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### **The role of the United Nations system in implementing the Ministerial Declaration of the high-level segment of the 2007 substantive session of the Economic and Social Council**

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#### **Report of the Secretary-General**

##### *Summary*

By its decision 2007/261, the Council decided to focus its substantive session of the coordination segment to review the role of the United Nations system in implementing the 2007 Ministerial Declaration on “Strengthening efforts to eradicate poverty and hunger, including through the global partnership for development”. The 2007 Ministerial Declaration has stressed the need for a comprehensive approach to achieving by 2015 the eradication of extreme poverty and hunger and has identified a number of policy areas where urgent action is needed.

The present report of the Secretary-General provides an overview of UN system efforts on a broad range of areas highlighted in the Declaration.

The report assesses the role of the UN system against the backdrop of current challenges facing developing countries. It identifies areas in which the UN system needs to promote more comprehensive and effective approaches and makes recommendations on ways in which the UN system support can be strengthened.

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## **I. Background**

1. With decision E/2007/261, the Council requested the Secretary-General to examine the role of the UN system in implementing the 2007 Ministerial Declaration on “Strengthening efforts to eradicate poverty and hunger, including through the global partnership for development”.

2. The Declaration reiterated the multidimensional nature of the challenge against the backdrop of current and emerging challenges. It underscored that a successful approach to eradicating poverty and hunger cannot rely only on narrowly focused policy instruments and sector specific international support, but should be tied to a comprehensive national strategy to address poverty and hunger from a broad developmental perspective. In particular, it stressed the need to take action in a number of strategic areas to reduce poverty and hunger - such as rural and agricultural development; employment creation; enterprise development; sustainable development; science and technology, trade and financing for development. These were identified as key elements of a comprehensive pro-poor development strategy.

## **II. Introduction**

3. Substantive progress has been made to reduce poverty and hunger worldwide. This progress, however, has not been equally distributed. Despite greater national efforts, a number of factors still prevent progress in achieving the goal to eradicate poverty and hunger. The risks of mass poverty and food insecurity continues to loom over those who have graduated from the ranks of the extremely poor and hungry. Rapid population growth, changes in the demographic structure, continued land degradation, civil strife,

natural and man-made disasters; climate change impacts; increasing commodity prices; global financial instability and slowing economic growth are adding to the national and global risks/challenges in achieving MDG1.

**4.** If present trends continue, population will reach 7.7 billion in 2020 with most of the increase occurring in the urban areas of developing countries. The ratio of rural population, however, will remain high in Sub-Saharan Africa and south and central Asia, at 58 per cent and 63 per cent respectively. Rapid population growth will strain already stretched natural resources, while the growing number of people in the working age groups looking for employment, especially in the rural areas of developing countries, will further induce urban migration.

**5.** Urban dwellers are expected to reach 4.2 billion by 2020, 77 per cent in developing countries. Rapid and unplanned urban growth is likely to increase urban poverty as more people will live in crowded slums and informal settlements. By 2030, people living in deplorable conditions in slums are likely to reach 2 billion, with urban poverty growing faster than rural poverty.

**6.** The rapid pace of urbanization and industrialization will worsen the problems of environmental degradation, climate change and energy shortage. Urban expansion is inevitably leading to encroachment on land, forests and watersheds. Unsustainable patterns of production and consumption have accelerated climate change and destruction of ecosystems. The increase in severe ecological shocks through drought, flooding and hurricane are destructive and impact most severely vulnerable countries and cities situated in costal areas, which have the least technological capabilities and infrastructure to adapt to and mitigate climate change effects. Energy shortages caused by rapidly increasing

demand have created significant new problems. Rising costs of crude oil, compounded with increasing demand for alternative sources of energy, such as bio-fuel produced from corn, are strongly influencing food prices, with significant impacts especially on poor countries, who are net importers of food and energy. Food aid emergency programmes and the UN agencies dealing with emergency food aid are finding that their budgets can support smaller actual deliveries.

**7.** The 2007 Ministerial Declaration has called for urgent action to promote effective and sustainable use of natural resources, increased agricultural productivity, non-agricultural sector development, creation of decent and productive jobs in agriculture and in the non-farm economy, and increased access to markets and financial services as integral elements of a pro-poor national comprehensive development strategy.

**8.** While national governments have the primary responsibility to formulate and implement such a strategy, the international community plays a critical role in expanding development opportunities for developing countries through supportive global programmes, measures and policies. In this regard, the 2007 Ministerial Declaration has underscored the importance of international support to: a) increase resources for development; b) build developing countries' capacity to formulate effective policies in response to their specific circumstances; and c) promote fair international systems for trade, finance, technology transfer, etc, that facilitate developing countries integration into the international economy.

