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

DAC Network on Poverty Reduction

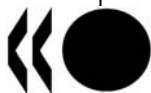
DRAFT SUMMARY RECORD OF THE MEETING OF THE DAC NETWORK ON POVERTY REDUCTION (POVNET)

23-24 (a.m.) March 2010, OECD, Paris

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DAC NETWORK ON POVERTY REDUCTION (POVNET)

DRAFT SUMMARY RECORD

I. Draft agenda [DCD/DAC/POVNET/A(2010)2]

1. The draft agenda was adopted.

II. Summary Record of the 21-22 October 2009 meeting [DCD/DAC/POVNET/M(2009)7]

2. The draft summary record of the 21-22 October 2009 POVNET meeting was approved.

III. DAC-POVNET Seminar: Accelerating Progress to the MDGs - DAC input into the UNGA Review

3. To help identify key messages which DAC members could use when preparing briefs and other inputs for the MDG Review Summit, a joint DAC-POVNET seminar was organised with introductions provided by four keynote speakers. The seminar was opened by Roger Cornforth, Vice-Chair of the DAC.

4. Speaking first, Jomo Kwame Sundaram [Assistant Secretary-General, United Nations Department of Economic and Social Affairs (UNDESA)] provided an overview of the UNSG report on the MDGs. The report includes a comprehensive review of successes, practices and lessons learnt and calls for a new pact to accelerate the MDG process over the remaining five years. For MDG 1, progress on poverty reduction is uneven and threatened by increasing hunger and unemployment. While at the global level the number of poor people (living on less than 1USD/day) fell by 0.4 billion between 1990 and 2005, when China is excluded this figure actually increased by 36 million. The report raises questions about poverty measures built on the USD 1/day calculations which do not include other poverty indicators such as deprivation, social exclusion and lack of participation. Furthermore, Mr Sundaram was critical of the effectiveness of “magic bullets” for poverty reduction, such as good governance, micro-finance, property rights and ‘bottom of the pyramid’ marketing. After touching briefly on MDGs 2 to 7, he raised some emerging issues and new challenges including climate change, food security, the economic crisis, the humanitarian crises and the special needs of the most vulnerable.

5. A number of lessons learnt were also highlighted:

- Economic growth is necessary but not sufficient for progress. Macroeconomic policies should support growth of real output and employment. Public investment is often crucial.
- Universal social protection is affordable and addresses inequalities and social exclusion.
- Holistic, community-led strategies are best. Targeted interventions can help to accelerate progress.
- Adequate, consistent and predictable financial support and a coherent and predictable policy environment at national and international levels is required.

6. To achieve the MDGs, a number of specific recommendations were made:

- MDG 1 (poverty and hunger): Raise agricultural productivity, ensure access to food and nutrition, and support employment programmes.
- MDG 2 (education): Abolish school fees, link education to safety nets and increase quality.
- MDG 3 (gender equality): Strengthen accountability for enhancing women's rights.
- MDGs 4, 5, and 6 (health): Address human resource constraints, target interventions and prioritise regions and vulnerable groups.
- MDG 7 (sustainable development): Adapt the principle of environmental sustainability to national priorities.
- MDG 8 (partnership): Reduce aid volatility, promote aid for trade, complete the Doha round, lower pharmaceutical prices and enhance access to technology for climate change.

7. Xiaojun Wang (Practice Manager, Poverty Reduction) then presented the UNDP's view on accelerating progress towards the MDGs. By learning lessons from success stories, achievement of the MDGs remains possible. Thirty 2nd generation MDG country reports, and a synthesis of these, have now been prepared which will lead to preparation of an action plan for accelerating MDG achievement (the "MDG Breakthrough Strategy"). Core guiding questions for this framework are: Are all country-specific interventions being fully and effectively implemented? What are the bottlenecks in the areas of policy and planning, budget and financing, and service delivery? What could the government do to address these bottlenecks, and what complementary role could donors play?

