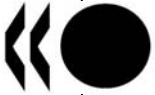


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Organisation de Coopération et de Développement Economiques
Organisation for Economic Co-operation and Development

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English - Or. English

**DEVELOPMENT CO-OPERATION DIRECTORATE
DEVELOPMENT ASSISTANCE COMMITTEE**

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DAC Network on Poverty Reduction

DRAFT SUMMARY RECORD

Meeting held on 13-14 November 2003

Declassified

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DAC NETWORK ON PROVERTY REDUCTION

Draft Summary Record of the meeting held on 13-14 November 2003

I. Adoption of the Agenda

1. The agenda for the meeting [DCD/DAC/POVNET/A(2003)2] was adopted.

II Approval of the Summary Record

2. The Summary Record of the 19-20 June 2003 meeting [DCD/DAC/POVNET/M(2003)1] was approved.

III. Economic growth and poverty reduction -- orientations for work and cross cutting issues

3. A first task of Povnet work should be to set out the conceptual and substantive basis for its work programme. From the starting point of the Poverty Reduction Guidelines, the focus of work is on how to strengthen and sustain growth in developing countries and how to maximise its impact on poverty reduction. Within this overriding objective, work in areas such as the private sector, infrastructure and agriculture will address the contributions they can make to pro-poor growth and how this can be best promoted by development co-operation. Attention will accordingly focus on the determinants of growth, how to maximise its poverty reduction impact and how to bring these perspectives more effectively into the PRSP process.

4. A major objective of work should therefore be to enhance the capacities of donors (in capitals and at the field level) to assist developing countries to prepare and implement poverty reduction strategies where sustainable economic growth and its determinants are given more prominence. Strengthening the conceptualisation and operationalisation of the PRSP process in this way, with particular attention to roles and contributions of the private sector, agriculture and infrastructure. From this perspective, relevant questions to guide work and outputs would include “what is a pro-poor private sector/agriculture/infrastructure strategy and how can donors’ best help?”

5. A starting point for looking at these issues could be to look at why a given rate of growth can have quite different poverty reduction impacts – what mechanisms maximise this impact and what barriers impede it? This work can be approached from different entry points including the MDGs and the PRSPs, poor countries and poor people, national and regional perspectives, gender, environmental and cultural dimensions, etc.

6. Members supported the suggestion of moving ahead on these issues through an ongoing brainstorming, information sharing and lessons (good and bad) learned approach, starting at its next meeting. Bilateral and multilateral donors, the Development Centre and others are invited to play an active role in carrying on this discussion. The conceptual framework developed from this process will guide the choice of other themes of work and assist in addressing issues concerning the audiences and products of work, such as strategies, tools and operational assistance in supporting pro-poor growth strategies. The framework will also help to identify and exploit synergies between the overarching theme (growth and

poverty reduction) and the work on specific areas such as the private sector, infrastructure and agriculture. With this in mind, the task team leaders together with the Chair and Vice Chair of the Povnet will constitute the basis of a steering group.

IV. Programme of work on specific themes

a) Infrastructure

7. Discussion focused on a draft work program [DCD/DAC/POVNET(2003)3] developed during brainstorming meetings on October 27 and November 13. The discussion addressed the importance of bringing infrastructure more fully into the PRSP process, the centrality of software issues (such as infrastructure maintenance to sustainability), the importance of distinguishing between urban and rural contexts, as well as the need for strengthening public-private partnerships in providing key infrastructure services in sub-sectors. Horizontal issues such as environmental sustainability, cultural sensitivity, the management of public/semi-public service institutions as well as regional infrastructure issues also merit attention. On that basis, the directions set out in the above referenced note provide helpful guidance in identifying and implementing work proposals concerning infrastructure and pro-poor growth.

8. It was agreed to initiate this work via a first workshop which will take place on **29 - 30 (AM) March 2004** at the OECD, immediately prior to the next Povnet meeting. An outline for this workshop was circulated at the meeting and Members are invited to provide comments and suggestions by **end November**. In addition Members were invited to signal their preparedness to make voluntary contributions and provide other support for the workshop, as well as to respond fully and promptly to forthcoming requests for information on their infrastructure programs and poverty reduction. The Task Team Leader, Mr Shoji and the secretariat, will be contacting Members in these respects.

b) Private sector

9. Discussion focused on the note DCD/DAC/POVNET (2003)4, which was the product of informal discussions on the focus, outputs and timelines of Povnet work. The discussion addressed the need to develop tools on how to bring the local private sector to bear in countries with a PRS process. The discussion also drew attention to other elements to take into consideration – foreign as well as domestic enterprises, middle income as well as poor developing countries and the informal as well as the formal sector. Members also discussed the need for mobilizing private sector financing for development purposes (such as guarantees and other risk management techniques) and the importance of a sound regulatory framework (for example in water or health services).

