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Subcommittee on Poverty Reduction Practices

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**REPORT**



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## **I. PROCEEDINGS OF THE SUBCOMMITTEE**

### **A. Creating an enabling environment for successful poverty reduction initiatives and implementing ESCAP's poverty reduction strategies**

1. In documents E/ESCAP/SCPRP/1 and 2 the secretariat introduced issues related to ESCAP's strategy for the identification, documentation, analysis, replication and upscaling of poverty reduction practices.
2. Document E/ESCAP/SCPRP/1 points out that microinitiatives have emerged as a common tool for poverty reduction since they are well adapted to the specific needs, conditions and priorities of the poor and allow their direct involvement in the design and implementation of activities. The document argues that in order to operate at its full potential and thus make a full impact on the living conditions of the poor, a microinitiative requires an enabling environment. Furthermore, an enabling environment is key to the successful replication and upscaling of good practices.
3. In document E/ESCAP/SCPRP/2, the secretariat presents ESCAP's poverty reduction strategies. The document illustrates how ESCAP is implementing the strategies in practice, drawing from recent experiences in the identification of practices, documentation and analysis, dissemination, replication and upscaling, and advocacy on a number of urgent and emerging issues in the region.
4. The Subcommittee recognized that small-scale interventions were the most effective means of reaching the poor. It further recognized that the sustainability and cost-effectiveness of poverty reduction efforts depended on nurturing a sense of ownership by the community and emphasized that it was necessary to provide human security by protecting and empowering each individual at the community level.
5. The Subcommittee indicated that an enabling environment, particularly in terms of the articulation of macropolicies with microinitiatives was an important component of poverty reduction efforts. It was also recognized that although economic growth was a precondition for poverty reduction, it was not sufficient and mechanisms were needed to make the benefits of economic growth reach the poor. In that context, it further acknowledged that market forces were not sufficient and special emphasis should be given to social-oriented macroeconomic policies.
6. The Subcommittee agreed that poverty was a multifaceted and complex phenomenon and, therefore, in order to allow the poor to master their own development it was necessary to establish favourable conditions in fields such as environmental protection, labour productivity, health, education, provision of water and sanitation, and status of women.
7. Furthermore, the Subcommittee suggested that poverty should be examined through a number of different perspectives such as the feminization of poverty and the urbanization of poverty. It was also not enough to do a head count of the poor because it did not give an indication of the depth of

poverty. The Subcommittee indicated that approaches based on household and individual expenditure reduction should receive special consideration in future programming.

8. The Subcommittee emphasized the role of good governance in creating an enabling environment and expressed strong support for the work of the secretariat on expanding the capabilities of regional and local governments. The Subcommittee highlighted, in particular, the need to pay attention to issues related to equity, efficiency and transparency in such areas as release of appropriate government information, establishment of the rule of law, protection of human rights and combating corruption.

9. The Subcommittee recognized the value of learning from each other and encouraged the secretariat to continue its work on the identification and transfer of good practices as part of a long-term strategy. It further recognized that ESCAP could play an important role in that process.

10. The Subcommittee proposed to refine the strategy by defining specific roles for different actors in the process of dissemination and replication.

11. The Subcommittee recognized the positive outcomes of the Human Dignity Initiative and indicated that the results of the project were a good example of a cost-effective intervention. It proposed that the secretariat undertake to replicate the experience to improve living conditions and strengthen the capacities of the poor at the community level. It was indicated that a close link with UN-Habitat in the implementation of that activity could be beneficial.

12. The Subcommittee strongly supported the continuation of ESCAP's programme activities in the areas of participation and local partnerships between local communities and Governments, grass-roots economies and good governance as a mechanism to help the poor to improve their own situation.

13. The Subcommittee noted with appreciation the exhibition on the ESCAP project "Replication of best practices in rural community development" set up during the session and the support provided by the Government of the Republic of Korea to ESCAP for the implementation of the project, which was based on the success of the *Saemaul Undong* (New Village) movement in eradicating rural poverty in the Republic of Korea.