8. Bart W. Edes (Director, Poverty Reduction, Gender and Social Development Division, Asian Development Bank) provided an "Asian Perspective". Even though substantial progress has been made, social needs are urgent and immediate in the Asian region. It still has more than 50% of: i) the world's rural and urban populations without basic sanitation, ii) children under 5 underweight, iii) people with TB infection, and iv) people living on less than USD 1.25/day. While the recent crises have had wide social impacts, the main MDG indicators for the region remain hunger, health, primary education and women's employment. Asia has a large need to catch-up with social safety nets, which have high impact potential in most countries. Regional co-operation could strengthen resilience of countries, e.g. inter-regional trade, monetary co-ordination, strengthened regional food security and co-operation on labour migration. Mr Edes questioned whether the MDGs are too ambitious and whether enough effort is being made to achieve them.

9. Richard Carey (Director, Development Co-operation Directorate, OECD) gave an overview of possible DAC inputs to the MDG review summit. Significant set-backs in fragile countries and underinvestment in productive sectors are major issues, even though the emergence of Aid for Trade has provided the opportunity for more investment in productive initiatives, such as infrastructure. Investment in human capital and environmental sustainability can also be seen as supporting a broader growth agenda. Mr Carey also pointed out how much the world has changed since the MDGs were developed, particularly the impact of the financial crisis on OECD countries but also the emergence of new donors. Government played a key role in the development of these emerging donors, which confirms the key role of national ownership and national strategies in promoting development. Other issues that the MDG summit could look at include: strengthening national systems and accountability to enhance the ability of the state to provide services to people, building climate change into development strategies, addressing conflict and

fragility in MDG 8, enhancing agricultural productivity and innovation, supporting social protection and assisting the domestic financial system, including taxes in developing countries.

10. Following an extended discussion and exchange of views, Pierre Jacquet (POVNET Chair) summarised the main points that had emerged. Poverty remains a key issue, both how best to measure it and how best to reduce it. POVNET can contribute to this discussion because it has looked at some key sectors (e.g. agriculture and infrastructure) and some key areas of public policy (e.g. empowerment). As development actors, we need a theory to guide our approach, but this should not be confused with a recipe for poverty reduction. Indeed, the economic crisis has shown that markets do not self-regulate, as development theory would predict, and can instead lead to instability, exclusion and environmental degradation. We consequently need to look at realities and to listen carefully, and to seek to identify local solutions to local problems. In his summary, Roger Cornforth concurred that existing approaches to development do not appear to be working and the wisdom of development theories should be periodically checked. Key issues today include gender, aid effectiveness, climate change and fragile/post-conflict situations. To tackle the challenge of national ownership and capacity, we should look at and learn from experience of what has really worked and not worked. There is also a need to pursue more of a pro-poor focus, through employment and social protection.

IV. Delivering POVNET's 2009-10 Work Programme

a) Implementation

MDG follow up [DCD/DAC/POVNET/(2010)1]

11. Following on from the morning's discussion, the Secretariat (Bill Nicol) explained that the 2010 MDG Review Summit will be a major item on the agenda for the DAC Senior-Level Meeting (14-15 April 2010). POVNET can work to ensure that the DAC input addresses some central issues from a POVNET perspective including making growth more pro-poor through employment, social protection and empowerment and tackling the challenges of gender equality, "greening" growth and attaining the MDGs in fragile and conflict-affected states. It was agreed that POVNET will prepare a short note to assist DAC Members when preparing briefings and other inputs for the MDG Review Summit.¹ Other key points to reflect in this note are the multidimensional nature of poverty and the importance of context-specificity in tackling poverty. The possibility was also raised of POVNET organising a side-event to the MDG Review Summit, which would require sponsorship by a DAC member country.