**9.** The present report will examine the UN system's efforts to strengthen its role in line with the approach and policy areas identified by the 2007 Ministerial Declaration and

to develop a more integrated system-wide response to support national development and poverty eradication strategies.

### **III. Overview of the UN approaches**

**10.** Eradication of poverty and hunger has always been a central objective of UNs development work. All UN system organizations have pursued this goal within their respective mandates as captured in the UN development agenda, which provides a framework for measuring progress. The 2007 Ministerial Declaration has reiterated the need to implement the UN development agenda to eradicate poverty and hunger and taken a step further in this direction by consolidating the international consensus around a comprehensive framework for action.

**11.** The UN system has made some progress in integrating this framework in its policies, programmes and operations. A number of UN initiatives are underway to promote system-wide approaches ranging from joint efforts to measure and evaluate progress towards the achievement of the Millennium Development Goals (MDGs), to joint studies to advance understanding of complementarities between relevant policy areas, and joint activities to build national capacity to formulate comprehensive development strategies and mobilize resources (see Annex). Some of these initiatives and approaches are beginning to promote more integrated UN responses in line with the thrust of the 2007 Ministerial Declaration. These initiatives fall in the following broad categories.

#### *A. Measuring and evaluating progress*

**12.** The 2007 Ministerial Declaration emphasized the importance of the MDG framework to assess progress towards the realization of MDG-1. In line with this

approach, the Secretary-General has launched a major communication and advocacy initiative to renew political momentum around the MDGs and step up support to scale up their implementation in 2007 and 2008 at their mid-point towards the target year 2015. To support this process the Secretary-General has established a United Nations MDG Gap Task Force, whose main focus is: to track existing international commitments made under MDG-8 to support the achievement of the MDGs; determine the extent to which these commitments have been fulfilled at the international and country level; identify gaps in this regard that may prevent faster progress; and suggest ways in which these gaps can be addressed.

**13.** The Task Force comprises UN system agencies, the IMF, World Bank, WTO and OECD/DAC and aims at developing a common methodology for tracking progress and gaps and providing a common framework to monitor the commitments made under MDG.

**14.** This framework will be critical to promote mutual accountability and partnerships among development actors in identifying and addressing resource gaps effectively. The first report of the Task Force will be presented to the intergovernmental process in mid-2008. It will complement the ongoing efforts of the Inter-agency and Expert Group on MDG Indicators coordinated by the UN Statistics Division to monitor MDG outcomes, as well as the work of the MDG Monitor, which makes country-level information available to the general public.

**15.** The Secretary-General has also established the MDG Africa Steering and Working Group coordinated by the World Bank and UNDP, the latter as chair of UNDG, to scale up progress to achieve the MDGs in the region and implement existing commitments. The initiative aims at reviewing and assessing existing international implementation

mechanisms to achieve the MDGs in Africa, identifying key implementation bottlenecks, and proposing ways to strengthen existing mechanisms or develop new ones. The Group, which brings together the heads of the international development system, will focus on gaps in day-to-day operational collaboration between United Nations system organizations and international financial institutions, including the African Development Bank and the Islamic Development Bank, but also the European Commission. The initiative will: (a) map the international support mechanism for Africa in the five cluster areas of health, education, agriculture and food security, infrastructure and trade facilitation, and statistics, in order to identify financial impediments as well as gaps in exiting institutional mechanisms; (b) identify ways to ensure aid predictability; and (c) help enhance coordination in support of national development strategies to achieve the MDGs.

*B. Analytical support*

**16.** UN system analytical work on the eradication of poverty and hunger aims at identifying complementarities between relevant policy areas, and pointing out policy options available to developing countries to achieve this objective effectively. Efforts in this regard include building national capacities to analyze national constraints and opportunities, design effective development strategies and mobilize adequate resources for their implementation.

**17.** For example, UN-DESA, together with UNDP, the World Bank, and the regional commissions, has engaged in a number of capacity-building initiatives to assist developing countries to apply economy-wide modelling frameworks to analyze the complex interactions between production processes, labour markets, financial markets, household income distribution and human development measured, among other things, against

progress towards the MDGs. The analytical framework proposed will help countries assess the effectiveness of economic and social policies towards the MDGs. It will also help them estimate the resources needed to achieve these goals and macroeconomic tradeoffs, which could emerge under different financing strategies, such as scaling up of aid, more foreign borrowing or increased domestic resource mobilization.

