>Scale-up extension services focused on sustainable agricultural practices;</td>
<td>Maintain systems for overseeing the availability of affordable inputs;</td>
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<td>Strengthen resilience of farming systems to threats (including economic and climate change);</td>
<td>Support transparent system in providing land tenure and access to credit;</td>
<td>Continuously update storage facilities;</td>
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<td>Review and improve land tenure and credit access constraints;</td>
<td>Develop rural infrastructure such as roads, irrigation and other water infrastructure and systems;</td>
<td>Maintain continued agricultural diversification to fulfill the nutritional requirements of households;</td>
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<td>Improve access to inputs and extension services on sustainable land and soil management techniques for increasing smallholder farmers’ productivity;</td>
<td>Put in place culturally acceptable and community-driven grazing systems that reduce soil degradation;</td>
<td>Maintain relevant updated information and communication services to smallholder farmers;</td>
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<td>Improve sustainability of natural resource management and use;</td>
<td>Develop systems for ensuring the timely availability of inputs at affordable prices;</td>
<td>Ensure that local farming systems are a key element of sustainable local development.</td>
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<td>Expand investment in irrigation and water harvesting to improve productivity and reduce</td>
<td>Build systems to reward smallholder farmers for sustainable forest and soil</td>
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| Vulnerability to drought and climate change; Support introduction of interventions for reducing post-harvest crop losses and improving village-level stocks; Put in place measures to provide alternative sources of biomass for cooking and heating so agricultural biomass scarcity is reduced; Ensure that local purchases of food for humanitarian purposes are exempt from export restrictions; Support innovative local procurement and program practices to help develop secure markets for farmers’ surpluses; Develop local opportunities to process food, increasing the availability of nutritious products in local markets; Improve farmers’ access to technologies and practices that can enhance the quantity and quality of their crop production. | Sequestration of carbon; Scale-up storage and other facilities for reducing crop losses; Strengthen agricultural diversification to enhance the contribution of smallholder farmers to household nutrition; Protect common property resources for poor communities from encroachment of private firms not owned by the communities; Better integrate livestock-fish and crop production; Strengthen access of smallholder farmers and other associated food chain actors to financial and risk management instruments; Develop information and communication services, using technologies (e.g. SMS texting). |
| Communication interventions: Strong advocacy for investing in smallholder farmers, especially women, giving them access to land and credit will be required. Communicate smallholder farming as a potential business – improving productivity can lead to surpluses beyond subsistence needs and creates opportunities for diversification. Promoting the potential of smallholder farmers to meet many of the household nutritional requirements, through proper diversification of production and access to bioenergy, will require continuous communication, as well as ensuring that support is provided to manage risk. Better communication between research and policymakers is necessary to integrate the latest advances in land management and agricultural practices into agricultural sector development strategies. |
| Constraints: Smallholder farmers are usually poor and do not have the financial capability to purchase essential inputs for productivity improvement. Businesses generally do not operate in low productivity areas, exacerbating the gap between high and low income areas in LICs. Increasing the role and organization of women farmers can come up against cultural barriers. Biomass scarcity due |
to competing demand for heating and cooking must be addressed through alternative fuel programmes. A nutrition entry point can help overcome this problem. Agricultural diversification based on affordable and sustainable agricultural practices for smallholders can help minimize risk.

**Linkages:**
1) Coordinated financial mechanism for support to smallholder farmers, developed by the High Level Task Force; 2) Micro-credit programmes; 3) Participatory nutrition projects at community level; 4) Innovative extension services that incorporate indigenous knowledge; 5) Women functional literacy programmes; 6) Safety net and livelihood support programmes; 7) Interagency initiatives including ‘Purchase for Progress’.

### 5. Agricultural sector development; infrastructure and trade and tax policies

**Lead agencies:** FAO, IFAD, WB

**Cooperating agencies:** whole HLTF membership

**Challenges:** During the last two decades, demand for food has been increasingly steadily with population growth, expanding economies and changing diets. Record harvests and use of food stocks depressed food prices, and public and private investment in agriculture declined in many developing and low-income countries (LICs), a sign of which is the reduction of ODA to the sector from 18% in 1978 to 3% in 2007. Conversion of land to non-agricultural uses, from rapid urbanization, plus poor land management suppressed food production in many LICs. Traditional food systems have been drastically modified through the development of an externally driven commodity-based market economy with limited attention to the social and environmental implications, and to vulnerable population groups particularly in fragile areas. Beginning in 2004, prices for most grains began to rise, but production, while increasing, could not keep up with demand. Volatile oil prices at the same time increased the costs of fertilizers and other production costs and raised demand for grain-based biofuel production. Market speculation further stimulated grain prices. Two key challenges are faced in reviving the agricultural sector: 1) a weakened agricultural and rural infrastructure that constrains access to local markets for producers, and also causes significant post-harvest losses; 2) trade and tax policies that constrain access to international markets especially for lower-income countries.

**Objectives:** Through consultation with all stakeholders, including smallholder farmers and other marginalized segments of the society: 1) Achieve increased national and international attention to agriculture; 2) Increase investment in agricultural and rural infrastructure; 3) provide systematic attention to sustainable local development; 4) Provide leadership on renewed strategies for improving agricultural trade, eliminating trade and tax policies that act against the development of local and international food markets; and 5) Ensure the free flow of food assistance for humanitarian purposes across borders.
<table>
<thead>
<tr>
<th>Actions:</th>
<th>Short-term</th>
<th>Medium-term</th>
<th>Long-term</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Rehabilitate most urgent requirements of rural and agricultural infrastructure;</td>
<td>Extend the rehabilitation of rural and agricultural infrastructure;</td>
<td>Maintain vibrant rural and agricultural infrastructure;</td>
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<td></td>
<td>Remove immediate artificial constraints to domestic trade throughout the food chain to link farmers to markets;</td>
<td>Shorten the food chain between producers and consumers;</td>
<td>Ensure secure access to and better management of natural resources, including land, water and biodiversity without discrimination and with respect to relevant human rights, including equality between men and women and rights of indigenous peoples;</td>
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<td>Promote and strengthen producer/consumer associations (e.g. schools, production of improved local food – P4P- suburban- peri urban agriculture);</td>
<td>Prioritize year round supply of affordable and healthy foods on local markets;</td>
<td>Strengthen oversight of markets to limit speculation;</td>
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<td>Nutrition education and communication to increase demand for healthy and local foods;</td>
<td>Expand the reach of animal health services;</td>
<td>Build capacity for markets to better meet needs of lower-income countries;</td>
</tr>
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<td></td>
<td>Establish plans for improving animal health services;</td>
<td>Stimulate public/private investment in agriculture;</td>
<td>Support regional or global stocks sharing.</td>
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<td></td>
<td>Review trade and tax policy options;</td>
<td>Achieve adequate investment in agricultural research;</td>
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<tr>
<td></td>
<td>Use strategic grain reserves to lower prices;</td>
<td>Manage grain reserves strategically;</td>
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<tr>
<td></td>
<td>Advocate against generalized food subsidies;</td>
<td>Maintain enabling policy, including trade and tax policies;</td>
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<td></td>
<td>Reduce use of export restrictions, import tariffs, VAT and other taxes;</td>
<td>Complete the Doha Round of trade negotiations;</td>
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<tr>
<td></td>
<td>Exempt purchases of humanitarian food from export bans, extraordinary taxes and other restrictions;</td>
<td>Reduce/eliminate agricultural trade distortions in higher income countries.</td>
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<td></td>
<td>Reaffirm the responsibility of all governments to ensure unhindered and safe movement of humanitarian food within and across borders;</td>
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</tr>
<tr>
<td></td>
<td>Allow free flow of food and related</td>
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</table>
### Communication interventions:
Advocate for consolidated investment in building up long-term investment in rural and agricultural infrastructure, including the revitalization of extension services and agricultural research pertinent to lower-income countries. Advocate for fair trade policies and active participation of marginalized groups in decision-making, implementation of actions and monitoring of the outcome.

### Constraints:
A significant restructuring of the global agricultural architecture is required and vested interests are likely to be in opposition.

### Linkages:
Smallholder farmer food productivity

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#### 6. Information and management systems

**Lead agencies:** FAO, WFP, UNICEF, WHO

**Cooperating agencies:** whole HLTF membership

**Challenges:**
A mix of data collection systems are used to support national decision-making on vulnerability in developing countries. MICS surveys (UNICEF) are periodic and provide important baseline data and trends; vulnerability assessments (FAO, WFP, others) focus on food security or disease outbreaks (WHO) and are implemented more regularly. Vulnerability has to be tracked at the macro, meso and micro levels, with a few key indicators. No sensitive system exists on a large scale to track the coping actions households take when vulnerable and/or faced with sudden crisis. The coping map is well known with regard to household food insecurity, with diet change, then reduced use of health and education services, then more dire actions, and ultimately death.

Real-time monitoring requires a mix of instant household and services information that can provide warning signals of a deteriorating situation. Such signals then need to trigger national policy or resource responses. Two key challenges to having real-time monitoring around existing and future crises are: 1) lack of simple sensitive data collection methods that provide early warning; 2) weak national response to early warning signs

**Objectives:**
1) Establish a set of key indicators at the macro, meso and micro levels that will determine warning signs; 2) Identify the best collection points and methods, including the use of cell phone technology for rapid data transmission; 3) Merge relevant existing information systems; 4) build national capacities to analyze and respond to warning signs.

**Actions:**

<table>
<thead>
<tr>
<th>Short-term</th>
<th>Medium-term</th>
<th>Long-term</th>
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</thead>
<tbody>
<tr>
<td>Establish better coordination of existing information systems;</td>
<td>Carry out comprehensive assessments; Implement real-time monitoring</td>
<td>Maintain data collection systems that provide trends data, for informing</td>
</tr>
</tbody>
</table>
**Communication interventions:**

- Undertake rapid assessments to better understand the situation, using MICS/DHS and other data as baselines;
- Build up knowledge repository on impact of volatile food prices and the global financial crisis in terms of livelihood, nutrition, health, education, coping systems and other outcomes;
- Develop key indicators for determining warning signs of impact through real-time monitoring;
- Develop disaster risk reduction and response mechanisms.

**Communication interventions:**

- Communication is oriented to the use of findings from assessments and monitoring systems to inform policy change, also to take preventive action at the detection of warning signs.

**Constraints:**

- Data quality has to be carefully assessed on a continuous basis, to ensure their validity given their use for policy change and decisions on resource use.

