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**EMERGING ISSUES AND DEVELOPMENTS AT THE REGIONAL LEVEL:
POVERTY REDUCTION**

(Item 5 (a) of the provisional agenda)

POVERTY REDUCTION: DEVELOPMENTS, ISSUES AND STRATEGIES

SUMMARY

Poverty is a multidimensional concept and the Millennium Development Goals embody a comprehensive commitment to deal with poverty through a multi-pronged approach. ESCAP has therefore adopted a multidimensional and multidisciplinary strategy to assist its members and associate members in reducing poverty in a comprehensive manner through a blend of research and operational activities. The strategy is discussed in the present document, which highlights selected activities in the programme of work, including those with regard to the implementation of resolution 58/2 of 22 May 2002 on poverty reduction for sustainable development. The Commission may wish to deliberate on various elements of this approach and give its guidance and endorsement. The Commission may also wish to review the progress achieved in the implementation of resolution 58/2 and provide further guidance to the secretariat.

This document updates document E/ESCAP/1268, which was issued previously.

Introduction

1. Poverty is a multidimensional concept. While income poverty is widely discussed, the social dimensions of poverty and their linkages to income require greater consideration. In this context, the Millennium Development Goals (MDGs), contained in the United Nations Millennium Declaration unanimously adopted by the General Assembly at the Millennium Summit in September 2000, embody a comprehensive commitment to deal with the problem of poverty through a multi-pronged approach. The MDGs cover all major areas related to the well-being of people, including extreme poverty and hunger, education, health, gender equality and the environment. The MDGs have clear targets to be met by countries. A preliminary review of progress by countries towards achieving the MDGs was included in the *Economic and Social Survey of Asia and the Pacific 2002*. A more detailed review is provided by ESCAP and the United Nations Development Programme (UNDP) in a very recent report, *Promoting the Millennium Development Goals in Asia and the Pacific: Meeting the Challenges of Poverty Reduction* (June 2003).

2. In the context of the new conference structure of ESCAP, which enables its members to focus on three themes, namely, poverty reduction, managing globalization and addressing emerging social issues, the trends, development and policy issues in the area of poverty will be identified and reported to the Commission by the Committee on Poverty Reduction, the Subcommittee on Poverty Reduction Practices and the Subcommittee on Statistics. The first sessions of those legislative committees will take place during 2003-2004. In lieu of the reports on those meetings, an attempt has been made in the present document to draw the attention of members and associate members to some dimensions of poverty reduction, including selected policy issues and developments, with emphasis on the secretariat's activities in these areas. Some highlights of the report of the Committee on Statistics on its thirteenth session are also presented. By resolution 58/2 of 22 May 2002 on poverty reduction for sustainable development, the Commission requested the Executive Secretary to mobilize and allocate human and financial resources within the ESCAP secretariat so as to reflect the prioritization of poverty reduction in the programme of work in 2003 and in the years ahead. It also requested him to promote more harmonized coordination among the various divisions of ESCAP in charge of the environment and sustainable development, as well as poverty reduction, in developing a comprehensive and action-oriented programme of work. Activities undertaken in this regard are reflected in the annex and are elaborated in this document.

A. Trends and dimensions of poverty

1. Trends

3. Despite some progress, absolute poverty remains a major development challenge facing many countries in the ESCAP region. Based on the one dollar a day (at 1993 purchasing power parity) per capita poverty line used for international comparisons, nearly two thirds, or 800 million, of the world's poor live in Asia and the Pacific. The region as a whole has made major progress in reducing the incidence of poverty over time; around 34 per cent of the population of the region was poor in 1990 but by the late 1990s this figure had come down to 24 per cent. Progress in poverty reduction

was more rapid in East Asia (including South-East Asia and the Pacific) than in South Asia during the period.

4. At the country level, based on the poverty line described above, most countries were able to reduce the incidence of poverty over the 1990s (see table). The reduction in the rate of the incidence of poverty was nearly 50 per cent in the case of China and even more in Indonesia, Malaysia, Thailand and Viet Nam. Based on national poverty lines, poverty was also reduced in several countries. However, in the wake of the 1997-1998 Asian economic crisis, poverty increased in countries directly affected, including Indonesia, the Philippines and Thailand, suggesting the need to pay greater attention to ensuring the sustainability of poverty reduction.