**18.** Eighteen Latin American and Caribbean countries have benefited so far from this work. Similar work is currently under way in five Arab States. The work already undertaken in seven African countries by the World Bank will be extended with UN support to seven other African countries and to a number of low-income Asian countries during 2008 and 2009.

#### *C. Rural and agricultural development*

**19.** The 2007 Ministerial Declaration has reiterated the critical role of rural and agricultural development in eradicating mass poverty and food insecurity, mainly concentrated in the rural areas of developing countries. Pro-poor rural and agricultural development is critical for reducing the dependence of the rural poor on informal or subsistence livelihoods; improving access to markets and financial services; creating rural employment; reducing the vulnerability of the poor to the destruction of the natural resource base on which their livelihood depends; and enhancing their access to water and sanitation services, electricity, and basic health care.

**20.** Rural and agricultural development remains central to the UN approach to the eradication of poverty and hunger. UN work in this area addresses a broad range of issues concerning both short- and long-term needs and spans across a broad range of UN programmes and activities. The World Food Programme (WFP), the Food and Agriculture

Organization (FAO) and the International Fund for Agricultural Development (IFAD) have adopted a common “twin track” approach to rural development, which recognizes that fighting hunger requires both: (i) immediate, direct action to alleviate hunger for the most vulnerable; and (ii) longer-term programmes for rural and agricultural development, food security and nutrition to eliminate the root causes of hunger and malnutrition. Medium- and long-term interventions include: promoting agricultural productivity; management of natural resources; adaptation to and mitigation of climate change; marketing infrastructure and activities; professional training of rural producers and smallholder farmers; rural and non-farm employment; and the provision of financial services.

**21.** UN work in this area, however, needs to be further integrated and scaled up to promote synergies between the broad range of UN activities and to increase their impact on national efforts to eradicate poverty and hunger. There is a need for greater understanding of the linkages and complementarities between relevant policy areas at various stages of rural and agricultural development and greater coherence between UN programmes supporting short- and long-term objectives. For example, there is a need to understand the impact of agriculture on social development at different stages of economic growth in order to bridge the gap between agricultural and social policies. In this regard, the Commission for Social Development at its forty-sixth session has stressed the need for agriculture to create opportunities for decent and productive employment in order to translate economic growth in developing countries into strong formal job creation for poverty eradication.

**22.** The Commission on Sustainable Development, at its 8<sup>th</sup> session, had already highlighted the need for major adjustments in agricultural, environmental and

macroeconomic policies at the national and international levels to create the conditions for sustainable agriculture and rural development (SARD). The UN System Network on Rural Development and Food Security has helped continue a dialogue among UN agencies on this issue, whose progress will be reviewed by the Commission during its 3<sup>rd</sup> implementation cycle in 2008-2009.

**23.** In the wake of unprecedented increases in food prices and the serious food crisis that has affected more than 37 countries in Africa, Asia and the Caribbean region, the Secretary-General has committed to establish a High-Level Task Force to coordinate the UN system response to the current food challenges, including their humanitarian, development, political and security dimensions. Among the objectives of the Task Force is the need to develop an international strategy to respond to global and country level challenges and address the immediate funding shortfalls to face food emergencies, in particular those appealed by the WFP and other emergency partners.

#### *D. Urban poverty*

**24.** The issue of urban poverty also needs to be better understood in the context of poverty reduction and development strategies. Many developing countries are experiencing an increasing “urbanization of poverty” as evidenced by the unprecedented proliferation of slums and informal settlements, which now counts for 70 percent of urban population. This trend is already the biggest obstacle to attaining the MDGs as the vast majority of slum dwellers lack access to decent housing, clean water and basic sanitation, energy supply, health and education facilities, and safety and security. They are also at risk from natural hazards such as flooding and earthquakes. Rising food prices, which are hitting urban dwellers harder than rural population, are creating a new source of hunger

and poverty in the urban area, as urban dwellers are increasingly priced out of the food market.

**25.** The Second United Nations Conference in Human Settlements in Istanbul in 1996 had already called for sustainable urbanization and pro-poor urban development. The 2007 Ministerial Declaration has further called on the UN system organizations to support the adoption of national poverty reduction strategies that take into account urban poverty. The integration of sustainable urbanization and urban poverty reduction in the UNDAF process is now a key challenge for the UN system.