14. The Subcommittee suggested that the public and private sectors should work together in the provision of income-generating opportunities for the poor such as the alternative trading of handicrafts. It proposed that the potential of ecotourism and organic farming for poverty reduction be rigorously explored.

15. The Subcommittee recognized that conditions in least developed countries might differ from other countries of the region and encouraged the secretariat to undertake a study to identify the root causes of poverty in the least developed countries.

## **B. Evaluating the impact of targeted poverty reduction programmes**

16. The Subcommittee had before it document E/ESCAP/SCPRP/3, which highlighted the importance of impact evaluation of targeted poverty reduction programmes being implemented by many countries in the region. Important issues in impact evaluation were discussed and a recent secretariat publication entitled *A Manual for Evaluating the Impact of Targeted Poverty Reduction Programmes* was introduced. The *Manual* contained guidelines and a methodology for evaluating the impact of selected targeted poverty reduction programmes at the local level.

17. The Subcommittee emphasized the importance of impact evaluation of targeted poverty reduction programmes. It welcomed the preparation of the *Manual* by the secretariat as it could help in evaluating the impact of such programmes at the local level. The *Manual* was considered very useful to build the capacities of government and NGO officials at the local level to undertake impact evaluation tasks. The *Manual* was considered quite comprehensive as it covered various aspects of impact evaluation, including income change, targeting, poverty reduction, economic efficiency and financial sustainability of targeted poverty reduction programmes.

18. The Subcommittee noted that the *Manual* dealt with income poverty aspects only. It recommended that in its future work on impact assessment of poverty interventions the secretariat try to capture various non-income dimensions of poverty, including the human rights approach, social exclusion, participatory approaches to assessing poverty, poverty of opportunity, gender gaps and inequities, ethnic minorities and vulnerability indices.

19. The Subcommittee felt that it was very difficult to separate out the impact of any particular targeted poverty reduction programme on the income of a beneficiary. Many factors could influence income and at times a person might be benefiting from more than one targeted poverty reduction programme. A proper record by a beneficiary of a programme of income from various sources could help to minimize the problem.

20. The Subcommittee recommended that the *Manual* be publicized to promote impact evaluation. National workshops organized by the secretariat in various countries could be one modality to promote the use of the *Manual*.

21. The Subcommittee suggested that impact evaluation should not be limited to determining the success of a programme. The causes of success or failure should also be investigated. The success factors should be promoted as good practices, and causes of failures should also be recorded so that others could avoid similar mistakes.

22. The Subcommittee recommended that the secretariat investigate the root causes of poverty in countries where poverty levels were high. It also recommended that changes in policies be tracked

and their impact on poverty studied. Government budgets were highlighted as a major source to track policy changes over time.

### **C. Selected issues in poverty reduction**

23. The Subcommittee considered the agenda item on the basis of several inputs: a note by the secretariat (E/ESCAP/SCPRP/4) and the outcomes of a series of sector-specific discussions through breakout groups. Four areas of ESCAP work in poverty reduction were considered: poverty alleviation through tourism development; partners for health: an approach to poverty reduction in support of people living with HIV/AIDS; managing natural resources for the poor; and urban poverty and slums. The Subcommittee endorsed the outcomes of the breakout groups on selected issues in poverty reduction.

#### **1. Poverty alleviation through tourism development**

24. The Subcommittee recognized the important role of tourism in the socio-economic development of Asian and Pacific countries and noted that it had become a significant source of foreign exchange for a number of countries, including LDCs. The Subcommittee noted that tourism could be on the frontline of the struggle to reduce poverty, stimulating economic and social development in local communities. The potential of tourism to create jobs was considered particularly important since unemployment was the principal social and economic challenge facing many developing countries.

25. The Subcommittee remarked that effective strategies and policies to spread the benefits of tourism to poor communities still needed to be fully implemented. There was also a need to strengthen the capacity of government tourism agencies, provincial governments, local communities, non-governmental organizations, tourism education and training institutes and the private sector in taking effective measures to foster the sound and sustainable development of tourism and enhance its contribution to poverty reduction.