**Linkages:**

- 1) UN-led Global Vulnerability Alert System (under early development);
- 2) Cell Service operations
- 3) OHCHR human rights indicators

7. **Advocacy for sufficient, sustained and predictable funding and sustained investments**

<table>
<thead>
<tr>
<th>Lead agencies:</th>
<th>All HLTF members and HLTF coordination secretariat</th>
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<td>Cooperating agencies:</td>
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</table>
### Challenges:

Even before the price spikes last year, the world’s anti-hunger mechanisms were in demand to provide hundred millions of people with food assistance. With higher costs of food assistance and an increase of people in need, the financial requirements are increasing. At the same time, urgent funding is needed to provide additional agricultural inputs, support smallholder farmers and establish social protection systems. This follows decades of declining public and private investment in agriculture.

The needs to be met are expected to increase significantly during the economic downturn as economies contract, trade volumes decline, remittances decrease and millions lose their livelihoods.

People, diets and nutrition need to be brought back to the front of the policy agenda, with a strong human rights and governance dimension. All actors at all levels should be made accountable to assist and not aggravate the situation.

### Objectives:

1) Focus together on priority issues needing urgent action within the next six months (such as urgent responses to needs for food assistance and social safety nets, plus agricultural inputs and market access for smallholder farmers in coming planting seasons); 2) Intensify advocacy for an urgent increase in investments for longer term resilience through systems to sustain improvements in smallholder agricultural productivity and markets and for social protection; 3) Ensure high level political attention to overall needs for food security and responses to date; 4) Ensuring better coordination of financial support for food security that inspires confidence and galvanizes additional private and public investments for the CFA outcomes.

### Actions:

Facilitate and complement individual advocacy and resource mobilization through a collective effort that reflects the content and spirit of the CFA. Organize joint advocacy around key events.

### Communication interventions:

Using opportunities of high level meetings (conferences and bilateral) and through close partnership with all stakeholders to make the point of the interconnected aspect of food security with other issues of global relevance.

### Constraints:

The economic downturn is putting financial constraints on many donor countries. Donors seem also to question efficiency of existing agencies and delivery systems.

### Linkages:

With other global issues impacting on food security such as climate change and financial crisis.

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Initiative III
TRADE

<table>
<thead>
<tr>
<th>Lead Agencies</th>
<th>UNCTAD, WTO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cooperating Agencies</td>
<td>World Bank, IMF, International Trade Centre, UNDP, UNIDO, UN Regional Commissions, UNITAR</td>
</tr>
</tbody>
</table>

Challenges

1/ Trade is contracting sharply
The volume of world trade is projected to contract sharply in 2009 by as much as 9 per cent, as a result of a collapse in global demand and of shortages of trade finance, thus creating supply-side constraints to export growth in many developing countries. Trade as an engine of growth, development and poverty reduction risks stalling.
Of particular concern is the impact of this contraction on developing countries, whose recent growth performance has been driven largely by increased demand for commodities and the expansion of global trade. The global slowdown is damaging their ability to finance trade and build their productive capacity, technical skills, and infrastructure. Remittances from rich countries have already shrunk, as has income from tourism and other services. FDI inflows to developing countries are expected to decline this year, in some countries by as much as 40-to-50%.

2/ Risk of protectionism
This already serious situation risks being compounded by an increase in protectionist measures which are likely to trigger reaction and thus create a downward spiral. Protectionism comes in many forms: tariffs, non-tariff measures, subsidies, bail out packages as well as in the area of investments.

3/ Lack of availability and affordability of trade finance
The effects of the banking and financial crisis on international trade have led to the tightening of liquidity, which affects the supply of trade credit by the main international banks. International banks competing for liquidity are not able to supply as much credit as demanded by traders at affordable rates. Moreover, the sharp deterioration of global economic prospects has triggered a general re-assessment of credit risk, entailing a sharp increase in the cost of credit, insurance and guarantees for trade operations in particular for developing countries and LDCs. There is evidence that the implementation of Basel II rules, which are regarded as having a pro-cyclical effect on the supply of credit, have resulted in a situation where, under poor market conditions, trade finance would be unfairly treated as capital requirements are significantly increased, particularly for counterparty risk with developing country customers.

4/ Risk that Aid for Trade commitments are not honoured
With the crisis constraining the budgets of donors, there is a risk that commitments in the area of Aid for Trade will not be honoured. Aid for Trade is critical for generating the additional, predictable, sustainable, non-debt-creating and effective financing that developing countries, in particular the least developed among them, need in order to build their productive capacity and continue to benefit from an open global trading system. This is also particularly the case for assistance to building infrastructure networks which are
essential for the future developments of these economies. Aid for Trade is today a stimulus that many developing and least developed economies need to remain competitive and be able to use trade as a tool for poverty reduction.

**Short-term actions/products:**

1/ **Monitor trade and investment developments to counter protectionism**
Prepare quarterly reports with trade and investment measures taken by members to ensure transparency and peer review (WTO together with WB, IMF, UNDP and UNCTAD)
Encourage private-sector participation in the design, implementation and monitoring of economic stimulus measures.(ECLAC)
Encourage the use of international standards, regulations and related conformity assessment relating to trade and transport (UNECE, UNIDO, ITC)

2/ **Monitor trade finance markets**
Regularly convene relevant stakeholders and prepare periodic reports on the situation of trade finance markets to foster transparency and best practices and ensure delivery of commitments, such as the G20 pledge of $ 250 billion over the next two years. (WTO together with WB, IMF)

3/ **Press for the conclusion of the Doha Round**
Convene WTO members to advance the conclusion of the Doha Development Round which would contribute to reviving economic growth around the world. Collective action to conclude the Round is the achievable multilateral stimulus package. An ambitious and balanced conclusion to the negotiations could result in substantial tariff cuts, which could directly benefit consumers. Completing the DDA will also safeguard individual trade interests and the multilateral trading system against an outbreak of protectionism.

4/ **Rapid delivery of Aid for Trade**
In July, hold Global Review on Aid for Trade to make the case for maintaining Aid for Trade, review progress in implementation, monitoring and evaluation
During 2009 hold sub regional review meetings to:
- identify ways of mobilizing additional AfT
- enhance collaboration, coherence and coordination at national and regional levels in its implementation.
- encourage identification of needs, in particular stemming from the current crisis including measures to facilitate trade and transport
- intensify national-level preparations for engaging in the AfT process and ensuring that the modalities for its implementation are effectively addressed, even under current economic conditions.
(WTO, UNCTAD, World Bank, IMF, International Trade Centre, UNDP, UNIDO, UN Regional Commissions)

**Medium-term actions/ products:**

1/ **Conclude the Doha Round** (WTO)
2/ **Continue making the case for Aid for Trade**
- keep mainstreaming trade into development strategies at the national but also at the regional level, including through the identification of needs;
- continue to facilitate trade and transport for emerging markets
- continue advocacy for greater, more stable and predictable sources of Aid for Trade
- continue monitoring progress on the implementation of AfT programmes and AfT’s contribution to
promoting trade and stimulating economic recovery

- continue ensuring coherence in the actions by donors and international organisations
- continue monitoring effectiveness of the Aid for Trade
- (WTO, UNCTAD, World Bank, IMF, International Trade Centre, UNDP, UNIDO, UN Regional Commissions)

**Long-term actions/products:**

**Continue making the case for Aid for Trade**

As an essential complement to any trade opening agenda, it is imperative to keep the same actions as above over time (WTO, UNCTAD, World Bank, IMF, International Trade Centre, UNDP, UNIDO, UN Regional Commissions)
Initiative IV
A GREEN ECONOMY INITIATIVE

<table>
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<th>UNEP</th>
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<td>Cooperating Agencies</td>
<td>FAO, ILO, IMO, UN Regional Commissions, UNCTAD, UN-DESA, UNDP, UNESCO, UN-HABITAT, UNIDO, WFP, WHO, WIPO, WMO, World Bank, WTO, CBD, UNFCCC</td>
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**Rationale**

The current financial and economic crisis is throwing millions of people into poverty, especially the most vulnerable in the developing world. This is happening amidst the ongoing food, water, energy, ecosystem, and climate crises. Together, these crises are undermining the efforts to achieve the Millennium Development Goals and setting back development progress of the past few decades. Policy responses to the crisis need to address imbalances that characterized earlier growth strategies with their focus on investing in output expansion to the neglect of building up natural, human and social capital. In the search for new investment programmes to both kick-start growth in the short term and support inclusive sustainable development in the long term, climate- and environment-friendly economic policies and approaches can be a major tool in their recovery toolkit.

The Green Economy Initiative (GEI) responds to the development challenges and imbalances in growth strategies that underlie the current crisis by motivating policymakers in all countries to give green investments sufficient space in their counter-cyclical policies and thus reduce the threat of further food, water, energy, ecosystem and climate crises, which have disproportionate impacts on the poor. The Initiative aims to demonstrate that investing in green sectors has a better chance to bring about recovery and sustainable growth, increase competitiveness, save and create jobs, improve the quality and decency of jobs, and reduce poverty, while tackling acute environmental problems. It also aims to identify the policy and institutional framework that is needed to support rather than undermine such investments and the greening of economic growth in all countries, taking into account national and regional conditions, special characteristics, capacities and needs.

**Short-term action/products**

I. Foster a global green economy recovery

- **Encourage the investment of stimulus funds in “green” sectors** such as energy efficient technologies, renewable energy, public transport, sustainable agriculture, environmentally friendly tourism, and the sustainable management of natural resources including ecosystems and biodiversity.
- Such investments should be scaled up significantly in all countries and be **supported by national and international policy instruments and incentives** such as updating building codes and enforcement of internationally agreed environmentally friendly shipping regulations.
- It is imperative that the world’s leaders resolve to deliver on commitments, including those made by G8 and G20 leaders, to **support developing countries, especially the most vulnerable, in coping with the**
effects of the current crisis. This includes augmented balance-of-payments support, trade finance, lending by the multilateral banks, and concessional finance for the poorest countries.

- **Fiscal reforms** can shift the burden of taxation from jobs, income and savings to the overuse of resources, resource depletion and environmental degradation, thereby encouraging green investments. Carbon pricing can advance these aims. There is also a need for phasing out perverse subsidies that encourage excessive use of fossil fuel based production inputs in agriculture and fishing sectors. Both carbon pricing and the reform of perverse subsidies, however, must be accompanied by measures to protect the access by the poor to food security and energy. The revenues saved by phasing out such subsidies could be reallocated towards the development of green job skills, the provision of clean, affordable energy alternatives for the poor, and support to other green sectors with broad economic benefits. Reliable finance should be provided to small and medium-sized enterprises for investment in green businesses.