#### *E. Employment*

**26.** The Council's Ministerial Declaration in 2006 addressed the issue of full and productive employment and decent work for all. It reiterated the central role of employment and decent work for poverty eradication and development and stressed the need for integrating these objectives into relevant national and international development and poverty eradication strategies to achieve the MDGs. It requested the ILO to take the lead in promoting a coherent approach to employment and decent work and facilitate its integration in the programmes and operations of the UN system. The 2007 Ministerial Declaration further reiterated the key role of employment to poverty reduction and reaffirmed its centrality in national development strategies, including poverty reduction strategies.

**27.** Several collaborative initiatives have emerged within the UN system to support this approach. For example, the UNDP-ILO Action Plan 2007-08 outlines collaborative work in support of full and productive employment and decent work for women and men as a central element in national strategies to reduce poverty and promote inclusive economic

growth. ILO and FAO have committed to work together to improve and diversify the livelihoods of the rural poor, both women and men, and broadening opportunities for decent work and full employment in the rural areas. In particular, ILO and FAO are collaborating to promote the development of cooperatives in rural areas, aimed at creating rural employment and improving the living and working conditions of women and men globally as well as making essential infrastructure and services available in areas neglected by state and private sector investments.

**28.** In 2007, the CEB endorsed a Toolkit for Mainstreaming Employment and Decent Work, prepared under the leadership of ILO to further promote UN system collaboration on employment and integrate this objective in the programmes and operations of the UN system agencies. The Toolkit provides a diagnostic checklist to assess how users' policies, programmes and activities impact on employment and decent work and determine where and how to make improvements. The results of the self assessments will form the basis for the development and implementation of an action plan by each agency to mainstream employment and decent work in its policies, programmes and activities.

**29.** The Toolkit has also been adapted for country-level application. At the request of their Resident Coordinators, the Toolkit has been applied at the country level in Egypt and in three UN pilot countries (Mozambique, Tanzania, and Vietnam). In these countries, the Toolkit has been introduced to the UN Country Teams (UNCTs) as a practical methodology for reviewing the UNDAFs and national development frameworks to determine how to improve coherence and efficiency in delivering as one on decent work and poverty reduction. The next stage at the country level is to introduce the Toolkit to national constituents.

### *F. Sustainable development*

**30.** The 2007 Ministerial Declaration has reiterated the close link between the objectives of poverty eradication, changing unsustainable patterns of production and consumption and protecting and managing natural resource, reaffirming them as overarching objectives of and essential requirements for sustainable development. Effective strategies to achieve these objectives effectively need to combine agricultural and industrial policies, science and technology, environmental management, and disaster mitigation and adaptation policies.

**31.** Current challenges have reinforced the need for this approach. The sustainable use of natural resources and energy for agriculture and industry has become a must not only to protect the increasingly devastating effects of environmental degradation and climate change, but also to enhance and sustain agricultural productivity and food security.

**32.** Several inter-agency initiatives are making progress in this regard. The UN-Energy initiative, for example, was established in 2004 to help ensure coherence in the UN system's response to the World Summit on Sustainable Development (WSSD) with regard to energy. The initiative aims at promoting a system-wide collaboration approach on energy that takes into account its impact on industrial activities, job creation, transportation, commerce, micro-enterprise and agricultural development. It promotes a coherent and consistent approach of the UN system in this area.

**33.** The UN-Water initiative was established to help member states in their efforts to achieve water and sanitation goals and targets in their follow up to water-related decisions of the 2002 WSSD and the Millennium Development Goals. The initiative aims at bringing coherence and integration in the work of separate UN agencies and programmes

regarding water and sanitation and serving as a common UN voice in this area. The scope of this work encompasses all aspects of water resources, their development, assessment, management, monitoring and use, including domestic uses as well as agriculture and ecosystems requirements. It also works on access to and use of sanitation and water-related disasters, emergencies and other extreme events, including their impact on human security.

**34.** Other UN initiatives aim at mainstreaming environmental concerns into poverty eradication and development strategies and into financing mechanisms for poverty reduction. The UNDP-UNEP Poverty-Environment Initiative (PEI), for example, is a joint programme that provides financial and technical support to countries for mainstreaming poverty-environment linkages into national development planning processes, such as Poverty Reduction Strategy Papers and MDG Achievement Strategies. FAO, IFAD, the World Bank in collaboration with the German Agency for Technical Cooperation (GTZ) have worked together to support the delivery of improved financial services to rural households and businesses through the development of a Rural Finance Learning Centre that helps build the capacity of developing country organizations to deliver these services.

