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Policy Brief

From Shock to Resilience

Protecting development gains amid compounding crises.

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About the authors

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Summary

Over the past six years, developing countries have been impacted by multiple external shocks: the COVID-19 pandemic in 2020, massive energy, food, and fertilizer price hikes in 2022 due to the Russia-Ukraine war, and since February of this year the global socio-economic spillovers from the conflict in the Middle East. These compounding shocks are best understood not as a moment of ill fortune, but a new normal where sustainable development must be protected and delivered under sustained pressure, uncertainty and risk.

Many countries are navigating this latest shock with restricted policy space, constrained by weak public finances, inadequate access to international support, and an intensifying debt-development trade-off. Emergency relief and mounting debt-service burdens significantly reduce the resources available to address long-term development challenges, including persistent poverty and unemployment, low economic diversification, sluggish growth, food insecurity, climate change mitigation and adaptation, and conflict and fragility.

Recognizing the multidimensional nature of the crisis, the UN Secretary-General established a dedicated Task Force in March 2026 to coordinate responses to the Middle East spillovers. Under the UN Sustainable Development Group, the development workstream¹ has delivered regular coordinated analysis across macroeconomic and environmental impacts, food security, supply chains, trade and logistics.

This policy brief builds on the work of the development workstream and outlines the main global trends and transmission channels of this external shock and uses reporting and survey data from across UN Country Teams (UNCTs) to examine how it compounds existing crises, including El Niño and other climate-related impacts, food insecurity and hunger hotspots, conflict and displacement. It highlights how these overlapping pressures affect countries' exposure and response capacity and sets out their policy priorities and how the UN system is supporting countries in navigating a context of compounding crises.

¹ The Development workstream includes the work of four Sub-working groups: Sub-working group 1 on Macroeconomics and Environment (Chaired by DESA and UNDP); Sub-working Group 2 on Food Security and Supply Chains (Chaired by FAO and IFAD); Sub-working group 3 on Trade and logistics (Chaired by UNCTAD and IMO) and Sub-working group 4 on country level engagement (Chaired by DCO and UNDP). Regional Economic Commissions participate as co-chairs in all four sub-working groups.

What the evidence tells us about exposure, response capacity and support needs:

- ***First, compounding shocks are leading to broader economic spillovers:*** The global spillovers from the Middle East conflict are compounded by El Niño, increased volatility arising from bond markets, and constraints in four corridors at once – the Strait of Hormuz, the Red Sea and Bab el-Mandeb, the Black Sea and the Panama Canal. These effects extend far beyond the Middle East region through energy, food, fertilizer, transport, trade, and volatility in financial markets - creating a broad shock-management challenge for developing countries already struggling with limited fiscal space, high debt, inflationary pressures and import dependence. In March-April the focus was on acute cases directly affected by the conflict; by May-June, monitoring was expanded to more than 40 countries in the Gulf region, Southeast Asia, Northern Africa, East and West Africa as well as SIDS; today attention is focused on a much larger number of countries impacted by compounding crises. No region is untouched by this wave of shocks. In the month of September, pass-through of prices contributed to street protests, social mobilization and polarization in developing and developed economies alike.
- ***Second, countries are reaching a breaking point in their efforts to shield vulnerable populations from energy and food price hikes:*** Evidence from analysis by the four sub-working groups shows that an overwhelming number of government policy interventions focus on shielding their populations from price hikes through subsidies, price caps and/or rationing. Most government requests to the UN development system involve mobilizing additional fiscal and financial resources to pay for this growing burden. Developing economies are reaching a breaking point in trying to contain the adverse socio-economic impacts of the fuel, energy, food and transport price shocks.
- ***Third, this is leading to a debt-development trade-off:*** If countries continue to sustain subsidies, price caps and rationing at higher oil prices, they require additional fiscal resources; if they choose to allow prices to pass through and put in place temporary and targeted cash transfers to help protect vulnerable populations they also require additional fiscal resources. This exacerbates the debt-development trade-off, which in many - especially poorer - countries diminishes long-term development prospects. UNDP estimates suggest that with energy prices at current levels, global fossil fuel subsidies could easily surpass \$1 trillion this year. According to data from UNDP, fifty-five developing countries (44 percent of the sample) now spend more than 10 percent of their total revenue on interest payments, up from 32 countries (26 percent) a decade ago. The main constraint is not only policy choice, but also implementation capacity and access to financing. Gaps in data, targeting systems, coordination and financing limit

countries' ability to move toward more targeted, evidence-based, and fiscally sustainable responses.