- **Trade needs to be revived and trade policies need to support both development and the transfer of environmentally sound technologies.** These include technologies to make clean energy affordable to developing countries as well as to support climate change mitigation and adaptation including ecosystem-based adaptation. It is important to avoid any measures that could result in new protectionism, including measures in stimulus packages. Early conclusion of the Doha Round trade negotiations can facilitate a green recovery, in particular the negotiations on environmental goods and services, fisheries subsidies, and reforming agriculture rules that would be conducive to fostering food security for all. The Aid for Trade mandate should be fulfilled.

- The shift towards a green economy requires **education for sustainable development including training in new job skills and newly required health systems.** All stakeholders must double efforts to provide training on a range of skills for decent and remunerative jobs protected by adequate health care. A particular focus should be given to the poor, vulnerable groups including women, youth, and to small and medium sized enterprises and farms. These green jobs training programmes can be integrated into both formal and informal education schemes. Similarly, green jobs related health issues should be taken into account by formal health systems.

- **Capacity of national and local governments should be strengthened** to facilitate the transfer of knowledge and technology, including by exploring and using intellectual property related mechanisms for the benefit of developing countries. To be efficient and coherent, an integrated approach should be adopted when pursuing a green economy. Green investments in transport, renewable energy, tourism and long-term investment in agriculture, for example, should aim to generate environmental and health co-benefits and to expand agriculture and food production.

- To **ensure that short-term emergency actions do not undermine the longer-term sustainability of interventions**, stimulus plans should avoid lock-in to business-as-usual patterns of consumption and production. In addition, a sound monitoring and accounting system is essential. There is a need for a rapid standardization and operationalisation of the System of Environmental-Economic Accounting and additional systems that adequately capture the social and environmental dimensions of economic transformations.

- The solidarity of the international community is being tested. The most representative test case is when governments meet to **seal the deal on climate change in Copenhagen in December 2009**. Let Copenhagen be the turning point for ushering in a global green economy.

II. Enhance regional green economy initiatives

- **Strengthen and develop synergies with regional green economy initiatives** such as the ESCAP-led Green Growth Strategy for Sustainable Development for the Asian and the Pacific region, Green Growth Capacity Development Programme, pro-poor housing finance, Payment for Environmental Services,
Eco-efficient and Sustainable Urban Infrastructure Development, the Low Carbon Development Strategy, the Low Carbon, Green Growth Roadmap for East Asia, and the Arab Green Economy Initiative.

- **Promote a regional agenda on energy policy** for the short and medium run, which may include improving energy security, promoting energy savings and efficiency, diversifying energy sources, and promoting social equality in the access and consumption of energy.

### III. Infuse green economy considerations in country-level projects

- **Incorporate green economic elements in ongoing projects at the country level** such as the UNDP-UNEP Poverty Environment Initiative, including the consideration of how to best target additional financial resources in ways that help protect the vulnerable groups while contributing to addressing systemic issues of poverty and environmental degradation.
- **Demonstrate that GEI has the potential to be vehicle for achieving productive employment and decent work in developing countries** - key to reducing poverty and income inequality - including through cooperative efforts at country level by UN agencies and the ILO Green Jobs programme.
- **Integrate Education for Sustainable Development (ESD) principles** into education policies and plans by developing relevant indicators and incorporating relevant data into education management information systems for policy-makers.
- **Revise curricula to cover climate change, responsible consumption and lifestyles** such as in the use of water, and citizenship education in support of the Marrakech Process for Sustainable Consumption and Production.
- **Review and develop comprehensive national technical and vocational education and training (TVET) policies** based on national developmental needs and priorities, integrating in skills relevant to the green economy.

### Medium-term actions/products

#### I. Strengthen analytical instruments for policy intervention

- **Produce a comprehensive Green Economy Report** through an inter-agency collective effort and involving the academia, private sector and civil society as well to provide detailed evidence and practical guidance on investing in a range of green sectors and follow up with delivering country-specific advisory services.
- **Assist countries strengthen their capacity in environmental economics**, standardize and operationalize integrated environmental-economic accounting and design and implement environmental fiscal reforms, while taking into account regional priorities (ESCWA and ECLAC are already implementing a project on environmental accounting in their respective regions).
- **Use science, technology, and innovation to stimulate the development of low cost, clean, sustainable, and efficient energy technologies**, support path-breaking energy R&D, and improve the eco-efficiency of existing industrial production.
- **Scale up efforts in formulating and implementing comprehensive energy strategies** by providing evidence-based policy advice, building capacities, and disseminating knowledge on renewable and alternative energies as well as energy management and conservation.
- **Formulate and review national science, technology and innovation (STI) policies** to address sustainable developmental challenges and encourage governments to factor the environmental costs of energy use in public policies including the reform of energy subsidies.
• **Integrate local and indigenous knowledge into national and regional science policies**, harnessing its contribution to sustainable development, biodiversity conservation, and sustainable use, and disaster preparedness and response.

II. Sector-specific actions

• **Implement a new research agenda on agro-ecological forms of production** to improve performance of sustainable food systems and ensure greater resilience to climate-change.

• Through relevant intergovernmental processes, **propose guidelines for public procurement and investments** promoting preferences for green products, services, and processes.

• **Adopt integrated and multipurpose water management systems** to achieve gender-sensitive and equitable social and economic development, ensuring freshwater for food, energy and the environment as well as protection from floods and droughts - such schemes should be established through consultation with all relevant partners. Scale up resources for human and institutional capacity-building for water management so as to ensure that investments in infrastructure, including ecological infrastructure, will yield a maximum return with a particular emphasis on the efficient reuse of water. Integrate education for water in the wider framework of ESD.

• **Support implementation of Sustainable Forestry Management (SFM) principles and practices.**

• **Promote investment in cultural and creative industries** by decision-makers, creators and the private sector, as these offer important benefits in terms of development and social cohesion, thereby contributing to poverty alleviation.

• **Widen the management of biosphere reserves and other protected areas**, as appropriate, to seize their potential for sustainable development education, ecosystem management practices and climate monitoring.

• Ensure that **land use policies** take into account options to use ecosystems services efficiently including the possibility of making land uses eligible for accessing such emerging mechanisms as “carbon funds” in a sustainable and equitable manner.

• **Review policies for managing and protecting oceans and coastal areas** and build capacities to prevent the degradation of the marine environment and maintain biodiversity and the sustainable use of marine and coastal habitats.

• **Support the successful conclusion of the negotiations on an international regime on access to genetic resources** and the fair and equitable sharing of benefits under the CBD.

• **Foster cooperation regarding adaptation strategies and policies**, including ecosystem based adaptation, to mitigate the impact of climate changes on the hydrological cycle and on water resources in transboundary and other river basins and aquifers.

• Enhance capacity-building initiatives including **training workshops and seminars for developing countries** so that they may effectively participate in the emergence and functioning of the global carbon markets as well as in technological advancement.

• **Support indigenous and local communities to manage sustainable tourism initiatives** in cultural and natural sites.

III. Possible in-country interventions

• **The various parts of the United Nations System through the UN Development Group (UNDG) should coordinate their efforts** to formulate guidance to UN Country Teams on mainstreaming green economic principles into the United Nations Development Assistance Framework (UNDAF) and the Regional Coordination Mechanism (RCM). National development agencies could be encouraged to do the same.
Significant additional financial and technical assistance should be mobilized to support the efforts of Member States to shift their economies towards a green path.

- **Review NAPAs (National Adaptation Programmes of Action) and NBSAPs (National Biodiversity Strategy and Actions Plans)** with a view to including green economic considerations.
- **Assist countries in strengthening their statistic services** to allow for monitoring, on a continual basis, the impact of the financial and economic crisis together with other global crises on the environment, livelihoods, health, and sustainable development, including the MDG 7.

**Policy documents, events and communication tools**

*Widely disseminate materials* independent research reports, Green Economy Sector Studies, Policy Briefs, and the comprehensive Green Economy Report under this inter-agency GEI in a coordinated manner.  
*Launch a joint information platform* for effective and coordinated communication to a variety of audiences including governments, business and the public at large and as a basis for monitoring the implementation of actions outlined in this initiative.  
*Better equip journalists* to create greater awareness on key developments that affect societies, with particular attention to those relating to sustainable development.

Organize joint outreach events at key policy junctures, including the World Urban Forum, the UNCSD, the World Bank and IMF Spring and Annual Meetings, the G8 Summit, the climate change conference in December 2009 in Copenhagen, the tenth meeting of the CBD conference of the Parties in 2010, 6th Ministerial Conference on Environment and Development for Asia and the Pacific, and legislative meetings of the Regional Commissions.