**35.** UN system organizations have also undertaken a number of joint studies and research aimed at assessing the impact of climate change on various dimensions of poverty and hunger. FAO and IFAD, for example, are planning to develop in 2008 a methodology to assess the impact of climate change in rural areas for use in national climate change adaptation strategies, while UNEP, WHO and ILO have worked on a joint study, “Labour and the Environment - a Natural Synergy”, exploring the numerous links between labour and environmental protection.

**36.** An effort is underway, within the framework of the United Nations Chief Executives Board for Coordination (CEB), to reduce the limitations caused by sectoral and institutional fragmentation in dealing with climate change and develop a more coordinated UN system approach to this issue. The basis for this approach is the understanding that the response to climate change should be rooted in sustainable development and equity, and action should and can be carried out within the mandates entrusted to individual UN system organizations by the Member States. The overall objective is to make the system as a whole more responsive to the demands of Member States, as they emerge from the UNFCCC negotiation process and from the needs identified at the country level.

**37.** Mainstreaming the issue of climate change into UN system programmes and activities would help balance climate change needs with the need to achieve the internationally agreed development goals, including the MDGs, mutually reinforcing efforts on both fronts. A recent report of the Secretary-General on the United Nations activities in relation to climate change (A/62/644 of 10 January 2008), provides an overview of the broad range of contributions that UN entities are already making and can further make in climate proofing development, in line with their respective inter-governmental mandates. Under the chairmanship of the Secretary-General, the CEB efforts are expected to lead to more concerted UN system action on climate change, with the involvement of all relevant UN entities, within existing coordinating and reporting mechanisms.

#### *G. Science and technology*

**38.** Technological innovation can play an essential role in accelerating progress towards the achievement of MDG-1 by improving industrial and agricultural productivity,

promoting environmental protection, facilitating access to markets and social services, and improving human resources development and social inclusion. Access to technology has always been a major concern for developing countries. This has been further aggravated by the fast pace of technological innovation and the growing importance of acquiring the latest skills to utilize new technologies. It is thus becoming increasingly difficult for developing countries, particularly the poorest ones, to harness the benefits of science and technology and latest innovations.

**39.** Harnessing the potential of science and technology for poverty eradication and development, requires combining science and technology policies with strategies that promote institutional capacities, skills and infrastructure necessary to acquire, adapt and disseminate technological innovation appropriate to developing countries' specific circumstances. In this regard, the 2007 Ministerial Declaration has stressed the need to facilitate technology transfer and build developing countries' capacities to acquire, adapt and disseminate technologies, including new and environmentally sound technologies and the corresponding know-how.

**40.** The UN system support in this regard has focused on the following four areas: promoting awareness of scientific and technological developments relevant to economic and social development in developing countries; facilitating access, transfer, adaptation and diffusion of technological innovation through skills, institutional and infrastructure development; promoting technology transfer through South-South cooperation, and providing information on international science and technology-related treaties and protocols. The UN system is been promoting the use of science and technology to increase

agricultural productivity, promote enterprise development, increase access to markets and social services, promote trade and investment flows, and to improve human skills.

**41.** UNCTAD, for example, focuses on exploiting the full potential of ICT for small and medium enterprise (SME) development by helping build stronger institutional infrastructures to support ICT use among SMEs, particularly among entrepreneurs in the informal sector and female entrepreneurs, and by improving the understanding of best practices to promote the use, diffusion and adaptation of technology among entrepreneurs.

**42.** FAO provides assistance to developing countries and development agencies for the formulation and implementation of sustainable agricultural water management strategies and programmes through an independent multi-donor trust fund, the International Programme for Technology and Research in Irrigation and Drainage (IPTRID). The fund research, exchange of technology, management innovations and capacity development in the irrigation and draining systems of developing countries.

**43.** IPTRID's objective is to reduce rural and urban poverty, increase food security and enhance environmental sustainability by improving the access of farmers, farmers' associations and service providers to appropriate irrigation, drainage, water harvesting, salinity management and flood management technologies and practices.

**44.** FAO, IFAD, UNDP, and the World Bank are cosponsors of the Consultative Group on International Agricultural Research (CGIAR). CGIAR, in collaboration with national agricultural research systems, civil society and the private sector, fosters sustainable agricultural growth and food security to eradicate poverty and hunger through scientific research and related activities in agriculture, forestry, fisheries, policy and environment.