- ***Fourth, strategic support will need to expand to address compounding crises:*** Country priorities and requests for support from the UN system extend beyond emergency relief toward better diagnostics, targeted protection, the continuity of essential services, and measures that reduce structural exposure and constraints. Reporting across the UN system shows that governments are requesting support for rapid diagnostics, targeted social protection, macro-fiscal analyses and resource mobilization. This calls for coordinated support across the UN that links immediate stabilization with financing, institutional capacity building, and long-term measures that address structural vulnerabilities and build resilience to future shocks. An early example of this coordinated approach is the Joint SDG Fund's Development Emergency Modality, activated in under two months to bring Resident Coordinators and UN country teams across 35 countries around rapid, country-led responses to the crisis's spillovers, to produce the analysis, systems and costed options needed to unlock financing at larger scale.

In this context, protecting hard-won development gains will require the international community to move beyond fragmented crisis response—combining timely analysis, targeted protection, affordable finance and long-term investment so that the most vulnerable countries can move from absorbing shocks to building resilience.

From Shock to Resilience

Protecting development gains amid compounding crises.

1. The global shock

Despite several attempts, neither an end to the conflict nor a full reopening of the Strait of Hormuz - a vital transit route for global energy and other key commodities - has yet been achieved.

Beyond the devastating loss of life and infrastructure destruction in directly affected countries, the conflict's economic spillovers are felt globally, primarily through surging energy, fertilizer, food prices and financial volatility. Global oil prices spiked at the onset of the conflict in late February and have remained highly sensitive to ongoing developments. This includes fluctuations driven by the late April ceasefire, subsequent negotiations, their eventual breakdown, and the broader push-and-pull between potential conflict resolution and further escalation.²

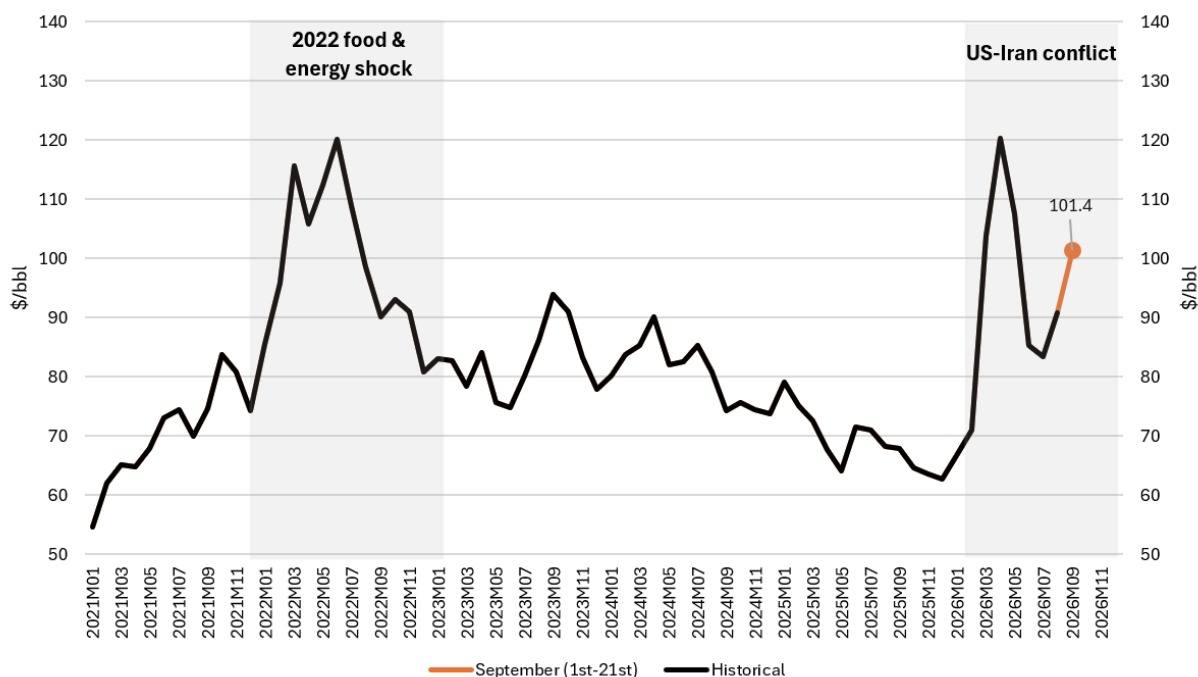
Back in April 2026, the World Bank's *Commodity Markets Outlook* projected energy prices to rise by 24 percent in 2026 and fertilizer prices by 31 percent, driven in particular by a 60 percent increase in urea prices. This baseline was based on assumptions that the most acute disruptions would end in May and that shipping through the Strait of Hormuz gradually would return to pre-war levels by late 2026; however, the prolonged disruption has instead intensified price pressures, raising production costs and food-security risks in import-dependent developing countries. Brent crude has at the time of writing surpassed \$100/bbl., averaging \$101/bbl. for the month of September – up 22 percent since the ceasefire broke down in July and fighting has resumed (cf. Figure 1).