**Synergies**

This joint initiative will be implemented by building on or seeking synergies with highly related initiatives such as the ongoing ESCAP’s Green Growth Initiative for Sustainable and Low carbon Development in Asia and the Pacific, the Green Industry Initiative being designed by UNIDO, the Green Jobs Initiative between ILO and UNEP, the Cities and Climate Change initiative of UN-HABITAT and others.
<table>
<thead>
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<th>Product/Activity</th>
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<th>Lead Agency</th>
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<td>Green Economy Report</td>
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<td>Green Urban Publication</td>
<td>May 2010</td>
<td>UN-HABITAT</td>
<td>ILO, UNEP</td>
<td><a href="mailto:Gulelat.Kebede@unhabitat.org">Gulelat.Kebede@unhabitat.org</a></td>
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<td>Green urban training</td>
<td>March 2010</td>
<td>UN-HABITAT</td>
<td>UNESCO, ESCAP, UNEP</td>
<td><a href="mailto:Gulelat.Kebede@unhabitat.org">Gulelat.Kebede@unhabitat.org</a></td>
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<td></td>
<td>Infrastructure Recovery and Assets (INFRA) Platform &amp; its Greening Note</td>
<td>July 2009</td>
<td>World Bank</td>
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<td><a href="mailto:anishimae@worldbank.org">anishimae@worldbank.org</a></td>
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<td>A training manual on green businesses</td>
<td>Apr 2010</td>
<td>ILO</td>
<td>UNESCO, UNIDO, ESCAP, CITES</td>
<td><a href="mailto:poschen@ilo.org">poschen@ilo.org</a></td>
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<td></td>
<td>Report on Skills Development for Green Jobs</td>
<td>1st draft April 2010</td>
<td>ILO</td>
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<td><a href="mailto:poschen@ilo.org">poschen@ilo.org</a>, strietska-ilina.org</td>
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<td>An online tool for green businesses</td>
<td>Apr 2010</td>
<td>ESCAP</td>
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<td><a href="mailto:nikolova@un.org">nikolova@un.org</a></td>
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<td></td>
<td>Green Trade and Financial Crisis Report</td>
<td>1st draft June 2010</td>
<td>UNEP</td>
<td>WTO, UNCTAD, ITC, IMF, CITES</td>
<td><a href="mailto:fulai.sheng@unep.ch">fulai.sheng@unep.ch</a></td>
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<td>Tourism and Travel in the Green Economy</td>
<td>14-15 Sept 2009</td>
<td>UNWTO</td>
<td>UNEP</td>
<td><a href="mailto:lcabrini@unwto.org">lcabrini@unwto.org</a></td>
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<td>Virtual international symposium on climate change</td>
<td>23 Sept 2009</td>
<td>ITU</td>
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<td>Expert Meeting on Green and Renewable Technologies as Energy Solutions for Rural Development</td>
<td>Feb 2010</td>
<td>UNCTAD</td>
<td>WMO, ILO</td>
<td><a href="mailto:Ulrich.hoffmann@unctad.org">Ulrich.hoffmann@unctad.org</a></td>
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<td>International Conference on Green Industry</td>
<td>Sept 2009</td>
<td>UNIDO</td>
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<td><a href="mailto:a.lacanlale@unido.org">a.lacanlale@unido.org</a></td>
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<td>ITU Telecom World 2009’s Forum on “ICTs for Economic Growth and Sustainable Development</td>
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<td>WMO</td>
<td><a href="mailto:beatrice.pluchon@itu.int">beatrice.pluchon@itu.int</a></td>
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<td>Regional</td>
<td>Report on Low Carbon Green Growth Strategy for East Asia</td>
<td>Oct 2010</td>
<td>ESCAP, UNEP</td>
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<td><a href="mailto:nams@un.org">nams@un.org</a></td>
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<td>Green Growth series publication, focusing on green growth for social livelihoods and green jobs</td>
<td>Jan 2010</td>
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<td>UNEP</td>
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<td>ESCAP</td>
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<td>Green Growth Initiatives for Central Asia and the Pacific Islands</td>
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<td>A report on green economy for the Arab region</td>
<td>Feb 2010</td>
<td>UNEP</td>
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<td><a href="mailto:fulai.sheng@unep.ch">fulai.sheng@unep.ch</a></td>
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<td>African Ministerial Conference for Ministers responsible for Metereological Services (with associated workshop on climate for African media)</td>
<td>15-19 March 2010</td>
<td>WMO, UNEP</td>
<td></td>
<td><a href="mailto:andiaye@wmo.int">andiaye@wmo.int</a></td>
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<td>Country Projects on Green Science, Technology, and Innovation Policies</td>
<td>Dec 2010</td>
<td>UNESCO, ITU</td>
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<td><a href="mailto:h.dorville@unesco.org">h.dorville@unesco.org</a></td>
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<td>11 Country Projects on Financing for Climate Policies</td>
<td>Dec 2009</td>
<td>UNFCCC</td>
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<td><a href="mailto:hwuester@unfccc.int">hwuester@unfccc.int</a></td>
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<td>Country projects on green economy/green jobs/green growth (potentially Burkina Faso, Cambodia, China, Indonesia, Kenya, Rwanda, South Korea, and Uruguay)</td>
<td>Dec 2010</td>
<td>UNEP, ESCAP, UNCTs, ILO</td>
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<td><a href="mailto:fulai.sheng@unep.ch">fulai.sheng@unep.ch</a></td>
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<td>UNESCO Future Forum in Guiyang, China: Green Economy - Our Common Responsibility</td>
<td>Aug 2009</td>
<td>UNESCO</td>
<td>UNEP, ILO</td>
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<td>5th China International Forum on Environment Development</td>
<td>Sept 2009</td>
<td>UNEP, UNESCO, ESCAP</td>
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<td><a href="mailto:fulai.sheng@unep.ch">fulai.sheng@unep.ch</a></td>
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<td>Integrated local renewable energy packages for sustainable rural and agricultural development in India and Tanzania</td>
<td>Dec 2010</td>
<td>UNCTAD</td>
<td>UNIDO, ILO, UNEP, WMO</td>
<td><a href="mailto:Ulrich.hoffmann@unctad.org">Ulrich.hoffmann@unctad.org</a></td>
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Initiative V

A GLOBAL JOBS PACT

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Rationale

The global financial and economic crisis has caused the loss of millions of jobs worldwide. Declining aggregate demand has triggered factory closures, especially in the export-oriented manufacturing sector. Global unemployment increased in 2008 by 14 million and current trends point to a massive further deterioration, with worldwide unemployment forecast to increase by at least 38 million by the end of 2009. With approximately 45 million new job seekers, mostly young women and men, entering the global labour market every year, this jobs crisis is set to worsen sharply as the recession drags on. With about 80% of the world population not covered by social protection, poverty and informal employment are expected to continue to rise, reversing recent gains, while middle classes are weakened. Prolonged employment crises carry major risks for social and political stability. Placing jobs at the centre of economic policy making is thus vital to assuage unrest and avert a social crisis.

Implementing a Jobs Pact along such lines in a large number of countries would have a global effect contributing substantially to reversing the downturn and hastening recovery. The key components of a Global Jobs Pact, namely employment promotion and social protection, would also help reinforce global demand.

The Global Jobs Pact includes a range of crisis-response measures that countries can adapt to their specific needs and situation. It is not a one-size-fits-all solution, but a portfolio of options based on successful examples, also designed to inform and support action at the multilateral level. It calls on governments and organizations representing workers and employers to work together to collectively tackle the global jobs crisis through policies in line with the ILO’s Decent Work Agenda. The Pact urges governments to consider options such as public infrastructure investment, special employment programmes, broadening of social protection and minimum wages. Particularly in developing countries, such measures can reduce poverty, increase demand and contribute to economic stability. Donor countries and multilateral agencies are called
on to consider providing funding, including existing crisis resources for the implementation of the Pact’s recommendations and policy options.

**Short- and medium-term actions/products**

I. Putting employment and social protection at the core of recovery policies:

- **Ensuring support and credit flows to enterprises, foremost to small and medium ones**, which are the backbone of employment but typically less able to finance operations on their own or access capital markets, as compared to larger firms, by measures such as guaranteeing and risk sharing funds, relaxing collateral requirements, speeding up loan appraisal, establishing revolving credit lines, leasing, venture capital funds or new types of instruments for SMEs, including start-ups, implementing innovative solutions to ensure financial inclusion (branchless banking, e.g. post offices). While facilitating increased access to credit is critical, the funding gap can also be addressed by helping enterprises cut their operational costs (optimization of the use of raw materials and reduction of energy and water) and thus reduce the credit requirements of their operations.

- **Formulate and provide new micro-finance schemes** to face the rising levels of unemployment and loss of jobs among vulnerable groups. Such schemes should enable their beneficiaries to start income generating small businesses, become self-employed and ensure financial sustainability with no or minimal capital guarantees and subsidized interest rates.

- **Envisage new incentives and mechanisms for enterprise creation**, especially SMEs, which in developing and developed countries constitute the largest part of the sustainable, growth generating employment base.

- **Implement policies to encourage enterprises to restructure in response to declines in aggregate demand**: Many job losses occur from the decline in aggregate demand resulting from the global economic downturn. Falling sales reduce factory orders that eventually find their way to worker layoffs. A number of enterprises in developing countries UNIDO has surveyed have taken a number of proactive steps to maintain operations and prevent worker layoffs. They are seeking business opportunities in other activities and diversifying output rather than shutting down. Output diversification is accompanied by market diversification in many cases. The dissemination of best practices and provision of experienced-based policy advice to help enterprises restructure and cope with the global economic downturn would be key.

- **Safeguard viable jobs through support for shorter hours combined with skill development, to limit wasteful layoffs**: This can include greater emphasis on measures to allow workers to combine employment with partial unemployment benefits, work sharing and reductions in social security contributions. These measures not only help avoid mass layoffs, but they also minimize firing and (re)hiring costs for businesses. Consequently, such measures simultaneously mitigate the labour market and social impact of the crisis on individual workers, facilitate adjustment at the firm level, and prevent loss of firm-specific human capital in the medium to longer term. For example, in terms of training and skill development, important efforts are currently been made by IMO to attract and retain properly trained and qualified seafarers in the maritime profession.

- **Support jobseekers through well-designed unemployment benefits**: For job losers and new entrants who do not find jobs, putting in place at least minimal unemployment benefits or employment guarantees through programmes such as public works has proved useful in earlier crises. Unemployment insurance should be introduced and, where it already exists, it should be expanded in length and coverage.

- **Reinforce active labour market programmes to avoid risk of long-term unemployment and social exclusion** and enhance employability and improve employment prospects. Such programmes can take...
many forms, including: job-search assistance and monitoring, personalized action plans for jobseekers, skills development and training, and targeted programmes for disadvantaged groups.

- **Employment guarantee programmes are effective, especially in developing countries** and can be especially cost-effective in the face of a crisis – if well-designed and targeted (e.g. in Argentina, Indonesia and, particularly, in India).

- **Youth, and in particular disadvantaged youths, require special support measures:** Targeted measures are required to help young women and men overcome the difficulties they are likely to face in the wake of the crisis.

- **Increase investment in employment-intensive infrastructure and public goods,** where the multiplier effects of investments in employment-intensive areas will be higher than is the case with alternate measures such as temporary tax cuts that often just lead to higher savings.

- **Investment in sectors such as ICT as a driver of growth and employment creation:** The direct and indirect employment consequences of the ICT sector, including information and telecommunication infrastructure, are significant for both developed and developing countries and this sector needs to be prioritized in stimulus plans, due to its strategic role and importance for employment. Evidence suggests that the jobs created through ICTs are significant. For example, Ovum cited 3.6 million jobs created by the mobile industry in India alone in 2005.

- **Investing in a green economy of tomorrow:** Reducing carbon emissions and switching to clean sources of energy makes eminent sense in the present context. Needed jobs are generated through public and private investments in new, often employment-intensive, technologies, infrastructure and resource management for the green economy of tomorrow which is likely to be a major source of growth. A number of countries, including China, Japan, Portugal and the United States have already included energy efficiency and green technologies as part of their fiscal stimulus investment programmes. Many more countries already invest in green technologies.

- **Investment in food security and rural development:** Investment in agriculture, and rural development more broadly, is labour intensive, generates employment, including in rural non-farm activities, reduces poverty and sustains long term growth. Raising investment in rural areas for agriculture, research, extension, viable institutions, infrastructure, health and education is urgent, combining public, private and household investment. Capacity building of self-employed agricultural producers, in particular small scale farmers and their organizations is urgently needed for them to efficiently and effectively compete in local, national and international markets. Key strategies will involve work with Governments to provide a supportive policy environment and with Producer Organizations to provide capacity building services while becoming more inclusive in their membership.

- **Introduce or extend social protection to low-income groups and informal workers:** Social protection schemes in developing countries typically only cover those in formal sector employment, while the vast majority of the population works in the informal sector. Informal employment is increasing in many parts of the world, and these workers should not be excluded from social security. Social transfers also act as stabilizers of aggregate demand in times when savings tend to increase.