For example, CGIAR sponsors research on crops varieties to produce high yield, disease resistance crops in developing countries, especially in Africa.

**45.** UNESCO, through its project on Technology and Poverty Eradication (TAPE) aims at promoting access of poor people to technology by improving their knowledge of the important role of engineering and technology and small enterprise development in poverty reduction and sustainable social and economic development. The project helps improve access to information and knowledge and encourages local responses to a diversity of needs, using a variety of media.

**46.** The Science and Technology for Development Network (STDev), an initiative of the Commission on Science and Technology for Development (CSTD), developed and maintained by UNCTAD, is another important effort to provide access to information on activities in the area of science and technology for development - policies, programmes, projects, networking and partnership opportunities, publications available on-line, etc.- carried out by United Nations organizations, and other multilateral and bilateral development institutions, NGOs, etc.

**47.** Despite these numerous initiatives, the UN system's approach to science and technology continues to be fragmented along the areas of work of different UN agencies. A more comprehensive UN approach to science and technology for poverty eradication will need to focus on the potential of science and technology to address all dimensions of poverty and hunger, including emerging challenges such as climate change, bio-fuels, crops varieties and medicines for tropical diseases. This might also require increasing UN system capacity to focus on the broad range of technological innovations.

#### *H. Trade*

**48.** International trade is broadly recognized as an important driving force of economic growth and poverty reduction. Research on trade, however, has shown that the effects of

increased trade on poverty reduction greatly vary between countries, depending on the types and level of diversification of country's exports. Trade liberalization is thus no longer considered a panacea for poverty reduction. While it is recognized that trade liberalization needs to be accompanied by industrial and other production sector development policies to be effective in this regard.

**49.** The UN approach to trade has long stressed that the successful conclusion of the Doha Development Round on Trade needs to be accompanied by a strengthening of the productive sectors of the poorest countries which are at an early stage of development. It has also stressed the importance of addressing the needs of the most vulnerable groups of society in order to ensure that countries' productive sectors do not suffer adverse economic and social consequences from premature trade liberalization.

**50.** Aid for trade has been postulated as complementary to trade reforms to help countries cope with the major macroeconomic and microeconomic adjustments associated with trade reforms, including in the context of WTO trade negotiations. The first Annual Global Review of Aid for Trade, jointly prepared by OECD and WTO, took place in Geneva in November 2007 and stimulated an important dialogue in countries and agencies on how to deliver aid for trade. The UN support to aid for trade has focused on generating supply-side responses where removing trade barriers on agricultural products might not trigger a strong export response in light of large shares of small-scale farming and general lack of infrastructure.

**51.** At the level of system-wide initiative, the task force on economic development of the High Level Committee on Programmes (HLCP) of CEB, under the leadership of

UNIDO, has developed an online Trade Capacity Building Inter-Agency Resources Guide on relevant services that are provided by the UN system.

**52.** At the level of individual initiatives, efforts have concentrated on promoting aid for trade and building developing countries capacity to mitigate the effects of trade barriers, negotiate trade agreements and implement trade reforms. UNCTAD, in particular, has focused on building national capacities to use trade to expand economic growth and employment opportunities to achieve the MDGs. In selected Arab countries, it has set in place a Sixth Tranche Theme, which focuses on supporting the implementation of internationally agreed development goals, including the Millennium Development Goals, through innovation, networking, and knowledge management. This is part of an effort to promote sub-regional growth oriented economic and trade policies and statistical analysis towards achieving the MDGs.

#### *I. Financing for development*

**53.** Under MDG-8, developed and developing countries have committed to work in partnership to promote and finance development. Current levels of resources available to developing countries, however, continue to be insufficient to sustain progress in the long term and reduce reliance on external assistance. Some progress has been made in recent years to increase the quality and quantity of financing through debt relief, ODA, market access, and aid effectiveness as promoted by the Paris Declaration. Efforts, however, are not yet on a sufficient scale and still pursued within the context of donors' individual strategies rather than as part of comprehensive efforts based on national ownership and leadership.

**54.** The UN system approach to financing for development has focused on strengthening developing countries' capacity to assess their resource needs and attract and manage international as well as generate and optimally utilize domestic resources. Assessing financial needs and formulating comprehensive investment planning is extremely difficult in some countries due to the lack of data and precise information. A number of UN initiatives have focused on building capacity to assess resource needs, analyze trends and impact of foreign aid flows, and identify alternative sources both externally and domestically to augment total volume of financing, including through public-private partnership, multi-stakeholder approaches, and regional cooperation for the delivery of public goods.