26. The Subcommittee identified key issues related to poverty reduction through tourism as follows: (a) lack of awareness about the importance of tourism in socio-economic development and poverty reduction; (b) lack of clear strategies to enhance the contribution of tourism to poverty reduction; (c) lack of adequate capital for appropriate tourism development; (d) lack of intersectoral coordination in tourism planning and management; (e) lack of skills and capabilities of stakeholders, including local communities, in planning and managing tourism as well as lack of technical skills in tourism operation; and (f) need for further strengthening of regional and subregional cooperation and partnership in tourism.

27. The Subcommittee strongly supported the secretariat's work on tourism and urged the secretariat to further strengthen its activities in the following areas: (a) capacity-building in poverty

reduction through tourism; (b) promoting the sharing of experience and good practices in poverty reduction through tourism; (c) conducting policy-oriented research on tourism and poverty reduction; (d) promoting the long-term sustainability of tourism with due attention to ecotourism, agro-tourism and community-based tourism; and (e) promoting regional cooperation in human resources development in tourism through the Network of Asia-Pacific Education and Training Institutes in Tourism (APETIT). The Subcommittee took note of the suggestion that training in the management of the adverse impacts of tourism could be implemented through APETIT.

## **2. Partners for health: an approach to poverty reduction in support of people living with HIV/AIDS**

28. The Subcommittee proposed seven key areas for ESCAP work pertaining to its partners for health project:

(a) Sharing experience and promoting good practices among countries on effective and sustainable measures against HIV/AIDS;

(b) Scaling up successful pilot projects in cooperation with Governments and international organizations, to strengthen impact and sustainability;

(c) Actively promoting similar initiatives by countries to create a sense of ownership;

(d) Generating research results on areas, levels and indicators of success (with definitions identified by target groups), critical success factors and the roles of partners and sectors;

(e) Expanding the project to cover indigenous peoples and support the education of children in families affected by HIV/AIDS;

(f) Strengthening the human rights approach to work on HIV/AIDS;

(g) Promoting effective utilization of global funds for work on HIV/AIDS.

## **3. Managing natural resources for the poor**

29. The Subcommittee recognized that unsustainable production and consumption patterns and lack of integration between policies for poverty reduction and environmental protection were among the major issues related to natural resources management for the poor. Integrated approaches, improved coordination and diversification of the income basis for poor households were therefore integral to making natural resources management intervention benefit the poor. Furthermore, the uneven distribution of natural resources was a major catalyst for conflicts, and a rights-based approach should be adopted to resolve potential conflicts related to access to natural resources.

30. The Subcommittee noted that inclusiveness, cost-effectiveness and affordability were important issues related to the role of the private sector in providing basic water and energy services to the poor. As circumstances varied among countries as well as between urban and rural areas, no

one-size-fits-all approach should be taken. An enabling environment, including legal and regulatory frameworks and incentive mechanisms, was needed to increase the involvement of the private sector in the provision of basic services to the poor. Internalization of environmental externalities in pricing, market segmentation for different types of private sector incentives, quality and sustainability were key issues that needed to be considered.

31. The Subcommittee emphasized the importance of preserving the natural resource base to sustain the tourism industry and enhance national income. It noted the role of the Third World Water Forum and the Ministerial Declaration agreed in Kyoto in promoting policies and strategies for poverty reduction at the community level and taking an integrated approach to natural resources management and poverty reduction.

#### **4. Urban poverty and slums**

32. The Subcommittee recognized that improving the lives of slum-dwellers, as called for by target 11 under Millennium Development Goal 7, required a set of coordinated policies and actions related to slum upgrading, environmental management, infrastructure development, service delivery, savings-and-credit schemes and income and employment generation.

33. The Subcommittee recognized that rapid urbanization and migration were serious problems and that there was a need for policies to deal with them and for Governments to provide infrastructure and services, including education, health care and transport for the urban poor. Specifically, the Subcommittee recommended that ESCAP provide assistance in preparing and conducting internal migration surveys through the development of migration survey guidelines.