Pro-Poor Growth in DAC Peer Reviews

12. The last POVNET meeting agreed that more systematic coverage of pro-poor growth issues in the DAC Peer Reviews should be encouraged, given the importance of pro-poor growth for sustained poverty reduction. The Secretariat (Michael Laird) advised POVNET that the circumstances for doing this are mostly positive. First, POVNET has an entry point because the Peer Review Content Guide already includes the 2006 policy guidance on promoting pro-poor growth as a key reference for chapter 1 of the reviews. Second, it is a good moment to influence the content of the Peer Reviews because the Content Guide will be revised over the next few months, before being finalised for use during the 2011-12 cycle of Peer Reviews. At the same time, the DAC has a number of issues to consider when revising the Content Guide. POVNET will need to be vigilant to ensure that following up on implementation of DAC policy guidance is an objective pursued during the Peer Reviews and that, when priority areas for attention are decided, the pro-poor growth guidance is not crowded out by other DAC guidance. POVNET members were consequently encouraged to contact their DAC delegate to discuss this issue in advance of the next

1. This note was subsequently released as DCD/DAC/POVNET(2010)5.

DAC Peer Review Methodology Meeting on 30 April 2010. Presuming a favourable outcome from a POVNET perspective from this meeting, support from interested POVNET members will subsequently be sought to prepare some material that can be used in the peer review process (e.g. model questions with possible responses, examples of good and not so good practice to look for during field visits,...).

Learning Events with the Train4Dev Network [DCD/DAC/POVNET/RD(2010)2/RD1]

13. The Co-Chair of the Train4Dev Network's Executive Committee responsible for the pro-poor growth learning events (Earnan O'Cleirigh) up-dated POVNET on preparations of the series of developing country-based learning events, following the pilot that took place in Tanzania on 19 to 21 October 2009. That experience had found that the programme was sound on delivering messages about pro-poor growth but needed to provide more guidance on practical policy instruments. To address this, a set of "Policy Instrument Notes" are being prepared that can be used flexibly during future events, depending on the particular country context. These, and the finished set of Briefing Notes, will be tested during a final pilot, after which the learning events can be rolled out. This material will be circulated to POVNET members who will also be asked to contact their country-level colleagues with a view to identifying possible locations for future events.

ODA for social protection [DCD/DAC/POVNET/RD(2010)2/RD2]

14. POVNET has done considerable work on social protection and has the ambition to do more. The Secretariat (Bill Nicol) reported that, in support of this work, it will be useful to have more information on measuring and tracking expenditures for social protection. A questionnaire has been developed and tested on a sample of DAC members. Already, this mini survey has generated some interesting results. POVNET agreed that this questionnaire should now be distributed more widely in order to obtain more comprehensive results and provide input for a discussion on what the components should be of a broad and narrow description of social protection. The findings from this work could then be presented in a short policy note.

Proposed learning events on social protection

15. At the last POVNET meeting, it was agreed to investigate preparing a proposal for the Train4Dev Network to consider at its next annual meeting to develop a learning event on social protection. Timo Voipio (POVNET Vice-Chair) informed POVNET that the responsible POVNET Interest Group had met with the Chair and other members of the Train4Dev Network on 22 March 2010. After having discussed relevant issues, it was agreed to draft a concept note for consideration at the Train4Dev Network's next annual meeting (on 1-3 June 2010) and to compile information on existing training courses related to social protection, to allow people to take greater advantage of existing opportunities but also to help identify the niche where a Train4Dev learning event would add value.

China-DAC Study Group [DCD/DAC/POVNET/RD(2010) 2/RD3]

16. The Secretariat (Michael Laird) briefed POVNET on implementation of the China-DAC Study Group's work programme. The Study Group's second event on "Agriculture, Food Security and Rural Development" will take place in Bamako, Mali on 27-28 April 2010. On 5 February 2010, Richard Carey wrote to DAC members asking them to nominate suitably experienced people to participate in the event. Over 100 participants have been registered for the event (from China, African countries and the donor community). The main findings from this and the Study Group's other planned events in 2010 will be presented and discussed at an event in Beijing in early 2011 and published in a report for policy makers. That report will draw lessons on strengthening the impact of growth on reducing poverty, particularly in Africa, and, through improved mutual understanding, facilitate possible trilateral activities in the future.