**55.** ESCWA, for example, has carried out a study to analyze major trends and characteristics of aid flows in the Arab region and their impact on economic growth and social indicators. It has identified key policy areas that need to be addressed in order to make aid flows more effective. UNCTAD has focused on building African countries' capacity to identify alternative sources of non-debt-creating external and domestic resources and augment the total volume of development finance available to productive sectors. The UNCTAD Economic Development in Africa Report 2007, on "Reclaiming Policy Space: Domestic Resource Mobilization and Developmental States", examines the potential of African countries to increase their total domestic financial resource envelope in order to reduce dependence on ODA, diversify their development resources and focuses on how to channel these resources into productive investments.

**56.** The UN system could also play a role in helping developing countries identify and address sector imbalances in their investment decisions and resource allocations. For

example, current ratio of investments in social indicators versus agriculture will not enable the poorest countries in Africa to sustain their health and education systems in the long run. The UN system could help address this imbalance by promoting a broader conceptual framework to assess resource and investment needs, including resource requirements emerging from new and current challenges, such as climate change.

#### **IV. Country-level experience and lessons learned for national and international interventions**

**57.** It is widely recognized within the international community that there is no one-size-fits-all approach to address the problem of poverty and hunger. Effective policies and strategies need to take into account country specific circumstances and needs. The role of the international community is to help developing countries build the capacities to use their policy space effectively and formulate appropriate strategies and policies for the achievement of their national development goals.

**58.** Countries that have been successful in substantially reducing poverty and hunger have experimented with different approaches. For example, China, Vietnam and other countries in the Asian region, which account for much of the recent poverty reduction rates worldwide, have emphasized investment-driven and labour-intensive economic growth. Their strategies have followed different policy blueprints tailored to specific local needs and macroeconomic constraints to growth, but have in common development strategies where growth and redistribution measures were mutually supportive through a combination of macroeconomic, industrial and technology policies. They have also placed

great emphasis on raising skills and levels of human capital, on creating formal job opportunities and delivering public social service.

**59.** In countries with large agricultural sectors, effective approaches have emphasized investments in rural and agricultural development and in agricultural manufacturing focused on labour-intensive methods. These have resulted in a significant number of new jobs in the rural area and reduced unemployment rates despite a growing labour force. In low income countries in Africa (e.g. Tanzania, Mozambique, Uganda, and Ghana), and in Asia (e.g. Cambodia), where a majority of people live in the rural areas with a large ratio of rural poor, successful strategies to eradicate poverty and hunger have emphasized a more holistic view of the agricultural sector that stressed the need to coordinate interventions in critical areas outside the immediate purview of the Ministry of Agriculture, such as agricultural markets and rural infrastructure, including social and financial services. The adoption of multi-stakeholder modalities in these countries has helped promoting strong local participation and ownership in the formulation of rural and agricultural sector policies, which are beginning to yield results in terms of employment and income earning opportunities for an ever growing population.

**60.** For a majority of poor countries, however, the challenge of breaking macroeconomic constraints on growth and implementing appropriate policies will continue to depend on the support of international institutions and donor countries. International support is essential to build national capacity to formulate development strategies that encompass the various dimensions of poverty within the broad MDG framework.

**61.** International development cooperation strategies have been most effective when they have been able to promote national dialogue on the nature and social costs of poverty

in the context of the MDG framework. This approach has been especially effective in identifying policy trade-offs and present government with policy alternatives that addressed their specific macroeconomic constraints and objectives. The UN system has been able to do so by supporting and building national capacity to analyze development problems and constraints with strong local participation and ownership, in the formulation of poverty eradication strategies and sectoral policies. Tanzania, Vietnam and Cambodia are successful examples of this approach.

**62.** Evidence also suggests that the UN system can play a major role in promoting development strategies that link poverty eradication and growth policies more effectively. The Poverty Reduction Strategy Paper (PRSP) process and other similar development assistance frameworks, including the Poverty and Social Impact Analysis (PSIA), have been commended in recent years for adding a social dimension that was missing in earlier strategies and for paying closer attention to the institutional context in which policies are designed and implemented. Nonetheless, there are still serious reservations about the policy content of these instruments and the extent to which they have extended real ownership to local policy makers. In particular, concerns have been expressed that the addition of social policies has allowed a rigid economic strategy and reform agenda to persist in the face of recurrent failure. A key challenge for the UN system is to ensure that existing frameworks are based on solid analysis of the social, environmental and economic impacts of various development policies, including those relevant to the eradication of poverty and hunger, and to promote local participation in and ownership of these instruments. This requires the UN support to focus on building national capacity to analyze all important dimensions of poverty and hunger and promote national participation

to ensure their inclusion in the formulation of national development strategies. It will also require that all these dimensions become key elements of the UNDAF process.

