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ECONOMIC CRISIS IMMINENTLY THREATENS ECONOMIC SURVIVAL OF POOR COUNTRIES

Ahead of G-8 summit, United Nations Millennium Campaign warns that developing countries will be forced to slash desperately-needed expenditures for the poor; Campaign calls on G-8 leaders to urgently provide financial resources to poor countries

The United Nations Millennium Campaign is warning that the ongoing economic crisis is likely to bring the economies of many developing countries to the brink of collapse and threatens the very survival of their citizens. According to the African Development Bank, countries like the Democratic Republic of the Congo and Kenya could run out of foreign reserves to purchase goods necessary for survival in a matter of weeks. At the same time, countries including Laos, Senegal, Uganda, Cape Verde and Sudan are cutting expenditures on poverty alleviation for desperately poor citizens. Experts predict that spending on core development, including the Millennium Development Goals, could decline by \$200 billion as a result of the crisis.

“When world leaders break a promise, it is a sin – but when governments break a promise to the poorest people on the planet, it is nothing short of a crime,” said Salil Shetty, Director of the United Nations Millennium Campaign. “All over Africa and Asia, governments might have no option but to cut expenditure which the poor need to survive. Given that leaders of rich countries have found \$18 trillion to bail out financial institutions over the past year – nine times more money than they have given in aid over the past 49 years – we know that finding financial resources is possible if the political will is there. G-8 leaders must not turn their backs on the world’s most vulnerable in L’Aquila.”

G-8 leaders must urgently announce timetables for meeting their existing aid commitments. The UN Millennium Campaign is also calling for new resources tailored to address the challenges caused by the economic crisis. These sources must be additional to existing commitments and must not come with conditions which hamper effectiveness or increase indebtedness.

The quality of aid must also improve. Earmarking aid runs counter to the agreed aid effectiveness agenda; donors should be aligning their aid with developing countries’ priorities and programs.

Finally, the majority of the world’s poor live in rural areas and depend on agriculture. Rich countries continue to spend exorbitant amounts of money to subsidize the agricultural products of their own farmers, at the expense of farmers in poor countries with no other means of subsistence. This practice must stop.

Specifically, the UN Millennium Campaign is calling on G-8 leaders to:

- Announce transparent and predictable timetables for the delivery of aid committed at Gleneagles in 2005, clearly spelling out precise schedules of annual increases for each country.
- Provide additional financial resources to poor countries – not repackaging of existing commitments -- which do not increase their indebtedness or contain harmful conditions.
- Issue a moratorium on debt repayments from poor countries.
- Improve aid quality and avoid earmarking aid for specific purposes, as this is counter to the principle of aid effectiveness and does not allow countries to define their own priorities.
- Immediately eliminate trade-distorting agricultural and export subsidies, given that existing trade tariffs make it difficult for poor countries to compete and the economic crisis has further reduced their export markets.

To arrange interviews with spokespeople at the Summit and across Africa, Asia, Europe and North America contact:

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Note to editors:

The UN Millennium Campaign was established by the UN Secretary General in 2002. The Campaign supports citizens' efforts to hold their governments to account for the achievement of the Millennium Development Goals. The Millennium Development Goals were adopted by 189 world leaders from the north and south, as part of the Millennium Declaration which was signed in 2000. These leaders agreed to eradicate extreme poverty and its root causes by 2015. Our premise is simple: we are the first generation that can end poverty and we refuse to miss this opportunity. For more information, visit www.endpoverty2015.org.