Incidence of poverty in selected countries of the ESCAP region, 1990-2000

	Population below one dollar poverty line (percentage)		Population below national poverty line (percentage)	
	1990	2000	1990	2000
	Bangladesh	35.9 ^a	29.1 ^b	42.7 ^a	34.0
Bhutan	..	..	..	36.3
Cambodia	48.3	35.5	39.0 ^c	36.1 ^d
China	31.3	15.4	9.4	3.7 ^e
India	46.6	44.2 ^d	36.0 ^c	26.1 ^e
Indonesia	20.6	8.3	15.1	18.2 ^e
Kazakhstan	1.1 ^f	1.5 ^b	..	31.8
Kyrgyzstan	..	..	40.0 ^f	55.0 ^e
Lao People's Democratic Republic	53.0	34.6	..	..
Malaysia	0.5	0.0	13.4 ^f	8.1 ^e
Mongolia	13.9 ^g	..	17.0 ^a	35.6 ^h
Nepal	37.7 ^g	..	..	42.0 ^b
Pakistan	47.8	31.0 ^b	22.1 ⁱ	33.5
Papua New Guinea	23.7	18.5	..	..
Philippines	19.1	13.2	45.3 ⁱ	39.4
Sri Lanka	3.8	6.6 ^g	33.0 ⁱ	39.2 ^b
Thailand	12.5	5.2	27.2	15.9 ^e
Viet Nam	50.8	9.6	58.2 ^f	32.0

Sources: ESCAP, *Economic and Social Survey of Asia and the Pacific 2002*, (United Nations publication, Sales No. E.02.II.F.25); World Bank, *East Asia Rebounds, But How Far?* (2002); and national sources.

Notes: The dollar poverty line is in terms of 1993 purchasing power parity. National poverty lines, in national currencies, are country-specific. As a result, poverty estimates based on national poverty lines are not strictly comparable across countries. Two dots (..) indicate that data are not available or are not separately reported.

- ^a 1992.
- ^b 1996.
- ^c 1994.
- ^d 1997.
- ^e 1999.
- ^f 1993.
- ^g 1995.
- ^h 1998.
- ⁱ 1991.

5. Empirical evidence shows that poverty was reduced rapidly in the 1970s and 1980s, when the incidence of poverty was high in the countries of the region. The rate of poverty reduction subsequently slowed in several countries. This may be due to the fact that as the incidence of poverty continues to fall, the remaining poor are likely to belong to a group of “hard-core poor” who are not able to reap the benefits of growth. In this context, it is important that economic growth be made more broad-based so that it also benefits the hard-core poor through explicit targeting. Some policy options to achieve this include a development strategy aimed at the creation of abundant employment opportunities, human resources development, rural development, the promotion of small and medium-sized enterprises and targeted poverty alleviation programmes. In addition, equality of access and empowerment of the poor become important; these are discussed further below.

2. Dimensions of poverty

6. The various dimensions of poverty can be characterized as “poverty of money”, “poverty of access” and “poverty of power.” The most commonly used concept of poverty is based on income. A household whose income falls below the poverty line, usually based on expenditure for basic needs, is characterized as poor. In a market economy, low income severely limits choice as well as access to goods and services of any sort, including food, housing, education and health services. This, in turn, limits the income earning opportunities of the poor. Moreover, owing to their limited income, the poor lack the ability to accumulate assets, which is a key factor in creating wealth and breaking the cycle of poverty.

7. In addition to the lack of financial resources, lack of access is another important dimension of poverty. Poor people often lack human and social capital to participate in development. They often have difficulties in accessing services, such as clean water, health care and education, which are essential for living a healthy life, acquiring knowledge, generating employment and earning an adequate income. Moreover, lack of affordable transport in urban or rural areas deprives the poor of opportunities to take advantage of available employment and basic services, such as education and health care.

8. With regard to poverty of power, the poor often cannot participate actively in the process of decision-making both in the formal structures of Government and the culture of governance even on matters that directly affect their lives. If the voices of the poor are not heard, their real interests cannot be included in policies; hence the policies may not match their specific needs and concerns. Involving the poor in designing and implementing poverty reduction programmes is crucial for enhancing the impact of such programmes.