10. Members agreed that the first phase of the work program would be to develop a conceptual framework along the lines set out in the above referenced note. That framework would set out the contributions of the private sector to sustained economic growth and poverty reduction. The product would also help Members, in the subsequent phase of work, to identify key issues for further work and the strategies and tools to strengthen the contribution of the private sector to pro-poor growth. On this basis, the United Kingdom agreed to take on the role of task team leader, working with other interested donors

c) Agriculture

11. The task leader on Agriculture (United States) introduced the *Draft Framework for Enabling Pro Poor Growth through Agriculture* [DCD/DAC/POVNET (2003) 5] developed during a brainstorming event in Florence October 7-9. The discussion raised issues such as whether to focus on agriculture or rural development, to further address environmental and natural resource issues, and to expand the definition of agriculture to include health and education services. It also highlighted the need to consider risk both from an economic and social perspective. Members emphasised the importance of linking the task team's work

on agriculture to existing initiatives (such as the Global Forum on Agriculture and NEPAD) and avoiding duplication (such as the World Bank Sourcebook on Agriculture or other publications by IFAD and bilateral donors). Members also discussed the exercise to map out donors' current agriculture and rural development strategies. The secretariat requested participants to fill in the questionnaire and to include any additional information they felt relevant to the exercise.

12. On the basis of the above referenced note and the discussion, work on the agriculture theme will initially develop as follows:

- A contextual conceptual framework will be developed to share understanding and views on the ways and means the agriculture contributes to the pro-poor growth agenda and to guide the direction of themes for further investigation.
- We will process with the mapping exercise, i.e. to see what a poverty lens tells us about present and possible future directions for donor support.
- A particular focus of work will be on emerging issues, but further discussion is required to select the initial priority areas from those under consideration.
- The work and products of this area should help donors to better assist developing countries in defining and implementing pro-poor agriculture policies.

13. A meeting of the agriculture Task Team is scheduled for **December 9** (immediately prior to Global Forum on Agriculture and the DAC Senior Level Meeting) to pursue the above agenda, particularly to define work priorities and assess the mapping exercise, but also to set out work modalities, timelines, etc.

14. The secretariat (Jonathan Brooks, Agriculture Directorate) presented current work initiatives in the Agriculture Committee and provided information on the upcoming Global Forum on Agriculture on 10-11 December). That work includes first, extending measurement and classification of agriculture policies, in particular producer subsidy equivalents, to a select group of developing countries, South Africa, China, India and Brazil. Second, they will look at impacts on poor households as well as the capacity to adjust to policy reforms. The Global Forum on Agriculture, referred to above, aims to strengthen policy dialogue and consider how agricultural policy analysis can be made more useful and applicable to policy makers.

V. Information/discussion items

a) *Istanbul Ministerial Conference on SMEs*

15. Members were briefed on preparations for the Istanbul conference, which will be held on **4-5 June, 2004**. A preliminary version of possible recommendations to be prepared for the conference was circulated as a Room Document [DCD/DAC/POVNET/A(2003)2/RD1]. Members were invited to provide comments and suggestions to the secretariat concerning these draft Recommendations as well as on other aspects of the preparations for the conference.

b) *Cambodia workshop on trade capacity building and private sector development*

16. Members were briefed on the preparations for this meeting, to be held in Phnom Penh on **2-3 December 2003**. The meeting represents both a follow-up to the September 2002 Mombasa workshop

on trade capacity building as well as a milestone in the preparations for the Istanbul SME conference. The draft agenda for this workshop is available on OLIS as COM/DCD/DEV(2003)3/REV1.

17. The following meeting was also signalled – joint DAC/WTO meeting on **2-3 March 2004**, looking at mainstreaming trade into the PRSP process and best practices/lessons learned concerning trade capacity building.

c) Investment and development

18. The secretariat (Hans Christiansen, DAFPE) briefed Members on the present stage of CIME discussions on the theme of ODA/FDI synergies [see DCD/DAC/POVNET/A(2003)2/RD3], which is an element of the broader OECD initiative on investment and development. Members were invited to provide comments to the secretariat on the possible directions and focus for such work on ODA/FDI synergies (see section I of the room document) as well as how it could collaborate with CIME on this matter (see section II of the room document), including collaboration in a possible informal workshop in early 2004.

VI. Other business

- An informal meeting of the **agriculture** task team will be held on **9 December 2003**, immediately prior to the DAC SLM and the Global Forum on Agriculture.
- The next meeting of **POVNET** is provisionally scheduled for **30 (PM) -31 March 2004**.
- It is intended to hold a **workshop on infrastructure** back to back to the POVNET March 2003 meeting, provisionally on **29 – 30 (AM) March 2004**.