34. The Subcommittee stated that housing within slum areas was linked to a number of other issues, particularly health, the environment and education, especially at the community level. It recommended that guidelines be formulated to clarify (a) the role of Governments in a rights-based approach to housing so as to not to discriminate against vulnerable groups and slum-dwellers and (b) the role of the private sector in the area of housing.

#### **D. Programme matters**

##### **1. Review of programme performance for 2002-2003; programme changes for 2004-2005; and priority areas for inclusion in the programme of work for 2006-2007**

35. The Subcommittee had before it documents E/ESCAP/SCPRP/5-7.

36. The Chief of the Programme Management Division, in her introduction, informed the Subcommittee that the United Nations was emphasizing the importance of results-based management in planning, implementing and reporting on the impact of its work. In contrast to past practices, ESCAP would now be evaluated on the basis of results achieved rather than merely on the basis of outcomes and activities.

37. On the subject of the strategic framework 2006-2007, she informed the Subcommittee that the draft document was currently being considered by the review bodies at Headquarters, including the Committee for Programme and Coordination.

38. Against the background of the strategic framework 2006-2007, the Subcommittee contributed ideas, in an interactive brainstorming session, on activities to be carried out under the subprogramme on poverty and development in the programme of work 2006-2007. While some of those ideas highlighted possible specific interventions, others focused on the modalities used by ESCAP to carry out its capacity-development activities.

39. With regard to expected accomplishment (1), “National policy makers and planners have increased capacity to design and implement poverty reduction policies that are effective, sustainable and gender-responsive”, the following suggestions were made: (a) to mainstream poverty reduction strategies into planning frameworks; (b) to improve coordination and knowledge-sharing between policy makers and implementers and strengthen feedback mechanisms; (c) to advance methodologies for measuring poverty in different contexts; (d) to enhance mechanisms to promote improved sharing of poverty reduction initiatives across countries; (e) to support target groups in developing expertise on participatory planning; (f) to strengthen coordination with other regional institutions; (g) to enhance capacity in data collection and analysis to improve future policies; and (h) to set up an advisory group to further dialogue with Governments.

40. With regard to expected accomplishment (2), “Increased capacity by Governments, civil society and the private sector in Asia and the Pacific, and particularly the least developed countries, to formulate and implement poverty reduction programmes that are effective, sustainable and gender-responsive and that focus on economically vulnerable groups”, the following suggestions were made: (a) to further strengthen ESCAP’s work on public-private-civil society partnerships; (b) to place increased emphasis on target groups outside the development mainstream; and (c) to strengthen the use of civil society think tanks and institutes to expose national policy makers to good poverty reduction practices.

41. With regard to expected accomplishment (3), “Increased involvement of civil society organizations in the work of ESCAP”, the following suggestions were made: (a) to seek ways to actively involve civil society in participatory monitoring and evaluation of policies and programmes towards the implementation of national poverty reduction strategies and the realization of the Millennium Development Goals; (b) to promote better understanding of ESCAP’s roles and functions among NGOs and civil society and invite their participation in ESCAP’s activities; and (c) to assess the impact of civil society’s activities on the achievements of macro-level poverty reduction goals.

42. The secretariat indicated its appreciation for the contributions received and reiterated the importance of the planning process being member country-owned and demand-driven.

43. The Subcommittee emphasized that, over and above such a feedback session, it was important to carry out needs assessment missions, particularly for least developed countries and post-conflict countries. The representative of the Office of the United Nations High Commissioner for Human Rights suggested that training and awareness-raising activities were important to share good practices, but that lessons learned from poor practices were equally important. She also suggested that national planners should be trained on the human rights impact of their poverty-related work. The representative of the International Labour Organization proposed that as ESCAP developed regional networks it should seek, where possible, to directly include the poor and develop action-oriented strategies accordingly.

44. The Subcommittee endorsed a programme change for incorporation into the 2004-2005 work programme, involving a joint technical cooperation project with UNDP to support the achievement of the Millennium Development Goals in Asia and the Pacific.