9. The dimensions of poverty described above are guiding ESCAP in the development of its programme of work and activities, as discussed below.

B. Selected policy issues and responses: ESCAP's strategy and work plan

10. Poverty reduction is a difficult and complex task. First and foremost is the task of enhancing and sustaining economic growth. Second, the pro-poor focus of economic growth has to be ensured so that the poor share more than proportionately in the benefits produced by that growth in terms of income, wealth and opportunities. Third, in addition to income poverty, poverty of access and poverty of power have to be considered as these areas are interrelated.

11. ESCAP's overall goal in poverty reduction is to become an authoritative cutting-edge regional knowledge centre for promoting good and innovative best policies and practices to assist countries in achieving the MDGs related to poverty reduction. Specifically, the strategy is to: (a) undertake and distil the findings of research done both in-house and outside on economic development prospects and policies that influence poverty reduction; and (b) gear operational activities towards documenting, testing and disseminating good practices in poverty reduction through pilot projects and the provision of advice to adapt and replicate these practices.

12. In this regard, through a blend of multidisciplinary research and operational activities, the thrust is to draw out critical micro-macro linkages that allow economic growth to reach the poor. At the same time, more efforts are being made in the Commission and committee structures to promote policy dialogue in the various areas of poverty reduction, particularly those relating to the MDGs.

13. In the light of the cross-cutting nature of poverty, an objective is to conceptualize and develop ESCAP's analytical base for poverty reduction to assist all divisions in ESCAP in focusing on pro-poor activities. In other words, anti-poverty interventions that are made in ESCAP's programme of work in the areas of trade and entrepreneurial development, environment, information, communication and space technology (ICST), transport and tourism and social development are underpinned by a firm analytical base so that the varied activities of ESCAP have a unifying theme of poverty reduction. In this way, the analytical work feeds into the development of operational poverty reduction activities and the experiences gained from operational work supports policy-oriented work. The thrust of the programme of work has been guided by comments received from members and associate members on the secretariat's concept paper on poverty reduction, which was endorsed by the Commission at its fifty-eighth session.

14. All activities support the achievement of international development goals, including those contained in the United Nations Millennium Declaration, the Monterrey Consensus, the Johannesburg Declaration on Sustainable Development and the World Summit on Sustainable Development's Plan of Implementation. Special attention is being paid to the needs of least developed, landlocked and island developing countries and economies in transition.

15. The areas of priority research are:

(a) MDG issues, in particular social-sector goals in education and health, the environment and poverty nexus and socio-economic issues of the digital divide;

(b) Micro-macro linkages, particularly in developing a framework of how micro-level interventions support economic growth objectives in reducing poverty;

(c) Selected issues in financing for development, including raising international and domestic resources, debt management and innovative sources of financing;

(d) Strengthening the statistical infrastructure in countries of the region and helping them to monitor their progress;

(e) Poverty impact evaluation.

16. In terms of operational work, given the large number of agencies both within and outside the United Nations system, the focus is on:

(a) Demonstrating, refining and disseminating good and innovative practices in poverty reduction through pilot projects;

(b) Providing advice and building the capacity of ESCAP members and associate members to adapt and replicate these practices;

(c) Integrating rural and urban issues, which are interlinked. As countries in the region are rapidly urbanizing, the urbanization of poverty will require more attention.

17. ESCAP is working jointly with other agencies, such as UNDP, the International Labour Organization, the Food and Agriculture Organization of the United Nations, the Regional Network of Local Authorities for the Management of Human Settlements, the Network of Local Government Training and Research Institutes in Asia and the Pacific and the United Nations Human Settlements Programme. A critical focus is on strengthening the regional instruments (regional networks, regional resource facilities, regional forums and regional programmes of training and exchanges of experiences) for disseminating good and innovative practices.