Under the SG's convened Task force and its development workstream, latest analysis from *Sub-Working Group 1 (SWG1) on Macroeconomics and the Environment* underscores that the conflict continues to hinder economic development, with the greatest impact on developing countries with limited fiscal space. A new study by UN DESA³ suggests that Asian countries are most affected by energy shocks, while African countries and least developed countries (LDCs) are most affected by food price shocks.

² As an example, Houthi threats and attacks pose significant risk to shipping from Saudi Arabia's western ports and around Bab el-Mandeb. See '[Houthis capture Red Sea port in blow to Saudia](#)', Financial Times, September 10th, 2026.

³ '[Impact of the conflict in the Middle East on development financing](#)', UN DESA Policy Brief No. 193, August 27, 2026.

Figure 1: Brent crude – average monthly price (\$/bbl.)



Source: Based on the World Bank's Commodity Markets data and Financial Times Markets Data. Note: September average is for the period September 1st – 21st.

In April 2026, **UNCTAD** warned that pressure on the Strait of Hormuz and Bab el-Mandeb heightened the risk of supply and distribution constraints on global trade in energy and other key commodities. The latest reports indicate a sharp deterioration in the regional trade and logistics environment, driven by escalating military activity and continuing diplomatic impasse. Attacks on vessels and energy infrastructure, uncertainty over mining and routing in the Strait of Hormuz, and heightened risks in the Red Sea continue to disrupt maritime operations and constrain energy supply. Vessel movements through Hormuz remain extremely limited, while tanker freight costs reached record levels, with very large crude carrier charter rates exceeding \$700,000 per day.

Global food and fertilizer markets have also faced renewed pressure amid several overlapping shocks. In April 2026, **FAO and WFP** highlighted that fertilizer markets had entered a precarious phase, acknowledging that Gulf producers are major suppliers of nitrogen fertilizers and critical phosphate inputs, and the disruption of their exports had created an immediate global shortfall. Urea prices rose by roughly 50–80 percent above pre-conflict levels, directly threatening farm input affordability and future food production. The risks cascade beyond the Gulf, as producers depend on imported ammonia, sulfur and LNG.

While agricultural commodity prices remained comparatively muted in the immediate aftermath, supported by ample grain supplies entering 2026 — this near-term resilience did not obscure the medium-term risk of cross-commodity price contagion. The FAO Food Price Index rose 6.4 percent, climbing from 125.3 points in February to 133.3 points in August 2026.⁴ This increase reflects not only the Middle East conflict, but also disruptions to Black Sea trade, adverse weather in major producing regions, and El Niño-related concerns about agricultural output. Meanwhile, fertilizer prices have experienced extreme volatility. The World Bank's fertilizer price index surged from 144.9 in February to 199.7 in April before retreating to 146.4 in August, though phosphate prices remained stubbornly elevated.⁵ The World Food Programme estimated early in the conflict that an additional 45 million people could be pushed into food insecurity due to the secondary impact of the conflict, on top of the 266 million people around the world who are already food insecure. Nearly seven months into the conflict, elevated and volatile costs for fertilizer, energy, and transport will feed into agricultural production and consumer food prices with a lag, particularly in import-dependent nations, potentially further increasing the number of people facing food insecurity.

