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DRAFT REPORT OF THE STANDING COMMITTEE ON
POVERTY ALLEVIATION ON ITS FIRST SESSION

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from 18 to 22 January 1993

Rapporteur: Mr. R. Konrath (United States of America)

Addendum

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Chapter IESTABLISHMENT OF THE WORK PROGRAMME
OF THE STANDING COMMITTEE

(Agenda item 3)

(continued)

98. The representative of the Commonwealth Secretariat said that the Commonwealth Consultation on Rural Poverty Alleviation, held in Colombo, Sri Lanka, in 1992, had been the culmination of an ongoing programme of work on poverty reduction by the Secretariat. The consultation had been structured around six key issues, namely defining the problem and characterizing the poor, poverty-specific policy approaches, poverty programme design, development and delivery, resources and the sustainability of poverty alleviation programmes, integrating poverty alleviation into overall development strategies, and, lastly, the roles of those involved in poverty alleviation programmes. Broadly speaking, two main elements had emerged from the deliberations: firstly, an overall framework had been developed to explicitly involve poverty reduction objectives in the context of growth strategies. A focus on the rural sector was seen to be vital in poverty-reducing policies and programmes, since the overwhelming majority of the poor were in rural areas. Secondly, a series of detailed recommendations had been put forward to mitigate the present hardships faced by the poor. The most powerful and overriding message of the consultation was that there must be a long-term commitment to coordinated efforts, by all those involved, to reduce poverty as a central objective of national policies and programmes, with resource allocations reflecting this focus. In addition, the need remained for interim measures to alleviate the immediate hardships faced by the poor. Specific needs included poverty mapping for effective targeting, helping the poor participate fully in the growth process, monitoring and evaluation of poverty programmes and the exchange of experience on successful initiatives. Finally, he emphasized that the Commonwealth Secretariat was ready to cooperate with UNCTAD and other agencies in their endeavour to combat poverty.

99. The representative of UNDP said that UNDP stood for human development and efforts were being intensified to support policy measures and operational activities designed to enlarge the possibilities of the poor to satisfy their basic needs and develop their full potential. At the macroeconomic level, in

addition to the publication of successive Human Development Reports, UNDP assisted Governments in systematically addressing poverty issues as part of their national, regional and local development strategies, while in terms of structures, UNDP was supporting developing countries in their efforts at decentralization. The strengthening of basic services had traditionally been the major area of UNDP's work in poverty alleviation, with a focus on primary and vocational education and curricula reform, preventive and primary health care, self-help housing schemes, low-cost water supply, sanitation and energy, and the provision of social security safety nets. Providing the poor with access to income/productive assets was a rapidly growing area of UNDP intervention, with many employment, micro-enterprise and credit programmes targeted at the poor. Another central feature of UNDP-supported poverty alleviation programmes concerned efforts to improve the situation of women. In general, accumulating evidence pointed to the fact that successful projects appeared to be those where community participatory methodologies were applied and where NGOs were involved as partners.

100. For the fifth cycle, the Governing Council had cited poverty eradication and grass-roots participation as the first of six priority areas targeted for national capacity building. US\$ 20 million of special programme resources had been earmarked to support the development of concepts, methods, policies and strategies for poverty eradication and promotion of participatory development practices and their mainstreaming. This should facilitate UNDP's response to demands from Governments in terms of both technical expertise and information as well as mobilizing additional financing. He confirmed UNDP's commitment to participating in arrangements for exchanges and collaboration that would result from the Committee's deliberations.

101. The representative of the Office of the United Nations High Commissioner for Refugees said that refugees were the poorest among the poor. The majority of them, 80 per cent of whom were women and children, were from developing countries and were located in the poorest regions of some of the world's poorest countries. The reasons which pushed refugees to leave their countries were invariably linked with the violation of their basic human rights, yet it was no longer possible to deny the linkage between mass displacement and missed development. In such circumstances, durable solutions to mass displacements were, to a large extent, dependent on development initiatives. Relief, rehabilitation, reconstruction and development were thus inextricably

related. Though UNHCR was not a development agency, it was aware of the necessity to create the link between refugee aid and development. UNHCR advocated greater inter-agency cooperation on refugee and returnee assistance. The recent initiatives to encourage greater and enhanced United Nations system-wide cooperation and coordination (e.g. General Assembly resolution 44/137 and Economic and Social Council resolution 1990/78) could further strengthen cooperation and coordination. The work on the Guidelines on Refugees and Development being promoted by UNHCR in the Consultative Committee on Substantive Questions (Operations) had been finalized at the Committee's first regular session in 1992.