C. Poverty and sustainable development: some highlights of issues and ESCAP responses

1. Promoting the Millennium Development Goals

18. The Commission may recall that the Poverty Centre was established in the Office of the Executive Secretary in late 2001 to undertake the preparation of the first regional report on the MDGs as part of ESCAP's overall assistance to member countries in support of achieving the Goals. The Commission may note that ESCAP in cooperation with UNDP published the regional report,

Promoting the Millennium Development Goals in Asia and the Pacific: Meeting the Challenges of Poverty Reduction, in June 2003. The report provides a region-wide assessment of the progress achieved and obstacles encountered in achieving the MDGs in Asia and the Pacific. It explores the prospects for achieving the various targets contained in the MDGs by 2015 and distils the best practices that have contributed towards reducing poverty, ensuring universal education, empowering women, reducing child and maternal mortality, combating HIV/AIDS, promoting environmental sustainability and fostering regional and international cooperation.

19. The report stresses the importance of economic growth in reducing poverty and meeting other key targets of the MDGs. The most spectacular success is reported in the area of poverty reduction with an estimated 147 million people taken out of poverty in the span of just one decade. The report states that the region would be able to reduce the incidence of poverty to anywhere between 10 to 14 per cent by 2015, well below the target of 17 per cent. However, that would still leave a large number of people living below one dollar (in purchasing power parity terms) a day in 2015. The performance of the region will continue to depend on its ability to maintain moderate to rapid economic growth. Despite this success, the proportion of underweight children fell by only around four percentage points from 35 to 31 per cent from the early 1990s to the late 1990s, with more than 100 million children still suffering from moderate or severe malnutrition. In cases where insufficient attention is paid to the rights of women and children, the incidence of child malnutrition tends to be higher. Poor sanitation and the low nutritional status of mothers are also major contributory factors to persistent child malnutrition. The goal of achieving universal primary education by 2015 remains uncertain as many countries seem to be faltering and experiencing reversals in the gains made in the early 1990s. Net primary school enrolment for the region as a whole has remained static at around 93 per cent. Completion rates, although better than net enrolment rates, continue to be a matter for concern in several large countries. As in many other cases, poverty and other correlates tend to have a major impact on efforts to boost enrolment and retention rates. The region continues to face major challenges in achieving gender equality, particularly in the areas of tertiary education, women's representation in the decision-making process and equality in economic opportunities. In several instances, the low social and economic status of women hinders progress towards gender equality. The region did well in terms of reducing child and maternal mortalities, an outcome associated with a general improvement in socio-economic conditions as well as a range of interventions. But an acceptably high number of children and women continue to die each year, many owing to a combination of malnutrition and preventable diseases. Discrimination against women also translates into high maternal mortality rates. The report finds that, over the last 10 years, the region has been experiencing a rapid surge in HIV/AIDS, the cumulative number of infections reaching 7 million by 2001. Although some notable successes have been achieved in arresting its rapid transmission, the region as a whole remains highly vulnerable to this pandemic. In the area of environmental sustainability, the report portrays a less promising future as the region is likely to miss several key

targets of the MDGs, including the provision of clean water and sanitation. A large number of slum dwellers will remain deprived of basic urban services as the absolute number of the urban population keeps increasing in several major cities of the region. In achieving the targets set under development cooperation, the report emphasizes the need for expanded partnerships in the areas of trade and investment, knowledge and new technology, official development assistance (ODA) and human resources development. It calls for greater market access for the exports originating from the region's least developed countries, landlocked developing countries and small island developing States. It underscores the continued need to create a fairer and more open trading environment with special attention to the needs of the less dynamic countries of the region. The report stresses the need for better targeting of ODA with appropriate investments in capacity-building in the recipient countries.

20. The report draws some important policy implications in terms of achieving the MDGs within the time frame stipulated. Foremost are the importance of national commitment, due emphasis on good governance, promotion of women's rights, protection and promotion of the rights of the children, development of appropriate responses to the various threats to the MDGs, including communicable diseases, due attention to environmental sustainability, and expanding and deepening international, regional and South-South cooperation.

21. The Commission is invited to deliberate on issues and concerns related to the achievement of the MDGs in the region and provide further guidance to the secretariat in framing its follow-up activities.

2. Poverty and environment linkages

22. The interrelationship between economic growth, poverty and environmental damage is complex and is heavily influenced by a range of social, economic, cultural and behavioural factors. With rapid urbanization as well as expanding industrial production and vehicular traffic, the environment is deteriorating. In this process, the poor are the worst affected, as they tend to live and work in the most polluted places. In rural areas as well, the depletion of national resources and deforestation affect the livelihood of the poor. Effective strategies need to address the problem of poverty and environmental degradation simultaneously. The ultimate objective should be that all poor households are provided with the opportunity to earn a sustainable livelihood in an integrated manner, encompassing resource management, poverty alleviation and employment generation.