By September 2026, maritime disruption had not yet caused a generalized global food shortage and for now, the principal effects are therefore being transmitted through higher landed costs, shifting trade competitiveness, longer transit times and greater uncertainty, rather than a broad collapse in physical availability. If disruptions persist, or intensify, it could lead to higher freight and energy costs which could progressively become production-side shocks through fertilizer availability and prices, fuel costs, planting decisions and agricultural investment. Net food-importing developing countries with limited foreign-exchange reserves and fiscal space are particularly exposed.

2. Differentiated impacts

The development costs of the conflict are already substantial and rising exponentially.⁶ The crisis is further weakening public finances in many vulnerable developing countries, intensifying an adverse debt-development trade-off: increasingly, scarce resources are being diverted away from critical long-term sustainable investments and funneled instead toward a growing debt-service burden and emergency relief.

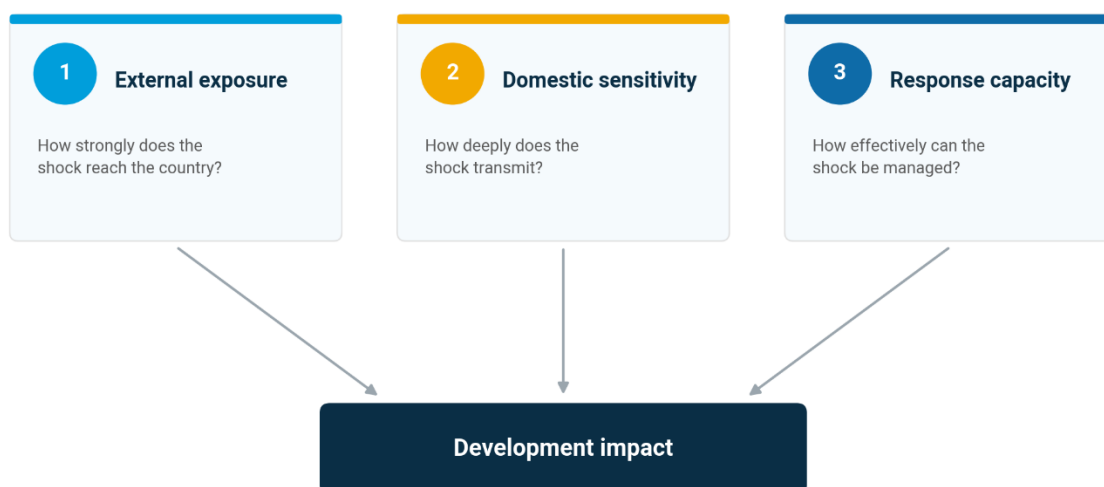
In this context, the development impact of the current shock on a country is determined by three interacting dimensions: *external exposure*, *domestic sensitivity* and *response capacity*. External exposure reflects the degree to which countries depend on imported

⁴ See '[Supply concerns drive FAO Food Price Index higher in August](#)', FAO, September 4th, 2026 and '[World Food Situation](#)' from FAO, September 4th, 2026.

⁵ See World Bank's Commodity Markets Pink Sheet, September 2026.

⁶ [Military Escalation in the Middle East: Cushioning the Global Shock](#), UNDP, June 29th 2026.

Three dimensions shaping development impact



energy, food and fertilizer, or on trade and logistics routes affected by the crisis. Domestic sensitivity is influenced by poverty and food insecurity, the strength of household and firm buffers, economic informality, energy intensity and the weight of food and fuel in household consumption. Response capacity depends on fiscal space, reserves and access to external finance, as well as the coverage of social protection, the quality of institutions and the availability of timely data and analysis. The same external shock can therefore produce very different development outcomes depending on countries' structural characteristics and pre-existing vulnerabilities.