- **Support for migrant workers:** In times of recession the precarious situation of migrant workers and families is more acute. They require special attention to ensure the full application of the principle of equal treatment and non-discrimination. Measures include protection of their rights as workers, including social security rights, special attention to cases of discrimination in treatment, for instance in access to unemployment benefits or training programmes. In a crisis situation, migrant workers are also more constrained by high transaction charges when sending money home to their families. Affordable and accessible solutions should be put in place to support policies for migrant workers.
II. Supporting recovery policies through social dialogue and respect for workers’ rights

- **All countries should consult on recovery policies with social partners:** A Global Jobs Pact also entails pacts at the national level, because measures are best implemented through social dialogue.
- **Protecting and promoting workers’ rights and labour standards:** Fully respecting labour standards helps support confidence and thus economic activity. Better enforcement of workers’ rights could also help reduce the risk of future crises.
- It is essential to **avoid generalized wage deflation** to protect individual economies, as this would aggravate the crisis by depriving national economies and the world economy of much-needed demand and seriously affecting confidence. Open market policies, which are so crucial to the recovery, would also face a risk of backlash if workers perceive the measures as unfair. Avoiding wage deflation would also ensure a timely demand stimulus and pave the way for a more sustainable economy.

III. Financing a Global Jobs Pact

- A Global Jobs Pact requires public and private, national and international funding. Re-establishing normal credit flows for investment, trade, sustainable consumption and innovation is essential for a productive recovery of the real economy.
- In a first instance, the implementation of a Global Jobs Pact by individual countries implies a review of current public expenditure and their reorientation, as necessary, to prioritize, on an emergency basis, employment, labour market and social protection objectives, with due regard for other priorities.
- Additionally, countries with sufficient fiscal space and/or access to capital markets have put in place diverse fiscal stimulus packages, on average of the order of 2 per cent of their GDP. Others may do so in the future. These policies could be better aligned with the objectives of a Global Jobs Pact. This could be done in the course of implementation.
- Countries which entered the crisis with reduced fiscal space and balance of payment problems are facing a complex situation leading some to request the assistance of the IMF. This raises the issue of how IMF-supported programs can be built around countercyclical measures to stimulate growth and at the same time balance key macro-economic variables in a reasonable timeframe, thus preserving the macroeconomic stability essential for any sustained recovery. Putting in place policies oriented by the Global Jobs Pact objectives can help stimulate recovery quicker and at the same time reach sooner an improved balance of payment and budget situation.
- In the case of Africa and the least developed countries, the outstanding commitments for an increase in development cooperation resources must be implemented. Here the notion of “delivery as one” developed by the United Nations should apply to the World Bank and bilateral donors. Countries must be able to count urgently on a coherent set of policies and mutually reinforcing actions coming from multilateral institutions and bilateral donors in order to access development cooperation support. This is not the time to drop the poorest countries. It must be a globally integrated effort.
- Enhanced cooperation between UN entities and the Bretton Woods Institutions and other development partners will assist countries in accessing international funding and to implement measures of a Global Jobs Pact.
- The Leaders of the G20 have decided to provide substantial additional resources to the IMF and the Multilateral Development Banks to support growth in emerging and developing countries and finance “…counter-cyclical spending, bank recapitalisation, infrastructure, trade finance, balance of payments support, debt roll-over and social support”.¹

¹ Leaders’ Statement from the G20 Summit in London, 2 April 2009.
• The World Bank has established a special Vulnerability Financing Facility, including a Rapid Social Response Fund, to be financed through voluntary bilateral contributions. The World Bank is accelerating spending on its IDA and concessional lending programmes as well as through the International Financial Cooperation.

• The UN Commission of Experts on the global economic crisis has proposed a fund – 1 per cent of fiscal stimulus packages of G20 – to support developing countries engage in counter-cyclical policies and to provide a sustainable source of development finance,

• Private foundations providing development aid also constitute potential sources of funding for measures taken under a Global Jobs Pact.

• Decisions to finance national application of a Global Jobs Pact - how much and where - are national, and should be taken where possible, in consultation with employers’ and workers’ organizations.

• In considering resources for a Global Jobs Pact, adequate attention should be given to its horizontal dimensions in order to promote and support international exchanges and analysis between countries.
## Initiative VI
### A SOCIAL PROTECTION FLOOR

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### Rationale

The global economic and financial crisis threatens to roll back decades of investment in health and human development. It risks compromising progress towards internationally agreed development goals, including the MDGs. In the long-term, it could lead to significant challenges to social stability, peace and security in various parts of the world. A social protection floor is important to all countries, at all times. This is particularly the case with regard to the most vulnerable segments of the population and the least developed countries in each region. Furthermore, with the economic downturn and expected layoffs, it is foreseen that many migrant workers, especially those in manufacturing or construction sector will be among those severely affected.

Presently 80% of the global population has less than adequate social protection coverage. Much of the world’s 1.3 billion poor do not have financial access to needed health services. Some 800 million adults lack basic literacy skills, two-thirds of them women. Coverage for people needing treatment for AIDS has expanded rapidly in recent years, but still more than 60% of those requiring treatment remain to be reached globally, with coverage below 30% in some countries. Overall social protection coverage is particularly low in many developing countries. Support is needed to protect those fundamental elements of society – education, nutrition, health, social services, protection against natural disasters, the sciences, culture and communication – that make human development possible but which are often the first to be hit in a recession.

The “Social Protection Floor” Initiative is based on the premise that, once undone, progress on development goals cannot easily be recovered without considerable re-investment and political re-commitment. Human development is a long-term investment carrying high long-term individual and social returns. The aim of this initiative is, therefore, to advocate for and advise on the provision of a social protection floor and public resource spending in ways that will both kick-start growth and support more inclusive and sustainable social and economic development.

In countries that currently lack strong social security and income support programmes, a social protection floor consisting of a basic package of social transfers, combined with actions to guarantee that the poor and vulnerable have access to adequate and affordable sources of nutrition and needed social and health services, is critical to mitigating the poverty and welfare fall-out of the crisis, while at the same time providing a significant stimulus to the economy. Widespread support is gathering for the policy position that countries can grow with equity, i.e. providing some form of social protection from the early stages of their economic
development. Indeed, there is now evidence that economic growth that does not include a concept for equity and equality is not sustainable in the long run.

In line with the above, the “Social Protection Floor” Initiative sees the current crisis as an opportunity to encourage and support countries to review policies and strategies for social transfers and access to needed services, aligning them along the principles of inclusion, equity and social justice as a major way of investing out of the crisis and achieving long-term stability.

**Short- and medium-term actions/products**

**Step 1**
- **Joint advocacy effort by UN system organizations** to emphasize that the global crisis is not only financial, but that it affects the whole spectrum of human development and all social sectors, and in particular the well-being of most vulnerable groups, including women and children. There is also a need to recall that powerful evidence exists on the benefits of education, income security and access to health services.

**Step 2**
- **Assess what activities are currently under way** by UN system agencies, where they overlap, and where synergies would lead to substantial increased benefits globally.

**Step 3**
- **Develop a compendium of (already existing) technical tools** of all UN agencies that can be used at a country level to establish the feasibility of national social protection floor concepts that are gender responsive;
- **Support a national dialogue-based country-by-country assessment** of what a national development objective to move towards the implementation of a social protection floor would entail for a particular country, including the impact of the financial crisis on the capacity to finance the floor (from both domestic and external sources);
- **Develop a strategy for a concerted and complementary support action** of all participating agencies, as well as with Regional Commissions, on a country level within a common planning framework (e.g. UNDAF) to ensure that gains from the past are maintained, and we move forward despite the crisis. This requires avoiding disruptions in delivery of key interventions that have been scaled up recently, including access to care for AIDS;
- **Assess the role of the financial crisis on health, education, food security and social protection systems**, as well as the financing or essential social services and examine responses that enhance the sustainability of strategies to improve access to health care over 2010-2011;
- **Appoint joint technical task teams for all countries requesting such assistance**;
- **Establish a joint funding mechanism** for supporting the start up or scale up of national social floor activities. In this context the World Solidarity Fund 2 or the Rapid Social Response Fund under the new Vulnerability Finance Facility that the G20 has endorsed could be used as a vehicle. This will have to be accompanied by special advocacy efforts for increased direct donor financing of basic benefits and services in acute disaster areas.

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2 See Doha Declaration on Financing for Development, para. 52.
### Initiative VII

**HUMANITARIAN, SECURITY AND SOCIAL STABILITY**

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Joint Crisis Initiative 7 - Humanitarian Security and Social Stability: Emergency action to protect lives and livelihoods, meeting hunger and humanitarian needs, protecting displaced people and shoring up security and social stability.

Challenges:

Though not obvious at first sight, with a crisis now hitting the real economy and virtually all spheres of society, the world as a whole could rapidly become a much more dangerous place to live in. This in turn could exacerbate the overall impact of the crisis and hamper recovery plans, feeding back to even more humanitarian, security and social instability leading the world into a worrying vicious cycle.

Concerted action of an international scope is required to address looming, underlying, and potentially dangerous forces that if not tackled urgently could have serious future costs and consequences such as involuntary migration flows; rise to xenophobic sentiments, discriminatory practices; organized crime, corruption, illicit trafficking and illicit financial flows; and challenges to legitimacy of fragile states and loss of confidence in essential institutions. The world cannot afford to sacrifice the gains already made and allow a widening of already imbalanced social gaps and resource distributions. This crisis poses a particular threat to humanitarian, security and social stability particularly for people in the least developed countries and fragile states and for those dependent on international aid that are highly vulnerable to external shocks. Any measures taken also need to take into account an environment in which safety and security risks and threats, which have the potential to cause further economic and social degradation, are adequately addressed.

Appeal for Consistent and Prioritized Targeted Funds

As developed countries turn to addressing their own national issues arising from the crisis, protectionism and inward-ward looking attitudes may prevail and the availability of funds may be further curtailed at a time when the poor – living in the least developed countries, fragile states or who are dependent on international aid - need them the most.

The emergence of a deep global economic slowdown at the heels of the high food and fuel commodity price shocks is expected to further increase both the incidence and depth of hunger and poverty in a large number of countries. The governments of many of the poorest food and fuel importing countries have been dealing with these shocks for some time now, at least since 2006. This has created severe financial burdens as evidenced by large current account deficits and dwindling foreign exchange reserves, bringing many countries dangerously close to the tipping point. The current financial crisis for these countries has meant additional hardship through depreciating currencies, sharp reductions in commercial credit availability or much harsher borrowing terms, declining primary commodity exports, lowered remittances, less direct foreign investment, increased unemployment and potentially reduced official development assistance. The slowdown in the remittances is expected to have a serious effect on households and countries that in the past have been able to somewhat mitigate the impacts of various crises by relying on increased remittances. Most people in poor countries have already drawn down their savings and productive economic assets to mitigate the effects of the high food and fuel crises.