23. The World Summit on Sustainable Development in 2002 emphasized that access to reliable and affordable energy was a precondition for poverty eradication and economic development. The provision of energy services is essential in improving health and educational standards and for income generation. However, energy development must be closely coordinated with communities and local governments to ensure that the provision of such services will contribute effectively to improving the

general welfare of the poor. While energy projects in remote areas face issues related to ownership and the sustainability of the projects, attempts should be made to integrate energy issues into rural and urban development strategies.

24. The Plan of Implementation agreed at the World Summit on Sustainable Development highlighted that the task of taking action at all levels to achieve poverty-related targets and goals contained in Agenda 21 would be the first priority. Within the overarching objective of poverty eradication, the central role of water in providing income and basic human livelihood, food production and improved health is clearly stated. Emphasis has also been placed on increasing access to sanitation to improve human health and reduce infant and child mortality.

25. The Plan of Implementation acknowledges that poverty is exacerbated by the lack of access to basic services. The inadequate supply of basic services to the poor results partly from heavy reliance on government resources, which are severely limited.

26. Against this background, poverty eradication and sustainable development require the involvement of all relevant actors through strategic partnerships. In this context, public-private partnerships represent a flexible modality for delivering basic services and various forms of such partnerships could be explored for this purpose. The secretariat is implementing activities to strengthen the capacity of countries in the region to develop public-private partnerships in the delivery of public services, namely, water, energy, health and biodiversity conservation, to the poor.

3. The identification, development and promotion of best practices in the area of poverty reduction

27. The secretariat is actively involved in analysing targeted programmes and policies which are implemented in member countries to benefit the poor and promote successful cases or best practices.

28. The basic philosophy behind this approach is that there are a number of projects and programmes that have achieved remarkable success in reducing poverty which could be replicated in comparable areas within the country or in other countries in the region.

29. Under this theme, the following activities are being undertaken:

(a) Identification and documentation of successful cases: the purpose is to understand what made these projects work and to identify the factors that contributed to their success and those that did not;

(b) Dissemination of information on best practices, including lessons learned at the country, subregional and regional levels, and sharing of country experiences;

(c) Replication of successful projects, including implementation of model pilot projects;

(d) Capacity-building and advisory services for effectively implementing anti-poverty strategies.

30. Special areas that have been identified for the promotion of best practices are income- and employment-generating activities, community development, the provision of basic services and the role of information and communication technology in poverty reduction. ESCAP has undertaken several projects to promote best practices in poverty reduction in the region:

- The replication of the Republic of Korea's *Saemaul Undung* scheme in two least developed countries
- Management of water resources for poverty reduction
- Support of local governments and regional networks in poverty reduction activities
- Support of urban poverty reduction programmes in areas such as slum improvement, women in local government and human security
- Participation of the urban poor in environmental management

31. The objective is to promote regional cooperation and the exchange of experiences through capacity-building of national, subnational and local governments, NGOs and community-based organizations, research and training institutes as well as regional institutes and networks. A special concern is women's representation in policy-making bodies. Two advisers, one on poverty reduction and one on poverty statistics, are in place to assist Governments.

32. In all these areas, attention is being paid to the emerging economic and social issues faced by least developed, landlocked and island developing countries and countries with economies in transition. The beneficiaries will be public sector officials directly involved in poverty reduction, staff of local governments, civil society organizations and low-income communities, particularly women.

33. To promote the effective management, exchange and transfer of poverty-related knowledge, ESCAP will strengthen regional networks of institutions and organizations.

4. Rural-urban linkages and poverty reduction

34. Although most targeted programmes and policies are being implemented for the rural poor, within the next two decades a majority of the population in the Asian and Pacific region will live in urban areas. Rural-urban migration reduces population pressures in rural areas and should improve economic conditions in those areas and reduce rural poverty. However, disparities between urban and rural areas in terms of income and employment and the availability of basic infrastructure and services persist. Urban areas offer more and better opportunities for socio-economic mobility of the poor and

rural-urban migration will therefore continue. A major effort is required to ensure that urbanization will not result in an urbanization of poverty.