102. The representative of the International Confederation of Free Trade Unions said that worsening poverty was attributable to the current world economic crisis, the success in the 1980s and 1990s of the neo-liberal ideology, and the effect of the structural adjustment programmes recommended by IMF and the World Bank.

103. The key to the reduction of poverty was the provision of more employment. In this connection, he deplored the lack of interest of Governments in developed and developing countries in employment creation, and reproached Governments of developing countries for having supported the growth of poor-quality employment in the informal sector.

104. Poverty in many countries could also be traced to the low wages paid by domestic and foreign employers, and Governments which implemented a policy aimed at attracting foreign investors through a low-wage strategy were exposing vulnerable groups of their population to a downward spiral of wages.

105. Poverty must be tackled directly through the public sector which should identify and boost employment-intensive sectors and provide better education, training, housing and social benefits for the poorest. It should also endeavour to broaden the tax system to meet needs for investment and for a social safety net.

106. It was vital that the industrialized countries increase aid to the developing countries, reduce their debt and through GATT uphold their interests in the international trading system. Finally, there was an urgent need for a boost to the world economy to provide better jobs worldwide.

107. The representative of ICVA said that he was speaking in the name of NGOs, understood as non-profit organizations concerned with social change. Northern NGOs transferred the equivalent of \$6 billion per year to the countries of the

South, and the interest of NGOs did not reside solely in the alleviation of poverty but rather in its eradication. The Committee should embark on a series of in-depth analyses of the causes of poverty and investigate once and for all the reasons why more than a billion people were living below the poverty line today and why the development decades had led to an increase in poverty despite the measures taken to reduce it.

108. The issues which the Committee could study included: the disparities in the distribution of world income and the unequal access to technology; the relationship between population and access to resources, financial and other; the relationship between external debt, capital flight and other types of net resource transfers from South to North, and poverty; the impact of structural adjustment programmes on the situation of the poor, namely the consequential aggravation of their poverty; the role and effectiveness of international assistance; the correlation between poverty and democratization; and economic growth and sustainable development as basic conditions for resolving poverty problems. The Committee could also look into other issues such as the reasons why the one billion people below the poverty line lived in areas vulnerable to natural disasters, and the role of the State in the area of social security. Finally, it was important that the developed countries bring to the Committee their experience with regard to how to deal with poverty and the marginalization of the poor in their own societies.

109. The representative of the International Trade Centre said that although poverty was a phenomenon affecting both rural and urban areas, ITC's work on poverty alleviation was specifically within the context of rural development. One consideration was that the majority of the population in the developing world lived in rural areas, where poverty was not only widespread but was in fact growing worse. The ITC programme was based on the simple but empirical thesis that the basic cause of poverty was the lack of regular productive employment accompanied by remunerative income. Within ITC's mandate of "export and trade promotion", the programme sought to create rural employment and income opportunities through improvement of export supply capacity and market development. The characteristic feature of the concept was its focus on the human dimension. The programme emphasized the highest possible local value added in export supply development, and it sought to enlist the consensus of Governments, NGOs, the private sector, village elders and relevant organizations. The programme emphasized national institutional

building and provided for the collaboration of other United Nations organizations. The regional bureaux in ITC had, on their own initiative, been implementing rural-based export development projects, and through these efforts ITC intended to address the problem of rural poverty within its mandate.