That hunger and food insecurity can lead to desperation and social unrest was seen during the food crisis last year, when riots and protests broke out in 30 countries where people were unable to access adequate and affordable food due to high prices and market
disruptions.

The majority of impoverished and under-nourished people in the world continue to live in the rural areas – not historically fertile ground for threats to national and international stability. Poverty and hunger, however, with the world’s population, is moving to cities. More than 50% of the planet now lives in cities as opposed to 33% 50 years ago. It is not only the proportion of people in cities that is growing, but also the scale of those cities is unlike anything in human experience. This translates to greater uncertainty about the effects on security and stability of a global economic downturn of this magnitude and also the new challenges of providing assistance within urban versus rural environments.

To the extent urbanization is further accelerated by food shortages and the global economic crisis, the most likely first migrants will be young men searching for economic opportunities – jobs that in the current economic climate may not be there. Idle and angry young men in displacement settings and cities are prone to criminality and open to recruitment into militias and insurgencies. The effects on security and social stability felt by citizens within their own homes – of families living in fear - are often mirrored by broader political and security instability in their respective countries and regions. States, such as Somalia and Zimbabwe are unable to provide basic goods and protection to their citizens. Countries emerging from conflict are in a sensitive phase and facing a tremendously difficult challenge to prevent relapse. This crisis - with its projected impact on poverty, employment and migration - may result in even more severe challenges to the legitimacy of governments. Within Africa, for example, many of the countries most at risk also rank lowest in governance rankings that incorporate, among other indicators, safety and security, rule of law, corruption, incidence of displacement, and prevalence of small arms. This mix of ingredients – which helped fuel conflicts in West Africa and continue to destabilize the greater Horn of Africa – risk being further enflamed by economic declines that are not met with decisive action to protect lives and livelihoods.

Many of those people most in need of urgent food, nutrition and agricultural assistance are in countries within which humanitarian actors have designed hundreds of project interventions in the 2009 Consolidated Appeals (CAP). The vast majority of CAP projects concerned specifically with agriculture, food and nutrition needs have received little or no funding to date. For instance, as of late April 2009, less than half of the funds have been received for emergency food assistance, including vital school feeding programmes. For critical agriculture support, the funding situation is also dire with less than 9 percent received. Other key humanitarian assistance sectors that support food security are also discouragingly under-funded having received less than 12 percent of the funds they require to roll out essential life saving projects. These needs only cover the CAP countries, and not countries like Ethiopia, where the needs are substantial.

Cuts in funding for humanitarian and development assistance will indisputably reduce capacities to effectively and consistently deliver basic humanitarian services for both agencies and their cooperating partners, affect the provision of valuable credit and loan schemes currently available for communities and stunt activities underway to build preparedness, risk reduction and implement critical prevention efforts.

Addressing Changing and Increased Vulnerabilities
It is widely expected that the real impact of the current global economic crisis will be faced by households, individuals and communities in both developing and developed countries. The nature of that distress will be disproportionately felt on the poor, the vulnerable and the marginalized, especially women and children, and will undermine their enjoyment of various human rights, including their right to work, housing, food, health and education. Economic downturn, combined with the lack of accountability, transparency, access to information and participation in the responses to the recession is likely to have a compounding effect, including in increasing social unrest. Responses to such unrest must ensure that human rights, freedom of expression and assembly, right to life, liberty and security of person, due process and other rights are protected. Last year, the fall of at least one government (Haiti) - was one example of the kind of civil unrest and threats to stability that can result from economic shocks. In Haiti, riots and looting spread across the country and resulted in six deaths. Human rights groups reported the excessive use of force and other human rights violations by a number of other states responding to food riots. Hunger also negatively impacts a wide range of human rights, such as the right to life, health, food, and education. Existing discrimination exacerbates the impact of a hunger and humanitarian crisis in different contexts for women, men, children, older people, indigenous communities, persons with disabilities, IDPs, refugees, migrants, people with HIV/AIDS, etc. It is also becoming evident that hardship and tensions are affecting migrant workers in many countries, as a result of the economic crisis. These workers are more likely to be in the first line to lose their jobs, not only because their status where called into question, but also because they are often employed in sectors that are particularly affected by the crisis. Worse, recession may give rise to xenophobic sentiments, discriminatory practices and even attacks on migrant workers and their families. Efforts should be made to protect migrant workers from discrimination and xenophobia.

Safety and security are of a long-term concern but may develop special significance in times of economic crisis, while safety and security events may themselves create economic crises. Consistent support to ensure the resilience of states and societies to crises such as the current economic and recent food crises is crucial (safeguarding nuclear materials as well as of nuclear safety and security remain fundamental to international peace and security). Greater attention needs to be given to threat reduction and security improvement.

In times of crisis, opportunities emerge for an increased use of illicit methods to profit making, trafficking and smuggling of people. The loss of confidence in financial institutions such as banks may increase the usage of other channels of investments, savings and credits, which may in turn be criminal and exploitative. Criminal competition for illicit market is often fierce. Organized crime sits well in conflict-ridden regions of the world, and in poor countries. For example, traffickers may have more resources than states themselves. The global drug trade only was recently estimated at US$320 billion per year. Any reduced capacity of criminal justice and drug control regimes both national and international may allow escalation for these undesirable illicit activities. UN agencies working in Afghanistan are considering ways to promote alternative crops and livelihoods for poppy farmers.

In fragile and failed states such as in Somalia, where there is total or considerable breakdown of authority resulting from internal or external conflict, international response goes beyond the mandate or capacity of the humanitarian community. However, humanitarian assistance is a major determinant in the overall capacity of the United Nations system to pre-empt and respond to the crisis in a manner that minimizes avoidable suffering, and a contribution to peace and stability. Safe access and staff security are critical as is predictable deliveries of humanitarian aid, including off the Coast of Somalia where members states are providing naval escorts for humanitarian
food shipments threatened by piracy.

Economic costs associated with all natural disasters have increased 14 fold since 1950s. Poor people are more exposed to natural disasters as they tend to live in marginal areas depend on high risk low return livelihood systems and face many sources of economic vulnerability. Linking official forecast and warning information, including real time weather and climate information, to humanitarian agencies to support scenario analysis, coordination, planning and response pre- and post disaster is possible and should be pursued, such as a coordination mechanism implemented to develop the requirements of humanitarian agencies and ensure future participation in the World Meteorological Organization’s Information System (WIS).

While high food prices continue to affect food access for vulnerable people, the financial and economic crisis is creating new vulnerabilities. There are serious risks in countries heavily dependent on commodity exports, such as in sub-Saharan Africa including West Africa, as well as in countries where remittances constitute a significant share of GDP, such as Central Asia, Central America and the Caribbean. As 80 percent of the world’s population is not protected by national safety nets, and as the reserves and resilience in many poor countries and populations are severely depleted, external assistance is critical as the crisis hits.

Protecting children and women must be a primary priority of those involved in the response. Investing in children is a moral obligation and social sector expenditures should be maintained. Programmes which support and protect children through basic health care and nutrition, clean water, basic education and child protection services must be maintained and, where possible, expanded. In some areas, additional responses, such as cash transfers, should also be introduced when appropriate to ensure the protection of children.

Increased vulnerabilities particularly for those already vulnerable will need to be monitored. Already weak safety nets will further be weakened, risking household food security, health, nutrition, education and basis essential needs. In order to protect lives and livelihoods, address hunger and humanitarian needs, a stronger focus on monitoring, preparedness and prevention activities is much needed. Opportunities to strengthen these critical linkages and share knowledge on a system-wide level now exist and determined action is necessary to seize the moment. One of the initiatives to offset the impact of the financial crisis and promote growth in developing countries and to promote the protection of the most vulnerable people is the proposed Vulnerability Fund, which aims to support countries impacted of the global economic downturn. Vulnerability monitoring capacity to quantify and qualify the impact on countries and regions with a coherent system-wide approach will become crucial in identifying the countries hardest hit.

Aside from strengthening effective collaboration and increased knowledge sharing among stakeholders, the crisis challenges agencies and others to seize opportunities -- in a time of constrained and limited resources - to explore innovative possibilities such as using communications technology - links that create social connections can contribute to global social solidarity - and explorative public-private collaborations such as small holder crop production leveraging local food purchase, and ensuring market access and remote health diagnostics. Another opportunity is the use of new, less costly and more sustainable energy sources such as solar energy and fuel efficient stoves.

Emergency action is needed to protect lives and livelihoods and address hunger and humanitarian needs, security and social stability, as the global financial and economic crisis is adding tens of millions of people to the ranks of the hungry and poor in developing
nations. The crisis is undermining progress on the MDGs as jobs and incomes are lost and lead families to cut down on education and health, not least in nations dependent on exports, remittances, external assistance and investments. The crisis is further exacerbating the impact of the food crisis, high food prices and lack of food access, and compounding the impact of climate change, conflicts, natural and man-made disasters, on the world's most vulnerable people.

Multilateral advocacy and action in support of the voiceless and vulnerable is not only a humanitarian imperative; it is an investment in human security and human rights, economic recovery, social stability and peace. Crises, including hunger and deprivation, can increase the risks of population displacements, irregular or illicit migration and human trafficking, drug production and trafficking, corruption and serious economic crime and other international and domestic security threats. By preparing for and responding to humanitarian crisis and hunger needs, we reduce these risks, while promoting resilience, self-reliance, and recovery.