35. Improvements in transport and communication have brought urban and rural areas much closer together than they ever were before. As a result, rural and urban areas and their economies are increasingly interconnected. Policy makers often do not take these rural-urban linkages into account and divide their policies along spatial and sectoral lines. Urban planners concentrate on the development of urban areas without due attention to its impact on rural development, while rural development planners tend to ignore the urban areas, as if the rural areas existed in isolation. The administrative division into urban and rural areas results in a lack of coordination and in work done at cross-purposes.

36. There is a need for a better understanding of the relationships and varied linkages between urban and rural areas. ESCAP is planning to identify successful practices that promote rural and urban development and alleviate poverty using rural-urban linkages and to build the capacity of local governments to review, adapt and replicate such practices.

5. Issues on transport: managing the adverse effects of transport development

37. The positive impact of transport development on increasing the incomes of the poor is well known. However, major transport developments could also affect many people's livelihoods negatively. Marginal groups, such as the landless and ethnic minorities, particularly women, may not be able to take full advantage of transport infrastructure and services. The possible negative impact of enhancing transport facilities on public health, which includes the prevalence of sexually transmitted diseases (including HIV/AIDS), is another concern that affects the poor disproportionately. The following aspects require attention.

38. At the national level, a careful detailing of transport project designs and other appropriate policy interventions are required to reduce their negative impact on the poor and other vulnerable groups. At the regional level, ESCAP, in cooperation with other agencies, is planning to undertake studies and organize workshops with the participation of all stakeholders aimed at developing a policy framework to address HIV/AIDS issues in the transport sector. The policy framework could provide a uniform basis for promoting intercountry and cross-border action in the region.

39. In addition, promotion of participatory approaches to planning and decision-making can deal with the various cross-cutting issues, such as the welfare of the poor and other disadvantaged groups, and resolve conflicts of interest, thus making transport interventions more effective for socio-economic development. However, institutional mechanisms to ensure wide participation of all social groups are still generally weak.

40. Addressing special needs of disadvantaged groups and providing them with access to transport are important. Traditional transport planning hardly recognizes the special needs of women, the elderly and people with disabilities. There is growing awareness, however, of the importance of developing transport systems that are accessible to all groups. ESCAP will assist countries in developing policies that would support the special transport needs of women, people with disabilities and senior citizens. Best practices in these areas are being explored.

6. HIV/AIDS and poverty

41. HIV/AIDS is spreading rapidly in various parts of the Asian and Pacific region, threatening social and economic development in various ways. Although HIV/AIDS affects all socio-economic groups, its implications for the poor are particularly serious. Poverty compounds and multiplies the impact of the pandemic and, in turn, is itself increased by it.

42. It is not surprising, therefore, that the poorer countries of the world are home to the vast majority, some 95 per cent, of people living with HIV/AIDS. In several cases, income inequality appears to correlate significantly with HIV prevalence. There are indications that high rates of extreme poverty (measured as income of less than a dollar a day) also appear to be associated with high HIV prevalence rates.

43. The impact of HIV/AIDS is unique because AIDS kills adults in the prime of their lives, depriving families, communities and entire nations of their young and most productive people. Adding to an already heavy disease burden in poor countries, the HIV/AIDS epidemic is deepening and spreading poverty, reversing human development, worsening gender inequalities, eroding the capacity of Governments to provide essential services, reducing labour productivity and hampering pro-poor growth.

44. Countries of the region have started to attach greater priority to checking the spread of HIV/AIDS and dealing with its consequences. The theme study for the fifty-ninth session of the Commission focuses on HIV/AIDS and examines the pattern and consequences of the pandemic in the Asian and Pacific region and the action being taken to tackle its spread. Some key messages of the theme study include the following: (a) HIV/AIDS is an emergency development challenge; (b) HIV/AIDS yields to human intervention and the epidemic can be reversed; (c) a comprehensive response is required to prevent the number of people living with HIV/AIDS from increasing rapidly; and (d) without immediate action throughout the region, many economic and social gains may unravel over the next decade.