#### **E. Other matters**

45. The Subcommittee took note of the recommendations of the workshop on implementing partnerships for development in least developed countries of Asia and the Pacific, held in Bangkok on 29 June 2004. Those recommendations (see annex II) included actions to be undertaken by all stakeholders in the establishment of effective (a) public-private partnerships, (b) partnerships between civil society and government and (c) government-government coordination in order to address poverty in the least developed countries in line with the Millennium Declaration.

## **II. ORGANIZATION OF THE SESSION**

### **A. Opening and duration of the session**

46. The Subcommittee on Poverty Reduction Practices held its first session in Bangkok from 30 June to 2 July 2004.

47. The session was opened by the Executive Secretary and His Excellency Mr. Ly Thuch, Minister of Rural Development of Cambodia.

48. Mr. Paiboon Wattanasiritham, Chairperson, Community Organization Development Institute, Thailand, delivered the keynote address entitled "Integrating top-down and bottom-up approaches to poverty reduction in Thailand".

### **B. Attendance**

49. The session was attended by representatives of the following members and associate members of ESCAP, and other States: Armenia; Cambodia; China; Democratic People's Republic of Korea; India; Indonesia; Islamic Republic of Iran; Japan; Lao People's Democratic Republic; Malaysia;

Pakistan; Philippines; Republic of Korea; Russian Federation; Singapore; Sri Lanka; Thailand; Timor-Leste; Macao, China; and Germany.

50. Representatives of the following United Nations bodies attended: Office of the United Nations High Commissioner for Human Rights, Office of the United Nations High Commissioner for Refugees, United Nations Children's Fund, United Nations Development Fund for Women, United Nations Development Programme, United Nations Environment Programme, United Nations Office on Drugs and Crime and United Nations Population Fund.

51. Representatives of the following United Nations specialized agencies attended: International Labour Organization, Food and Agriculture Organization of the United Nations, United Nations Educational, Scientific and Cultural Organization, World Bank and United Nations Industrial Development Organization.

52. Representatives of the Asian Development Bank and the Association of Southeast Asian Nations also participated.

53. Twelve experts from least developed countries (Afghanistan, Bangladesh, Bhutan, Cambodia, Kiribati, Lao People's Democratic Republic, Maldives, Myanmar, Nepal, Solomon Islands, Tuvalu and Vanuatu) also attended.

### **C. Officers**

54. The Subcommittee elected Mr. Chamnan Wattanasiri (Thailand) Chairperson, Mr. Liu Fuhe (China) Vice-Chairperson and Ms. Kamariah Yeop Abdullah (Malaysia) Rapporteur.

### **D. Agenda and organization of work**

55. The Committee adopted the following agenda:

1. Opening of the session.
2. Election of officers.
3. Adoption of the agenda.
4. Keynote address.
5. Creating an enabling environment for successful poverty reduction initiatives.
6. Implementing ESCAP's poverty reduction strategies.
7. Evaluating the impact of targeted poverty reduction programmes.

8. Selected issues in poverty reduction:
  - (a) Poverty alleviation through tourism development;
  - (b) Partners for health: an approach to poverty reduction in support of people living with HIV/AIDS;
  - (c) Managing natural resources for the poor;
  - (d) Urban poverty and slums.
9. Programme matters:
  - (a) Review of programme performance for 2002-2003;
  - (b) Programme changes for 2004-2005;
  - (c) Priority areas for inclusion in the programme of work for 2006-2007.
10. Other matters.
11. Adoption of the report.

#### **E. Documentation**

56. The documents before the Subcommittee at its first session are listed in annex I to the present report.

#### **F. Adoption of the report**

57. The Subcommittee adopted its report on its first session on 2 July 2004.

*Annex I*

**LIST OF DOCUMENTS**

<b>Symbol</b>	<b>Title</b>
E/ESCAP/SCPRP/L.1/Rev.1	Provisional agenda
E/ESCAP/SCPRP/L.2 and Corr.1	Annotated provisional agenda
E/ESCAP/SCPRP/1	Creating an enabling environment for successful poverty reduction initiatives
E/ESCAP/SCPRP/2	Implementing ESCAP's poverty reduction strategies
E/ESCAP/SCPRP/3	Evaluating the impact of targeted poverty reduction programmes
E/ESCAP/SCPRP/4	Selected issues in poverty reduction
E/ESCAP/SCPRP/5	Review of programme performance for 2002-2003
E/ESCAP/SCPRP/6	Programme changes for 2004-2005
E/ESCAP/SCPRP/7	Priority areas for inclusion in the programme of work for 2006-2007