<table>
<thead>
<tr>
<th>Actions:</th>
<th>The emergency action plan include the following priority elements:</th>
<th>Communication/advocacy platform with key messages</th>
<th>Outputs</th>
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<tbody>
<tr>
<td>i. Calling on nations to mobilise a human rescue package (“Vulnerability Fund”) alongside financial and economic stimulus plans; to fulfil their commitments on ODA; and to scale up assistance to meet growing humanitarian needs.</td>
<td>G20 Pittsburgh (24 Sept)</td>
<td>Prepared key messages to reflect the outlined emergency action and highlight urgent concerns that will be raised at the identified advocacy/communications platforms</td>
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<tr>
<td>ii. Mobilising full funding for assessed humanitarian needs and the United Nations’ CAPs and other humanitarian appeals including high level events.</td>
<td>General Assembly (23 – 30 Sept)</td>
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<tr>
<td>iii. Sustaining life-saving assistance programs for millions hungry and vulnerable people – particularly women and children including refugees and displaced people, smallholder farmers, rural and urban poor, older people, persons with disabilities and other discriminated groups – in urgent need of food and nutrition assistance, safety nets, social protection, basic health care and nutrition, clean water, basic education, medicines, shelter, protection, and livelihood support.</td>
<td>CAP launch New York (late November)</td>
<td></td>
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<td></td>
<td>Propose event surrounding next CEB session (late</td>
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iv. Ensuring access for humanitarian deliveries and the safety and security of humanitarian workers including in dangerous environments like Sudan, Gaza and Somalia, where violence threaten assistance efforts, and where protection is needed including naval escorts for humanitarian food shipments threatened by piracy off the Coast of Somalia.

v. Taking deliberate steps to integrate relevant preparedness, risk reduction and prevention efforts including strengthened system-wide vulnerability monitoring and assessment capacities based on effective existing agency expertise and mechanisms, to monitor the impact of the crisis on the poorest and most vulnerable.

vi. Supporting stronger multilateral engagement against international public security threats to ensure the states coordinated resistance against organized criminal groups in distinct criminal markets and strengthen human security and criminal justice systems.

vii. Strengthening accountability mechanisms to monitor human rights violations and the implementation of adopted policies and principles, while recognizing that human rights are core to humanitarian action cutting across all humanitarian work and should be integrated in appeals and fund-raising strategies for humanitarian preparedness.

Support existing efforts, policies, tools and initiatives such as the GIVAS, IASC early warning systems.

Relevant Security Council discussions,
Senior UN coordination meetings

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Initiative VIII

TECHNOLOGY AND INNOVATION

<table>
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<th>Lead Agencies</th>
<th>ITU, UNIDO, WIPO</th>
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<tr>
<td>Cooperating Agencies</td>
<td>ECLAC, UNCTAD, UNESCO</td>
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</table>

**Rationale**

In the present crisis, technology, innovation and creativity will be critical in providing opportunities for recovery, leading to a more dynamic, eco-friendly, sustainable and diversified global economy.

Information and communication networks are the new engine of the modern global economy, and need to be consistently strengthened and expanded. Government investment in infrastructure is vital to the creation of knowledge-based societies. At the same time, research, industrial and commercial networks and partnerships are strategic assets that need to be reinforced. A solid and effective intellectual property regime, in this context, can stimulate the development of new technologies and know-how. Technological innovation, investment incentives and strong legal frameworks are essential to sustainable post-crisis growth.

History shows that a period of economic recovery can greatly benefit from the presence of entrepreneurial spirit and innovative ideas. Not surprisingly, entrepreneurial companies are well-positioned to take advantage of the cycle of economic crisis and recovery. Furthermore, the diffusion of new products and services into the market can stimulate job creation and economic growth, and the expansion of infrastructure (such as the internet) can be vital for recovery from the current financial and economic crisis.

Key challenges in this regard include:

(i) **Contraction in global finance**: the difficult economic environment and accompanying contraction in finance will lead to a reduction in the ability of companies to invest in technology (notably information and communication technology or ICT). This can delay the timely development of important new tools for increasing the quality of life of citizens worldwide, and can endanger efforts to achieve the UN Millenium Development Goals (MDGs);

(ii) **Growing trade imbalances**: the decreasing international demand for natural resources and low-tech manufacturers, falling commodity prices, reduction in remittances and investments from abroad, will increase trade deficits. This will make more difficult for developing countries to compete in the high-tech global marketplace;

(iii) **Reduced research and development efforts** (R&D): in response to the crisis, companies may focus on short-term costs, cut back on R&D investments, and divert resources from innovation and high-tech sectors. This will result in a low-tech/low-productivity trap for countries that may lose out on opportunities offered by new emerging technologies;
(iv) Meeting global commitments: despite the challenging economic climate, the realization of global commitments to science, technology and innovation must be realized, in accordance with the outcomes of the Budapest World Conference and Forum on Science, and the World Summit on Information Society.

Short-term actions/products

- **Monitor the impact of the crisis on developments in science and technology (notably in ICT)**, through reports, conferences, workshops, online tutorials and publications;
- **Support the needs of industry** to help it navigate the crisis, e.g. through investment promotion offices, training in information and communication technologies and networks, and assistance with management of intellectual property rights (IPRs);
- **Develop technical and vocational education, learning and training in the area of science, technology and innovation**, notably in poor and developing regions;
- **Develop Patent Landscaping**, which will provide access to patent information and related technological information disclosed in scientific journals, as well as products and technology analysis reports;
- **Foster IPR training initiatives** for the promotion of innovation through a more active and efficient use of patent and technology information.

Medium-term actions/products

- **Promote policies for recovery that consider the development of greater science and technology capabilities as an essential aspect of financial stimulus packages**. In this regard, pro-poor science and technology policies and initiatives (both at the institutional and individual level) are desirable;
- **Expand technology foresight programmes**, as critical elements to the technology development process and to a much-needed long term economic vision;
- **Promote the development of information and communication networks and infrastructure** in order to ensure greater access to information and to stimulate knowledge sharing;
- **Disseminate critical technical information to businesses**, notably through the establishment of centres for the support of technological innovation, and for a better understanding of the IPR system;
- **Encourage (and facilitate) the use of the IPR system**, in order to stimulate innovation and foster sustainable development;
- **Ensure continued international cooperation and mobilization** for the improvement and rational use of ICT infrastructure and for the creation of inclusive knowledge societies;
- **Develop tools to build confidence in the use of ICTs**, in order to encourage use of digital networks and the creation of innovative applications and services.

Communication / advocacy platforms

- ITU website – [www.itu.int](http://www.itu.int)
- Education for All (EFA, 2000-2015)
- UNCTAD website – [www.unctad.org](http://www.unctad.org)
- UNIDO website – [www.unido.org](http://www.unido.org)
- The WSIS platform is available at: [http://www.itu.int/wsis/](http://www.itu.int/wsis/)
• The WSIS Forum 2009 is available at: http://www.itu.int/wsis/implementation/2009/forum/index.html
• World TELECOM 2009 will also feature a strategic dialogue on the impact of the crisis, see: http://www.itu.int/WORLD2009/
• Monitoring and tracking of the impact of the financial crisis on the ICT industry is available at: http://www.itu.int/crisis2009/
Initiative IX
MONITORING AND ANALYSIS

<table>
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<tr>
<th>Lead Agencies</th>
<th>IMF, UN-DESA</th>
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<td>Cooperating Agencies</td>
<td>All Agencies</td>
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**Rationale**

The economic and financial crisis is impacting all countries, big and small, rich and poor. The response capacity of countries to respond to the multifaceted challenges of the crisis is uneven and also depends on adequate and relevant information on a range of economic, social, environmental and political developments and trends. The challenge facing the UN System is to mobilize and make available relevant information for decision making in a form that is usable, reliable, accurate, regular and timely, in particular to inform decision makers on emerging and developing vulnerability of countries and peoples around the world.

The Monitoring and Analysis aspect of the CEB initiative is based on three pillars:

A) Global Impact and Vulnerability Alert System (GIVAS)
B) Integrated Monitoring and Analytical System for Crisis Response
C) Monitoring Economic and Financial Policies – IMF Surveillance
Global Impact and Vulnerability Alert system (GIVAS)

**Motivation:** Over the past decade, the international community has put in place a number of useful sector-specific global early warning mechanisms, ranging from systems tracking disease outbreaks and natural disasters to mechanisms that capture signs of droughts, famines and climate change to those that signal emerging complex emergencies. However, it has become clear in the context of the global food and economic crises that there are few mechanisms that are able to report across sectors on the immediate impacts that global shocks have on the lives of the poorest and most vulnerable populations. As a result, decision makers find themselves having to make difficult decisions based on projections and anecdotal accounts as opposed to collected data that can immediately signal changes in welfare of the most vulnerable populations.

**Objective:** The GIVAS will fill the information gap that currently exists between the point when a global crisis impacts vulnerable populations and when solid quantitative information reaches decision-makers through official statistical channels. The added-value of the System will be the compilation of real time data and analysis from a variety of reliable sources covering multiple dimensions of vulnerability that will help the international community respond in a more effective and timely fashion.

**Audience and partners:** The GIVAS will provide periodic situation reports (or alerts) to world leaders. Its partners will include UN agencies, academic institutions and civil society organizations in developing and developed countries.

**Specific goals:** The GIVAS will:

- Provide the international community with early, real-time evidence of how a global crisis is impacting the lives of the poorest and most vulnerable populations;
- Raise “red” flags on newly emerging and dramatically worsening vulnerabilities of global concern;
- Provide high-level decision makers with real time information and analysis to ensure that crisis-related decisions take appropriate account of the needs of the most vulnerable countries and populations;
- Bring the “voices of the most vulnerable” into high-level decision making forums.

**Vulnerabilities:** The Alert will track vulnerabilities across multiple dimensions of possible distress, including economic, social, environmental, demographic and political vulnerabilities. It will focus on tracking vulnerabilities that are caused or exacerbated by external shocks.

**Operational Set-Up:** The GIVAS’ operational set up will be a network with a light structure that builds on and connects existing global alert and early warning mechanisms as well as innovative and rapid data collection initiatives.
How it would work:

**Data Collection:** The Alert will rely on a simple indicator framework that would include two types of indicators, namely a larger set of lower frequency "contextual" indicators --- easily drawn from existing data bases --- and a smaller set of higher frequency "pulse" indicators. The pulse indicators will be both qualitative and quantitative and will provide real-time evidence of the effects of external shocks on the most vulnerable populations.

**Tools:** Mobile communication tools, quick impact assessment surveys, and sophisticated media tracking systems coming from a strong network of data collectors.

**Data Analysis:** A small team or network of analysts will be responsible for analyzing the qualitative and quantitative data collected to identify significant global and regional trends, such as dramatic changes in vulnerabilities and newly emerging factors of distress. The Alert system will be supported by an advisory panel composed of well respected experts in the fields of data collection and vulnerability analysis to lend its findings additional quality assurance and credibility.

**Communication and Deliverables:** The GIVAS should be and be seen as a neutral fact-finding and sorting tool. New data presentation formats (i.e. interactive graphics, infographics, and mappings) and new technologies will be met. The Alert's communication package could include different types of deliverables such as quarterly “situation reports”, “alerts”, “eye-witness reports”, and a “Vulnerability Information Hub” website that could serve as a one-stop-shop to allow GIVAS partners and its wider constituency to access a cross-sectoral array of information on vulnerability.
Integrated Monitoring and Analytical System for Crisis Response

1. While there is much available economic and social statistical information, the UN system lacks a timely, regular and reliable way to alert policy makers about vulnerabilities that could hurt developing countries and their populations. In responding to the CEB mandate, DESA has initiated a range of activities to facilitate effective monitoring of the impact of the social and economic consequences of the crisis. The ongoing work tries to address three challenges: (i) to bring existing information together into an effective monitoring framework that allows for real-time assessments; (ii) to analyze risks related to different types of shocks, their transmissions, and likely effects on developing countries and various population groups and (iii) to inform policy makers such they can design adequate responses and to monitor the effectiveness of the policy actions taken.