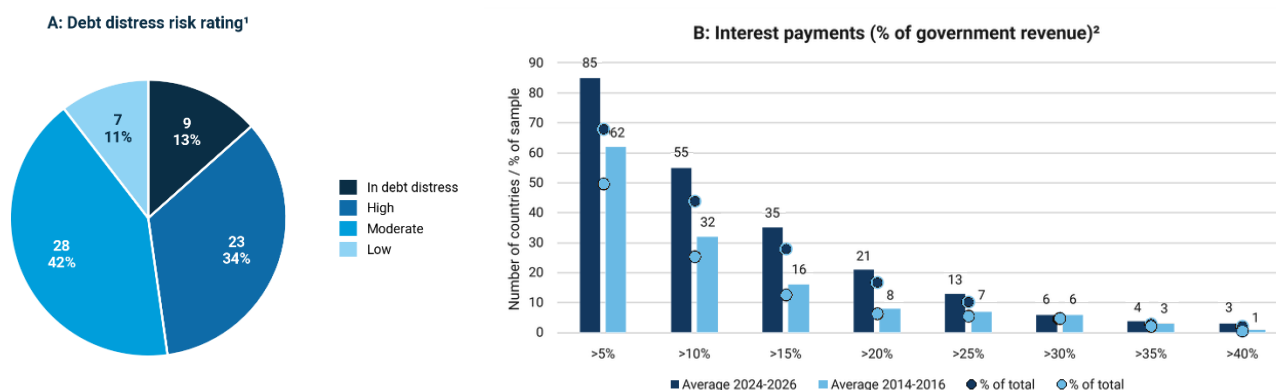
Ultimately, the crisis's impact is shaped by how these spillovers interact with pre-existing vulnerabilities rather than acting as isolated shocks. For developing nations, spillovers of the Middle East crisis compound food insecurity, climate pressures, and fiscal constraints, creating risks greater than the sum of their parts. The 2026–2027 El Niño acts as a critical risk multiplier, combining with Middle East spillovers to hit import-dependent countries with simultaneous domestic production and external price shocks. As FAO data shows, simultaneous trade corridor disruptions (Strait of Hormuz, Red Sea, Panama Canal) and El Niño-driven rainfall deficits are inflating fertilizer, fuel, and shipping costs. In fragile settings and hunger hotspots, these pressures collide with high debt and constrained fiscal space - transforming energy and transport shocks into severe agricultural crises.

Based on data from 130 countries, average retail prices for gasoline and diesel have surged by 22 percent and 32 percent, respectively, since the conflict broke out in late

February.⁷ While subsidies and tax reductions cushion consumers by shifting the burden onto public finances, they simultaneously intensify debt pressures and crowd out long-term development spending.

Limited fiscal space, high and rising borrowing costs, and compounding crises severely constrain the ability of many developing country governments to respond to the current shock, exacerbating the growing debt-development trade-off, and increasing the risk of social unrest and protest.⁸ According to the latest data, nearly half of the poorest countries remain either in or at high risk of external debt distress (see Figure 2A). Furthermore, interest payments relative to revenue in developing economies have not been this high in more than 20 years.⁹ Fifty-five developing countries (44 percent of the sample) now spend more than 10 percent of their total revenue on interest payments, up from 32 countries (26 percent) a decade ago (see Figure 2B). Elevated long-term bond yields in major advanced economies are tightening global financial conditions further.

Figure 2: Debt distress risk (A) and servicing burden (B) – developing economies*



Source: UNDP based on IMF and World Bank data. Note: ¹ Figure A uses 'the risk of external debt distress' from the Debt Sustainability Analyses for countries covered under the Debt Sustainability Framework for low-income countries. ² Figure B includes all low- and middle-income countries (as per World Bank income classification). Interest payments are calculated as the difference between the overall and primary fiscal balance.

UNDP emphasized earlier this year that if the conflict drags on, 45 million people could be pushed into poverty as inflation increases and growth weakens. Growth prospects have already weakened significantly. Excluding countries directly impacted by the

⁷ See 'Fuel price changes after the start of the Iran war' from Global Petrol Prices, September 2026.