110. The representative of the International Monetary Fund said that the central mandate of IMF was to help member countries maintain or restore policies conducive to growth, balance-of-payments and price stability, and more open economies. The Fund had been paying increased attention to poverty and other social issues, and had sought to work with member countries to establish an appropriate mix of financing and adjustment and to catalyze requisite financial support. With the growing awareness of the need to deal with deep-rooted structural problems and the associated time frame, there had been a shift in the Fund from the original focus on balance-of-payments problems to structural issues, with corresponding importance attached to the most vulnerable sectors of society in the country concerned. In the Fund, as elsewhere, there was a conviction that each country had the primary responsibility to achieve and maintain a sustainable internal and external balance. The macroeconomic framework was crucial for high-quality growth. To provide financial support for these efforts in the low-income countries, the Fund had created specific facilities, and in so doing, the Board had given guidance to the staff on social issues in general. Building on this, social concerns had become increasingly prominent in the Fund's work. It had steadily strengthened its capacity to support member countries that were pursuing policies to help the poor. Dealing with these issues had been an evolving process, and an important element of the strategy had been to provide special assistance to member countries.

111. The representative of the United Nations Department for Economic and Social Development said that, within the context of the restructuring of the economic sphere of the United Nations system, the Secretary-General had decided to establish three separate departments. The first department, the Department for Policy Coordination and Sustainable Development, had a policy development function, focusing on the integration of the social, economic and environmental dimensions of broad policy coordination issues in such areas as growth adjustment, poverty, hunger and malnutrition. The second department, the Department for Economic and Social Information and Policy Analysis, would

focus on the compilation and dissemination of economic and social statistics and analyses of long-term trends. The third department, the Department for Development Support and Management Services (DDSMS), would serve as a focal point for the provision of management services for technical cooperation and act as an executing agency in selected cross-sectoral areas, with emphasis on the twin concepts of institutional development and human resources development and on enhancing the contribution of different social groups to development. Technical cooperation with developing countries in the above areas would particularly focus on the requirements of the least developed countries, as well as those of economies in transition. DDSMS would be glad to assist in the execution of all projects falling within its fields of competence with the aim of alleviating and eradicating poverty by providing the developing countries with experts, equipment and proper training.

112. The representative of Kenya said that the document prepared by the secretariat reflected the new spirit of Cartagena. In its work, the Standing Committee should be selective and engage in action-oriented dialogue allowing it to prioritize the issues and work out a reasonable work programme. Issues to be covered by the work programme should be clustered into two sections, with the first devoted to identification of issues and problems on a prioritized basis, also highlighting the needs of the poor. Short definitions of "poverty" and "the poor" would be important for deciding on the scope of the work. Poverty should be discussed in terms of selected communities, geographic location, women, youth and children, the handicapped, the retarded and the aged. He also listed 12 issues that his delegation viewed as requiring the attention of the Committee. The second section of the work programme would relate to the operational aspects. A system of regular consultations should be constituted to address problems of poverty at various levels, and to make the consultations meaningful it would be important to emphasize the involvement in the decision-making process of the targeted lowest strata of the population. The role of women, especially poor rural women, should also be stressed. He highlighted the importance of coordination, consultation and collaboration among different actors of the policy dialogue, which should produce recommendations to the Committee for discussion and decision. Mechanisms should also be created to identify new ways and means of poverty alleviation. He also pointed out the seriousness of the reverse transfer of resources from developing to developed countries and

called for measures to arrest this trend. This question deserved thorough study and discussion by the Committee and other relevant bodies of UNCTAD. He also stressed the need to constitute review and appraisal mechanisms on the implementation of the Committee's work programme.

113. The representative of Bolivia said that, to cushion the poor from the worst effects of the 1985 comprehensive economic reforms, the Government had created the Emergency Social Fund (ESF) to provide temporary employment to those displaced by the economic crisis and to bolster basic social services. One of the lessons learned from the ESF experience was that, while a demand-driven emergency programme could help to lessen hardships from unemployment during adjustment, alleviation of structural poverty required greater direction and care in targeting investments and services.

114. The Social Investment Fund (SIF), established in 1990, was based on these guiding principles. It had assigned priority to basic health care and primary education, with particular attention to the needs of the rural areas, low-income urban districts, women, and other vulnerable groups. The operational objective of the SIF was to improve the coverage and quality of services through provision of financing for investment in infrastructure, primary health care, water supply and basic sanitation, nutrition, basic education and training. The SIF had developed mechanisms to improve the targeting of social programmes and strengthen links with local governments, NGOs and community groups.