*Annex II*

**RECOMMENDATIONS FOR IMPLEMENTING PARTNERSHIPS FOR DEVELOPMENT  
IN LEAST DEVELOPED COUNTRIES OF ASIA AND THE PACIFIC**

1. Experts from Afghanistan, Bangladesh, Bhutan, Cambodia, Kiribati, the Lao People's Democratic Republic, Maldives, Myanmar, Nepal, Solomon Islands, Timor-Leste, Tuvalu and Vanuatu participated in the workshop on implementing partnerships for development in least developed countries of Asia and the Pacific, held in Bangkok on 29 June 2004.

2. Poverty in least developed countries is a multidimensional issue that can be addressed in line with the goals set in the Millennium Declaration if all partners, including the central and local governments, the private sector, civil society and international organizations jointly address this concern. In this context, the experts from least developed countries recommend the following:

Elements of effective partnerships for development

3. Actions by all partners:

- Effective partnerships and good governance go hand in hand on the way to poverty reduction. In addition to political stability, an enabling policy environment that interfaces among development partners and independent regulatory frameworks needs to be in place.
- Given the diversity of countries, differentiated approaches for developing and strengthening partnerships are needed.
- The poverty reduction process should ensure that everyone is included. Sustainable partnerships require information on their possibilities and the formation of alliances. Timing of partnerships is critical.
- The poverty reduction process should be designed as a sustainable strategy in consultation with other partners before actual operation.
- Human resources and institutional capacity need to be strengthened to ensure that all partners are equal and mutually benefit. Institutions, especially on the legal and regulatory front, need to be established where they do not exist.
- Transparency and accountability in all activities and transactions of all partners need to be maintained.
- A clear communication strategy should be devised to inform all partners as well as the general public as to the nature of the partnership, its benefits and time frame and the goals to be reached.

4. Actions by the international community:

- The donor community should encourage Governments to develop tripartite partnerships through the provision of an appropriate modality of programmes, resources and training facilities.
- The international community should have a continuous dialogue on the development needs, concerns and constraints of least developed countries.
- Participatory monitoring of Poverty Reduction Strategy Papers, the Millennium Development Goals and the Brussels Programme of Action for the Least Developed Countries by civil society should be supported to inform the public about the country's progress towards these objectives.

Public-private partnerships

5. Action by Governments:

- Governments should be flexible and entrepreneurial when engaging the private sector to provide quality, yet cost-effective, public services. Incentives could be considered to encourage greater private sector participation for the delivery of public goods.
- Measurable performance indicators to monitor the outcomes of public-private partnerships should be developed in consultation with members of the private sector and civil society before the operation of such partnerships.

Government-civil society partnerships

6. Actions by Governments:

- Governments should recognize the innovative approaches implemented by civil society for delivering social services to the poor.
- Governments should ensure the participation of civil society in the formulation, implementation, monitoring and evaluation of anti-poverty programmes.

Government-government coordination

7. Action in collaboration with local governments:

- Devolution is key to enhancing partnerships among central Governments, local governments and civil society.
- Central Governments should provide local governments with funds and authority to work independently, as well as in collaboration with civil society. Since local government institutions with technical capacity are able to implement projects, central Governments

should form a functional partnership with local governments for the delivery of public services.

- The planning process should originate at the local level and include all partners to ensure that appropriate services are identified and delivered.
8. Action in collaboration with other least developed countries:
- Since lessons on adaptation and replication of best practices in poverty reduction can be learned from the experiences of other least developed countries, technical cooperation among developing countries should be supported.
  - Common policy platforms among least developed countries, including issues of debt relief, aid, special and concessional treatment on trade and capacity-building, need to be strengthened to ensure that partnerships are effective.