⁸ See 'Rising Fuel Prices Set Off Anger and Protests Around the World', the New York Times, September 15th, 2026. As oil prices reach \$100+/barrel, strategies used to contain prices become too expensive; pass-through of prices, in turn, exacerbate social conflict and street protests.

⁹ The median developing (i.e. non-high-income) country government is estimated to have net interest payments higher than 9.5 percent of revenue this year – a level last seen this high in the early 2000s. See for instance UNDP's [Debt Insights Data](#) page.

conflict, 100 countries have had their 2026 real growth forecasts revised downward following the onset, with the largest revisions concentrated among the poorest countries – an indication that countries with the least capacity to absorb the shock are most severely affected.¹⁰

In May 2026, **UNDP and DCO** conducted a survey of 104 UNCTs. Responses underscore that the biggest challenge is the trade-off between short-term protection and medium-term sustainability: protecting households today often means higher deficits, more borrowing, weaker reserves, or delayed reform. The survey also underlines that the global picture is one of broad but uneven spillover impacts. The most exposed groups are those least able to absorb shocks: low-income households, farmers and rural producers, SMEs, refugees and migrants, informal or unemployed workers, and women, children and older persons.

Especially fragile and conflict-affected countries are feeling the impacts of a compounded shock. Box 1 below provides an overview of impacts by country typology.

A September survey conducted by UNDP in 26 countries suggests a sharpening of policy trade-offs: close to 70% of government policy interventions are focused on containing price increases via subsidies, price caps and rationing; and over 50% of requests to the United Nations are about helping to fund these strategies. As oil prices surge to \$100/barrel, governments are facing a sharper trade-off: if they pursue price containment, they need additional fiscal resources; if they allow prices to pass through, they also need additional resources to protect the vulnerable with temporary and targeted cash transfers.

¹⁰ *ibid*

Box 1: Differentiated impacts across country groupings

While global in scope, the crisis affects developing nations unevenly based on their structural vulnerabilities:

- **LDCs:** High poverty, informality, and fiscal constraints limit macroeconomic adjustments, forcing greater reliance on social protection, direct market controls, and refugee-support interventions.
- **LLDCs:** Long, costly transit corridors amplify the impact of surging fuel and shipping costs on domestic inflation, compounding vulnerabilities to imported food and fertilizer shocks.
- **SIDS:** Extreme import dependence on fuel, food, and maritime transport drives responses that combine price management with accelerated investments in renewable energy and power-sector reforms.
- **Fragile & Conflict Settings:** Spillovers layer onto existing humanitarian, displacement, and institutional crises, requiring integrated responses that blend stabilization with basic service continuity.
- **Energy Exporters:** A limited group of net exporters may see temporary fiscal and export gains, though these are often offset by higher import costs and broader global volatility

The bottom line is that a global shock does not produce uniform losses, it hits hardest where exposure is high, buffers are thin and response capacity is weakest. Effective action must therefore be differentiated by country context—protecting those most at risk today while expanding the fiscal, institutional and financing capacity needed to withstand tomorrow’s shocks.

3. Country priorities and asks of the UN

Reporting from across UNCTs suggests a consistent picture: the Middle East crisis remains a significant development concern well beyond the directly affected region, with governments continuing to face the challenge of managing higher food, fuel and transport costs amid constrained fiscal space, elevated debt burdens and broader economic uncertainty.

Key policy responses to the crisis

Governments have responded primarily by cushioning households and businesses against rising prices to preserve stability. The most common interventions include fuel and fertilizer subsidies, tax reductions, price controls, and social protection expansions. Aimed at maintaining supply, containing inflation and supporting social cohesion, these

measures are heavily concentrated in fuel and electricity policies – often at the expense of rising fiscal costs.

Most policy packages being implemented remain defensive and short term; however, some countries are using the crisis to accelerate renewable-energy deployment and energy-efficiency measures. Across sectors, governments are drawing on a wide menu of tools, including those presented in table 1 below.

Table 1: Top observed policy responses across country contexts.