Italy's guidelines for the implementation of MDG1: Eradicate extreme poverty and hunger

17. The representative from Italy (Luciano Carrino) introduced its draft report "Guidelines for the implementation of Millennium Development Goal 1: Eradicate Extreme Poverty and Hunger" and invited POVNET members to comment on the paper, either in plenary or in written form after the meeting. Some initial feedback during the meeting highlighted how the draft guidelines had picked up on issues that are central to POVNET's work and aims including employment, poverty as a condition (rather than a category), empowerment and the importance of both the pace and pattern of growth for sustainable poverty reduction.

b) Empowerment

Progress Report by the Task Team on Empowerment [DCD/DAC/POVNET(2010)2]

18. Laurent Ruedin (Vice-Chair of the Task Team on Empowerment) advised POVNET that the Task Team's three substantial outputs are advancing well, i.e. the stories of empowerment, the good practice notes and the policy guidance note. A first draft of the policy guidance note will be circulated to the Task Team by mid-May 2010. POVNET was then asked to provide final guidance on the shape, form and types of dissemination of the Task Team's expected outputs.

19. During the discussion, POVNET members raised a number of questions relating to dissemination and take up of POVNET messages. It was agreed that the target group for the guidance produced is agency staff in headquarters as well as in the field. In order to ensure good take up of the guidance and good practices to be published, it was suggested that POVNET, during its next meeting, revisit and discuss some of the recommendations that came out of the report commissioned by POVNET in 2009 on improving implementation of POVNET guidance², as well as look at the DAC's communication strategy.

Proposed agenda for a joint seminar with GOVNET on Empowerment [DCD/DAC/POVNET(2010)3]

20. The Secretariat (Peter Bieler) introduced a draft agenda for a joint seminar by the DAC Networks on Governance (GOVNET), Gender Equality (Gendernet) and Poverty Reduction (POVNET). The proposed seminar will explore operational linkages on empowerment and poverty reduction from the pro-poor growth, human rights and gender perspectives and provide a space for interdisciplinary dialogue. The date is still to be decided (a suggestion was back-to-back with the POVNET meeting in late 2010). POVNET members were asked to indicate their interest in the seminar and provide suggestions on the draft agenda. Several members expressed interest in participating, including Denmark, the European Union, Finland, France, Ireland, the Netherlands, Portugal, Sweden and Switzerland. Initial comments on the draft agenda included integrating aspects of land rights, legal empowerment of the poor, social protection and issues of governance/citizenship.

V. POVNET's 2011-12 Programme of Work and Budget [DCD/DAC(2010)12 and DCD/DAC/POVNET(2010)4]

21. The DAC Facilitator for POVNET (Stefano Nicoletti, Italy) introduced this item, briefing POVNET on the process currently taking place within the DAC to determine its Programme of Work and Budget (PWB) for 2011-12. The Secretariat (Bill Nicol) then presented more details on the three specific proposals of relevance for POVNET, i.e. "Global Food Security", "Promoting a Global Social Protection Floor" and "Green Growth and Poverty Reduction". POVNET members indicated their strong support for

2. See: DCD/DAC/POVNET/RD(2009)7/RD1.

these three proposals but also emphasised that they make a coherent package, and so should not be seen as individual activities in any particular priority order.

22. The representative from Japan also informed POVNET about two additional proposals that may be considered by the DAC as part of the 2011-12 PWB process, namely: "Leveraging Investment for Infrastructure with Aid" (submitted by Belgium and Japan) and "Private Sector Development and Engagement" (submitted by Japan). Some POVNET members indicated that they were not favourable to these proposals being integrated into POVNET's future work programme, either in place of an existing proposal or as an additional work item, because resource constraints limit the number of outputs that POVNET can realistically take on simultaneously.

VI. Other business and date of next meeting

23. The proposed date for the next POVNET meeting is 3 and 4 November 2010. These dates are still to be confirmed with the POVNET Bureau. The tentative location for the meeting is the office of the International Energy Agency (IEA) at 9 rue de la Fédération, 75015, Paris.

Participants list

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Czech Republic	Mr. Vilem PARDUBSKY Ministry of Industry and Trade
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