2. Following an inventory of existing data and monitoring, UN-DESA has designed a basic framework which, within its areas of competency, should help:
   - Identify and measure global ‘shocks’ and trends that likely will affect growth and development in developing countries;
   - Identify channels and vulnerabilities determining how and to what degree countries are likely to be affected;
   - Identify observed and likely economy-wide effects at the country level;
   - Identify channels and vulnerabilities determining how and to what degree different sectors and population groups are likely to be affected;
   - Identify observed and expected impact on livelihoods.

The framework is set up to monitor “changing patterns of vulnerability” at the country level, linking these to the shocks emanating at the global, regional or national level, as illustrated in Figure 1.

3. For a selected number of areas, DESA has started to apply the framework, including through its 2009 mid-year update of the World Economic Situation and Prospects (WESP) (see http://www.un.org/esa/policy/wess/wesp2009files/wesp09update.pdf) and will is currently expanding this monitoring and analysis the results of which will be regularly reported in DESA’s Monthly Briefings on the WESP (starting with the August issue). In doing so, DESA will increasingly rely on information from existing data and monitoring mechanisms that incrementally will be linked to and incorporated into the framework. This includes the monitoring work being undertaken as part of existing inter-agency mechanisms coordinated by DESA, including the Inter-Secretariat Working Group on National Accounts (ISWGNA), the Inter-Agency Group on Economic and Financial Statistics, the Inter-Agency Expert Group (IAEG) on MDG indicators, the MDG Gap Task Force, and other mechanisms. In addition, in specific areas DESA is liaising with a number of organizations to streamline monitoring work, including with, among others, the ILO regarding employment and labour market data, and with UNDP especially regarding the impact of the crisis on the MDGs at the country level. Existing assessments and monitoring of structural vulnerabilities of countries, such as that being undertaken for the list of least developed countries, are also being included in the framework.

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4. The framework should also help identify existing data gaps. Based on the work done so far a start has been made to identify key types of high-frequency data using existing systems (such as the World Bank’s Global Economic Monitor) and by improving existing data collection systems (such as through the questionnaires that are used to collect data for the UN’s Monthly Statistical Bulletins).

5. In the coming months, the present activities will continue and be expanded in a number of directions: (a) further elaboration of the analytical framework building on inputs from expertise within EC-ESA, other UN agencies and outside expertise; (b) implementation of a number of country case studies to define greater responsiveness of the system to country needs and for the identification of relevant policy variables and indicators of capacities for policy responses at the global and national levels (such as those suggested tentatively by the right-hand side column of Figure 1); (c) creation of a data platform and a website providing direct access to the system and data for users within and outside of the UN system; and (d) activate existing inter-agency networks to support the system.

6. The initial focus of the framework will be on monitoring the impact of the present crisis on vulnerable countries and populations, but its overall design will be such to serve monitoring purposes beyond this crisis and should allow for the monitoring of different types of shocks and how these affect in different ways economies, social groups, and the natural environment.

7. At present, DESA’s work related to JCI-8 is being coordinated through DESA’s Working Group on the Financial Crisis. In the coming weeks this work will be continued by a more specialized technical team to be established within UN’s Department of Economic and Social Affairs (UN-DESA), but composed of designated staff from UN-DESA, focal points appointed by the regional commissions and other participating agencies. The unit will be in charge of managing the system, conduct analysis and prepare regular reports, including through the Monthly Briefings of the WESP as indicated. The team would also be responsible for liaising with other agencies and coordinating with existing inter-agency processes. In doing so, the team will rely on active contributions from all UN agencies in the field of economic and social affairs, including also work undertaken by the World Bank and the IMF. It will also request inputs from UN Country Teams which would provide an important channel for national and local data collection and for making the system available and useful for national policy makers.

8. DESA’s integrated monitoring framework will serve as a part of the broader Global Impact and Vulnerability Alert System (GIVAS), developed under the responsibility of the Deputy Secretary-General.
**Figure 1. Integrated Monitoring and Analysis Framework for enhanced crisis responsiveness**

**What shocks and trends at global level?**

**Global Shock**
(Trade, commodity prices, capital flows, aid, migration/remittances, weather shocks)

**Vulnerability to Global Shocks**
- Structure of economy
- Type and degree of trade and financial integration
- Level of development
- Aid dependence
- Environmental vulnerability

**Macroeconomic Impact**
(Growth, consumption, investment, employment, wages, inflation, credit supply)

**Which policy responses?**

**Global Responses**
(Trade protection, liquidity provisioning, coordinated fiscal stimulus packages, delivery on ODA commitments, managing capital flows, etc)

**National Macroeconomic Capacity to Respond**
(Government revenue and spending, public indebtedness and debt servicing costs, level of reserves, mechanisms of counter-cyclical policies, institutions and governance)

**Sectoral impact**
- Agriculture and food emergency status
- Key non-agricultural sectors
- Infrastructure
- Natural resource and environmental constraints
- Labour markets
- Social sector spending

**Long-term growth and development policies**
(Agricultural development, public investment in infrastructure, investment in human capital, trade and economic diversification policies, (micro-)credit schemes, etc)

**Household level impact, especially on vulnerable groups**
(Poverty and inequality, employment status, nutrition, school enrolment and completion, child and maternal mortality, prevalence of major diseases, access to drinking water and sanitation, internal and international migration, vulnerability profiles, etc)

**Social Policy Responsiveness**
(Social protection schemes, cash transfer programs, employment programs, MDG-related public expenditures, primary health and immunization programs, social pension schemes, etc)
Monitoring Economic and Financial Policies – IMF Surveillance

1. In October 2008, the Executive Board approved a set of economic and operational priorities to guide Fund surveillance through 2011. These priorities were meant to guide the Fund’s work within the framework for surveillance provided by the Articles of Agreement and relevant Board decisions. Significant progress has been achieved since then in implementing the operational priorities set out, both through actions supporting specific priorities, and through cross-cutting actions that support all priorities.

Specific Operational Priorities

2. The statement of surveillance priorities set out specific operational priorities in four areas for enhancing the effectiveness of IMF surveillance: risk assessments; financial sector surveillance and real-financial sector linkages; enhancing the multilateral perspective to surveillance; and the analysis of exchange rates and external stability risks. A number of steps have been taken to help make progress on these priorities.

- **Risk Assessments:**

3. In the area of risk assessments, the priorities included refining the tools necessary to provide clear early warning to members, and to undertake more systemic and thorough analysis of major risks to baseline projections and their policy implications. The joint IMF/Financial Stability Board Early Warning Exercise (EWE) is a critical component of this work. The proposed procedure on the joint EWE was agreed in February 2009, an informal briefing of the Executive Board was conducted on April 17, and the first dry-run of the EWE was completed in April. The results of this exercise and next steps were discussed by the Board in early September. The first joint World Economic Outlook /Global Financial Stability Report Joint Statement, bringing together the IMF’s traditional multilateral surveillance exercise and its specific financial sector analysis, was issued in April 2009. The extension of the IMF’s vulnerability analysis exercise to cover all advanced economies, supplementing the existing exercise for emerging markets, was launched in May 2009.

- **Financial Sector Surveillance and Real-Financial Linkages:**

4. In the area of financial sector surveillance and real-financial linkages, the priorities included improving analysis of financial stability, and the diagnostic tools used; deepening the understanding of linkages, including between markets and institutions; and ensuring adequate discussion in surveillance reports. Specific steps taken in this area include: discussion by the Executive Board (in February and September 2009) of a series of policy papers on integrating financial sector surveillance into the IMF’s overall surveillance function; the establishment of a special macro-financial unit within the IMF (March 2009); the proposed reform of the joint IMF/World Bank Financial Sector Assessment Program (FSAP) (September 2009); consideration by the Executive Board of the proposal to allow risk-based updates of the Reports on Standards and Codes (also in September); the issuance of a staff guidance note on financial sector surveillance (April 2009); and the launch of an external Financial Soundness Indicators website open to the public (July 2009);
Multilateral Perspective (cross-country studies and spillover analysis):

5. With regard to the multilateral perspective, the priority was to ensure that bilateral surveillance is systematically informed by analysis of inward spillovers, outward spillovers (where relevant), and cross-country knowledge (as useful). To facilitate this aspect, the IMF established an internal website as a knowledge repository on IMF staff’s cross-country studies and databases (March 2009); put in place a new internal review process to provide IMF country teams with relevant cross-country studies and comparable country experience; and the Executive Board considered in August a paper that identified cross-cutting themes that emerged from Article IV consultations with major countries.

Analysis of exchange rates and external stability risks:

6. In the context of strengthening external stability analysis, the priority was to integrate clearer and more robust exchange rate analysis, underpinned by strengthened methodologies, into the assessment of the overall policy mix. To this end, revised operational guidance was issued to staff for implementing the 2007 Surveillance Decision (June 2009); and the Board considered in July a major paper discussing elements of a stable system of exchange rates, as a background to its future policy decisions in this area.

Cross-Cutting Actions in support of All Surveillance Priorities

7. In addition to the specific steps described above, a range of activities in underway within the Fund to strengthen the surveillance function more generally. These include setting clear expectations and providing guidance to staff in the conduct of country surveillance work; improving knowledge management, access, and sharing of data and experiences, particularly on cross-cutting themes and on systemic country work; and building up further staff’s capacity to implement the operational priorities, particularly in the area of financial sector surveillance. Finally, efforts are ongoing to improve the IMF’s external communication of its surveillance work, including establishing specific pages on the IMF’s external website to showcase key surveillance and monitoring activities (e.g. the crisis response page, the global governance page, etc.).

Proposed Revision of the Economic Surveillance Priorities

8. The Statement of Surveillance Priorities provides that the priorities may be revised if circumstances warrant. The original priorities, adopted in the midst of the financial crisis, focused on resolving financial market stress, strengthening the global financial system, adjusting to sharp changes in commodity prices, and promoting orderly reduction of global imbalances. Clearly, these issues remain relevant, However, given the changes in global economic circumstances since October last year, staff considers that the economic priorities should be revised, in step with the shift in the focus of policy considerations to the design of exit strategies and policy requirements for sustaining world growth, with less emphasis on adjusting to commodity prices. The Executive Board will be considering the revision of the economic surveillance priorities in the near future.

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