Fuel	Energy	Food	Fertilizer/Agriculture inputs	Social Protection & Jobs
Price controls	Regulatory measures for energy sector (temporary rules, emergency powers, market interventions)	Support to domestic production	Domestic production support	Expanded social protection coverage / new schemes / registries
Fuel subsidy expansion	Acceleration of renewables/energy-efficiency measures (fast-track tenders, incentives, standards)	Market functioning measures (anti-hoarding, stock limits, etc)	Fertilizer subsidy / targeted input subsidy	Cash transfer top-ups / direct income support
Automatic price adjustments	Electricity tariff adjustment (increase/decrease) or delayed adjustment	Import facilitation	Import facilitation	SME support
Fuel tax cuts	Strategic fuel stock release/build-up or changes to fuel storage policy	Strategic reserves release/build-up	Price cap/controlled pricing	Mandated work from home
Targeted fuel support	Budget transfers/arrears clearance/support package for utilities or fuel importers	VAT/tariff cuts	Credit support	In-kind/goods or basic services support
Export restrictions	Fuel-switching measures (e.g., gas-to-fuel oil, coal, renewables) or alternative suppliers/contracting	Export restrictions	Anti-hoarding/stock management	Wages indexation/salary support

Source: UNCT Pulse survey, May 2026.

Policy mixes also vary by country context: LDCs lean more heavily toward social protection, direct controls, and refugee- or displacement-related measures, while SIDS place relatively greater emphasis on energy transition, efficiency and administrative market management. Yet implementation capacity is a binding constraint: choosing the right policy is not enough without reliable data, effective targeting systems, coordination and financing. Many measures remain broad-based and costly, reinforcing the case—especially amid constrained fiscal space—for more targeted, implementable and sustainable policy support.

Matching Country Needs with UN Support

UN reporting and survey findings show that government requests are shifting from broad crisis cushioning toward targeted, fiscally sustainable responses. Facing tight fiscal space and rising debt, countries most frequently request support for resource mobilization and access to finance. Additionally, UNCTs highlight an urgent need for stronger macro-fiscal analysis, price monitoring, vulnerability tracking, social protection targeting, and closer coordination with international financial institutions (IFIs).

The common thread is an urgent need to connect immediate macroeconomic stabilization with long-term financing and resilience. Country priorities have evolved: while initial responses focused on managing immediate price spikes, persistent pressures have shifted demand toward stronger analytical capabilities, targeting systems, financing strategies, and institutional capacity.

UN system support closely mirrors the evolving priorities, focusing primarily on policy advisory and dialogue, data and analysis, partner coordination, and macroeconomic technical assistance. While data and dialogue remain consistent across all contexts, least developed countries rely heavily on partner coordination, whereas fragile and conflict-affected settings prioritize humanitarian linkages, displacement support, and resource mobilization.

The broader UN system has mobilized a comprehensive support package under the [UN System-wide Offer in Response to the Spillover Impacts of the Middle East crisis](#), combining rapid analytics, policy and financing options, food-security expertise, energy transition support, and social protection options. This system-wide offer is directly translated into action through mechanisms like the Joint SDG Fund's Development Emergency Modality (DEM) Middle East Crisis Response Window and UNDP's Middle East Response grants. Thirty-five country teams submitted proposals requesting seed financing, focusing predominantly on food security, fuel and energy, analytics, and policy support. These proposals directly reflect the diagnostic needs identified across recent surveys—such as stronger data systems, fiscal analysis, and resilience-building—serving as a vital bridge from crisis diagnostics to targeted implementation. This offer rests on a

shared evidence base: Sub-Working Groups 1–3 have reported continuously to the Task Force since March 2026, providing the macroeconomic, food-security, trade and logistics analysis on which the country-level work of Sub-Working Group 4 draws..

Across diverse country contexts, the UN system is helping governments understand how energy, food, fertilizer, transport and climate-related shocks interact with domestic vulnerabilities and translate that analysis into practical policy choices. UN Country Teams have supported rapid socioeconomic and macro-fiscal assessments, real-time price and fiscal monitoring, vulnerability mapping, supply-chain diagnostics and policy dialogue. In Albania and Botswana, for example, UN support has focused on integrated analysis of fuel-price pressures, debt, employment, inequality and service delivery; in Papua New Guinea, it is helping governments model the fiscal and distributional effects of interconnected shocks and develop costed response options. In fragile and displacement-affected settings, including the Democratic Republic of the Congo and Egypt, the UN has also linked socioeconomic analysis with food-security monitoring, humanitarian coordination, continuity of essential services and support to refugees, host communities and vulnerable households.