7. Role of statistical data in facilitating the design and implementation of poverty reduction policies and programmes

45. Monitoring socio-economic development and poverty and designing and implementing poverty reduction strategies require the availability of high-quality data. Accuracy, relevance,
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coverage and timeliness are the necessary attributes for ensuring that data will be used properly for informed decision-making to reduce income and non-income poverty.

46. The effective monitoring of poverty indicators, including those related to the Millennium Development Goals, calls for a coordinated effort between national and international statistical services. A variety of areas assume importance in this endeavour. These include: (a) improvement and harmonization of methodologies for income poverty measurement; (b) reconciliation of data from microeconomic and macroeconomic sources; (c) generation of more accurate purchasing power parities that better reflect the expenditure pattern of the poor; (d) development and refinement of poverty maps and other analytical tools; and (e) improved coverage and accuracy of poverty-related indicators. There is also a need to broaden statistics related to the measurement of poverty to encompass social, educational, nutritional, health, environmental and cultural dimensions. In this regard, at its thirteenth session, the Committee on Statistics made a number of specific and important observations and recommendations. The highlights of the recommendations are given in a separate document but the salient findings are presented below.

47. In discussing statistical indicators for monitoring the MDGs, including Goal 1 on eradicating extreme poverty and hunger, many gaps and other data inadequacies have been identified, including methodological problems, poor timeliness, insufficient frequency and inadequate reliability. The broad interest in the MDGs and the political commitment embodied in them at the highest level, together with the expressed need to measure progress towards their achievement and the weaknesses in national statistical databases that have been exposed, have created a momentum for statistical capacity-building.

48. In reviewing the indicator sets developed for various purposes, the Committee on Statistics, at its thirteenth session, noted that they demonstrated a broad view of development, beyond the measurement of aggregate income and its distribution. The Committee observed that international development now recognized that raising standards of living and attacking poverty involved other key dimensions, such as the empowerment of individuals. The result of that broad view of development was that data requirements had been making more demands on the official statistical system in countries.

49. While standards and definitions existed in many areas of statistical endeavour, along with guidance on methods and procedures, those on poverty statistics and poverty measures were generally lacking. The need for a compendium of good practices in poverty measurement, of practical utility for countries in the region rather than theoretical in nature and covering such matters as the type of survey instruments to use, the frequency of enquiries and the geographical level at which surveys should be taken, had become more pronounced.

50. While there are initiatives in hand and planned to improve the state of poverty statistics in the region, a viable and comprehensive plan involving the major multilateral agencies concerned would appear to be a valuable contribution to poverty reduction efforts in Asia and the Pacific. The plan could include the secretariat's advisory services on poverty statistics, policy-oriented workshops on improving poverty measurement, improving access by researchers to poverty data, supporting initiatives such as the International Comparison Programme, which would improve the international comparability of poverty data, and the collection and dissemination of good practices on poverty measurement mentioned above.

8. Information, communication and space technology and poverty reduction

51. Information technology is vital for effective implementation of all the policies and programmes discussed so far. It is not possible to analyse, design and implement these without the assistance of computers and associated software. In addition, information is a vital component for people to participate actively in socio-economic activities. ICST and its applications directly assist in development and poverty reduction by providing information and thus improving productivity.

52. ICST, especially the development of the Internet, has enabled many innovative applications such as e-education, tele-health, e-commerce and e-government, to name a few. E-education and tele-health can provide basic services, such as education and health care, to remote rural areas where a large number of the poor live. Through ICST (e-government), the poor can voice their concerns and participate in decision-making.

53. Wireless communication can bring information to geographically remote areas where traditional infrastructure is not available. Using ICST, rural people could access market information for their products anytime and anywhere and take advantage of changes in the market. A large number of rural poor could benefit.

54. Affordable access to information infrastructure and effective use of the resulting information for the benefit of the common people, including the poor, are helpful for poverty reduction and improved social conditions. To empower the poor through ICST, appropriate ICST policies, a regulatory framework and an infrastructure to provide an enabling environment are needed for building the capacity of the poor to use ICST; providing training and sharing experiences are also necessary.

55. Space technology, especially remote sensing, and other statistical techniques are also used to map poverty and monitor activities associated with the reduction of poverty. A number of countries in the Asian and Pacific region have begun to use those technologies for better targeting of poverty reduction programmes and for monitoring their impact. The secretariat is compiling regional experiences in poverty mapping and providing a forum to share these experiences.