115. Another important lesson learned from the SIF concerned the value of cooperative relationships with NGOs and other private groups working at the local level.

116. The SIF projects were funded by domestic, international and regional banks, as well as bilateral donors. The Fund had been very effective in using its resources thanks to improved transparency, modern techniques of disbursement and prevention of corruption and waste.

117. The representative of Chile said that although Chile had been successful in reforming its economy, the level of poverty remained a serious challenge for his Government. The latter had therefore adopted a strategy aimed at integrating marginal groups into mainstream development. The Social Solidarity Fund, while providing short-term relief and assistance to the poorest groups of the population, generated productive active employment and self-help. It also provided basic social services such as education, nutrition, health and housing for the poor.

118. With regard to the work programme, the Standing Committee must concentrate on practical actions based on broad international cooperation and drawing on different national experiences. The Committee should carry out in-depth studies on the impact of external factors on poverty and make concrete recommendations to the Trade and Development Board and the Conference, and it should establish a programme of technical assistance activities for alleviating poverty with the participation of all countries.

119. To that end, the Committee should agree on a three-pronged work programme. The first part should state clearly the aims of the exchange of national experiences and the different activities to be carried out under this heading. The second part of the programme should focus on the external factors affecting poverty, for example development assistance, international trade, sustainable environment and migration. The third part of the work programme should comprise a set of technical assistance activities which could be funded from multilateral institutions and bilateral contributions, with the objective of facilitating the exchange of national experiences.

120. The representative of Peru said that the policy measures adopted by his Government to deal with poverty issues were designed to complement other measures aimed at economic reform and the revitalization of the economy. The poverty approach focused on the poorest and most vulnerable groups. The selection of programme and types of assistance was based on a "poverty map", while the identification of the priority groups was based on key health and education indicators. The objective of his Government's plan was to reduce poverty by at least 15 per cent over the next few years.

121. In the Government's efforts to alleviate poverty, human capital development had been placed at the centre of the social development strategy. Priority had been given to basic health, water, sanitation and education, with particular attention being paid to marginal and vulnerable groups.

122. The National Social Compensation and Development Fund had been established to finance and carry out social investment projects throughout the country. Its basic aims were to mobilize the work potential of the poor and to enhance their productive capacity, as well as to create temporary jobs. In sectoral terms, preference had been given to supporting basic education, improving the working opportunities of the very poor, particularly in rural areas, and improving sanitation and health standards.

123. With respect to the work of the Standing Committee, the issues of interest to his Government included: different national experiences in dealing with the impact of structural adjustment on the poor; measures aimed at broadening popular participation and decentralization in decision-making; and effective policies for the distribution of food to the poor, particularly policies making it possible to bypass intermediaries and reduce costs.

124. The representative of the Philippines said that poverty remained pervasive in his country. In spite of a slight improvement since 1988, about 4.8 million households still fell below the poverty line.

125. His Government had put in place poverty alleviation policy measures consistent with the needs and resources of the vulnerable sectors of society. People empowerment and human development were at the centre of the strategy. The major aim was to improve access to basic social services and development opportunities by focusing social services on the poor, developing social safety nets, redirecting public resources towards basic social services, disadvantaged regions and specific groups, and expanding schemes to promote the physical and social well-being of the homeless, guided by specific provisions of the national development plan. Measures were being implemented to ensure delivery of basic social services to the poorest communities, ensure that the poor benefited from agrarian reform and had access to training and extension services, and help poor communities to organize cooperatively.

126. A Joint Consultative Group on Policy, bringing together UNDP, UNICEF, UNFPA and WFP and steered by the Philippine Council for Poverty Alleviation, was implementing a joint programme on poverty alleviation in collaboration with the relevant government departments. The joint programme concentrated on technical assistance, capacity-building and an integrated approach to service delivery in selected areas.

127. There were also special programmes for areas which were generally not accessible for security and other reasons. Other programmes included self-employment assistance, day-care services and supplemental feeding; primary health care; and credit lending facilities from government-owned and controlled corporations.

128. Finally, he endorsed the call for the inclusion of the issue of poverty and natural disasters in the work programme of the Standing Committee.