The UN system is also strengthening the national systems needed to deliver assistance more quickly, accurately and sustainably. In Jordan, UN entities are supporting the upgrade of the national farmer registry and its interoperability with the social registry, helping build a shock-responsive digital ecosystem for targeted agricultural and social protection support. In Guinea-Bissau, support includes piloting an integrated early-warning and vulnerability-monitoring system, producing operational dashboards and strengthening government capacity for anticipatory action. Elsewhere, UN Country Teams are helping governments improve subsidy targeting, design adaptive social protection, monitor fuel markets and fiscal costs, and develop contingency measures for food, energy and supply-chain disruptions. These efforts respond to a common implementation challenge: policy choices are only effective when backed by reliable data, capable institutions, coordination mechanisms and viable financing.

Increasingly, UN support is helping countries connect immediate crisis management with longer-term resilience and investment. In Rwanda, this includes developing a prioritized food-systems resilience roadmap covering early warning, input diversification, climate-resilient production, storage, logistics, nutrition and shock-responsive social protection. In Sri Lanka, the UN is moving from diagnostics toward the design of an operational financing mechanism for MSMEs and vulnerable households affected by trade and logistics disruptions; in El Salvador, support is informing a resilience financing and investment roadmap and potential thematic financing instruments. Across these examples, catalytic resources—including through the Joint SDG Fund's Development

Emergency Modality and UNDP response grants—are helping countries convert analysis into costed programmes, investment-ready instruments and coordinated platforms capable of mobilizing larger-scale public and private finance.

4. Moving from shock to resilience: the role of the international community

The principal challenge facing developing countries is navigating a landscape of overlapping shocks where external crises interact with food insecurity, climate hazards, debt burdens, and weak growth. Resilience is no longer about withstanding a single shock but adapting to interconnected risks.

While governments are actively working to protect citizens and maintain essential services, many are reaching the limits of domestic policy. Constrained fiscal space, rising debt, and capacity gaps threaten to widen the resource-needs gap.

Moving from shock management to resilience requires a robust ecosystem of support. National leadership must be paired with stronger multilateral partnerships spanning the UN, IFIs, development banks, and the private sector. The UN plays a critical connecting role. Through its country presence and expertise, the UN helps governments analyze transmission channels, strengthen data systems, design targeted policies, and bridge humanitarian, development, and peacebuilding efforts.

Mechanisms like the Joint SDG Fund's Development Emergency Modality (DEM) Middle East Crisis Response Window translate this support into action by providing rapid seed financing to move from diagnostics to implementation. Crucially, these are not stand-alone projects but investments in the analysis, systems and costed options that unlock larger public and private financing downstream. Scaled capitalization would turn this architecture from a rapid-response mechanism into a platform for delivery at scale. Above all, it would protect SDG trajectories by strengthening adaptive social protection, food-system data, and MSME and livelihood resilience in the most exposed, import-dependent and fiscally constrained economies.

Ultimately, building resilience requires investing in stronger institutions, shock-responsive social protection, sustainable food and energy systems, and affordable finance. A coherent multilateral response must combine policy support, financing partnerships, and collective action to ensure vulnerable countries do not bear global crisis costs alone.



The United Nations Sustainable Development Group (UNSDG) unites the 38 UN funds, programmes, specialized agencies, departments and offices that play a role in development. At the country level, 130 UN Country Teams serving 162 countries and territories work together to increase the synergies and joint impact of the UN system. The UN Development Coordination Office (DCO) serves as the secretariat for the UN Sustainable Development Group (UNSDG) at the regional and global levels. DCO provides managerial and oversight functions for resident coordinators. Its activities are advanced through collective ownership by the UNSDG. The Office acts as a key conduit for supporting the UN's activities for sustainable development, which inform policy, programme and operations on the ground.