Conclusion

56. In the present document, elements of the strategy followed by the secretariat to assist ESCAP member countries in facing the challenge of a sustainable reduction of poverty have been discussed. The strategy is holistic and multidimensional and is implemented through a two-pronged approach consisting of research and operational activities that analyse, test, document and disseminate good and innovative policies and practices in poverty reduction. Linkages and issues as well as selected activities in the programme of work have been highlighted to illustrate this strategy. The Commission may wish to deliberate on various aspects of this approach and endorse it. The Commission may further wish to review the progress in the implementation of resolution 58/2 on poverty reduction for sustainable development and provide further guidance to the secretariat to enhance its effective implementation.

Annex

Report on the implementation of Commission resolution 58/2 of 22 May 2002 on poverty reduction for sustainable development

The following is an overview of progress in the implementation of resolution 58/2. The Commission may wish to review the progress achieved and provide further guidance to the secretariat to enhance effective implementation of the resolution.

1. Better focus and effectiveness in delivering the programme of work on poverty reduction

The Poverty and Development Division was formed on 1 January 2003 by merging two sections and one division. This merger will enable ESCAP to exploit synergies by bringing research and operational activities in the area of poverty reduction under one umbrella. The Division's programme of work for the biennium 2004-2005 puts special emphasis on poverty reduction for sustainable development, in line with the current focus on the United Nations Millennium Declaration and the follow-up to the World Summit on Sustainable Development. A regional adviser on poverty statistics joined the Statistics Division in late November 2002.

2. Joint ESCAP and UNDP report on the prospects of attaining the Millennium Development Goals

In June 2003, ESCAP and UNDP issued a report that analyses the prospects, challenges and opportunities for attaining, or even surpassing, the MDGs in the region. The key objective is to share regional experiences in meeting the Goals. The main findings of the report have already been summarized in this document.

3. Inter-agency activities on poverty reduction and food security in the region

ESCAP is co-chair of the Thematic Working Group on Poverty Reduction and Food Security and continues to act as a focal point in the coordination and dissemination of experience, information and best practices on organic farming and green food production among countries in Asia and the Pacific. A workshop-cum-field training on green food and sustainable agriculture was organized at Xi'an, China, in June 2002.

4. Role of information and communication technology in poverty alleviation

Two ad hoc expert group meetings have been held. At the first, in September 2002, the current status of ICT development in the Asian and Pacific region was reviewed and recommendations were made on policy options to bridge the digital divide in the population, health and development sectors. At the second, in January 2003, existing government policies and programmes on ICT were reviewed and a suggested framework for formulating national policies and legislation for the successful application of ICT in rural areas was highlighted.

5. *Workshops on evaluating the impact of targeted poverty alleviation programmes*

Four national workshops on practical applications of the manual for evaluating the impact of targeted poverty alleviation programmes were held in Bangladesh, India, Indonesia and the Philippines in 2002 and 2003. The main objective of these workshops was to build the capacity of local-level officials to evaluate the impact of targeted poverty alleviation programmes. Moreover, the manual is being revised in the light of comments received at all the workshops.

6. *Mobilization of financial resources for the implementation of activities in the area of rural poverty reduction and sustainable agricultural development*

The Government of the Republic of Korea, through the Korea International Cooperation Agency, has approved and funded a project on the replication of best practices in rural community development in Cambodia and the Lao People's Democratic Republic. In addition, funding has been secured from the Government of China for the implementation of a project on building marketing channels for green and organic agricultural produce as a tool for rural poverty alleviation. Both projects have been launched this year.

7. *Continuing projects*

ESCAP obtained funding for phases II and III of the Human Dignity Initiative project, which focuses on the establishment of community-based support mechanisms aimed at reducing poverty and increasing community participation in development. Another project on strengthening national human resources development capabilities in conflict negotiation skills among youth living in poverty continued in five countries (Cambodia, India, Myanmar, the Philippines and Sri Lanka).

8. *Interdivisional project*

A multidisciplinary project on pro-poor public-private partnerships, funded by the Government of the Netherlands, aims at developing and promoting innovative approaches to ensure that the poor benefit from service delivery through public-private partnerships.

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