## **V. Conclusions**

**63. The UN system has made some progress towards developing and pursuing more comprehensive approaches towards the eradication of poverty and hunger. This is particularly visible in the areas of employment generation, trade, and rural and agricultural development. At the same time, more needs to be done to integrate sustainable development and science and technology dimensions in UN system programmes and activities supporting national poverty eradication efforts. Science and technology, trade and financing for development are also cross-cutting issues and need to be dealt with at the system-wide level.**

**64. Country level experience offers some lessons on how UN system support could be strengthened. Evidence shows that the UN system has a role to play in helping develop national capacity and leadership to identify effective policies by promoting a better understanding of policy complementarities, for example, between social and agricultural policies; science and technology and poverty eradication policies, energy policies, including bio-energy policies and food security, etc. It has also a role in promoting a better understanding of national, regional and sub-regional challenges by promoting multi-stakeholder approaches and partnerships.**

**65. Harnessing this potential requires increasing collaboration within the UN system at the analytical, programmatic and operational levels. Increasing the system's analytical capacity is critical to its ability to provide policy support to**

developing countries. To this end, it is essential to promote inter-agency research, analysis, and interdisciplinary studies on a broad range of issues. Further collaboration is especially needed in the areas of statistics, labour, trade, and ICTs in order to share expertise and knowledge existing within the system that can be applied to different areas so as to promote pro-poor policies and strategies in developing countries.

66. Programme coherence and coordination, including through the CEB/HLCP mechanism and other system-wide initiatives, is critical especially in those areas where there is little progress towards a UN common approach, such as sustainable development and science and technology. The development of Toolkits in these areas could be a valuable means to streamlining those dimensions in the programmes and policies of UN system organizations.

67. At the operational level, the UN system should make more effective use of existing frameworks and instruments for country level support such as UNDAF, PRSP, and PSIA, to ensure that the various dimensions of poverty and hunger are taken into account in these frameworks. To this end, the participation of all relevant UN agencies in these processes is critical.

## **VI. Recommendations**

68. Strengthen national capacity to analyze the social impact of rural and agricultural development especially on employment, in order to facilitate the integration of social dimensions in strategies for sustainable rural and agricultural development;

- 69. Build national capacity to analyze the impact of natural resource management, including water, land and forestry, on the livelihoods of those depending directly on these resources in order to integrate natural resource management and poverty alleviation policies in the context of national development strategies;**
- 70. Promote the integration of an “urban pillar”, focused on the urban poor of populated slums, in the CCA and UNDAF processes to facilitate the inclusion of sustainable urbanization and urban poverty reduction in national poverty eradication strategies;**
- 71. Promote the integration of sustainable development and science and technology in the policies, programmes and operations of all UN system organizations to eradicate poverty and hunger, including through the development of system-wide Toolkits;**
- 72. Promote a system-wide programme of work on science and technology, including ICTs, for poverty reduction. This programme of work should also include the formulation of pro-poor science and technology programmes and support to the development of institutional capacities in science and technology for poverty reduction;**
- 73. Promote joint inter-agency efforts to support UNCTAD’s Sixth Tranche Programme in supporting the implementation of IADGs, including MDGs through innovation, networking and knowledge management;**
- 74. Encourage development of analytical tools for identifying sector imbalances in resource and investment allocations, e.g. between social and agriculture expenditures;**

**and addressing new resource needs to deal with emerging challenges such as climate change and urban poverty;**

**75. Promote joint assessment of trends and characteristics of aid flows and their impact on social indicators of rural development;**

**76. The UN system should continue to streamline the support of all UN agencies and programmes to national development strategies in order to ensure that all relevant dimensions of poverty and hunger are taken into account in these strategies.**

**77. The UN system should also continue to pursue efforts to promote national participation in and ownership of poverty reduction strategies through its system-wide coordination mechanism and by promoting multi-stakeholder approaches to enhance participation of local authorities, civil society organizations, and private sector.**

## **Annex**

### **MDG 1 – Eradication of Poverty and Hunger**

#### **UN system initiatives**

##### **Food security and nutrition**

- To accelerate progress towards MDG1 the Executive Directors of WFP, UNICEF and WHO have established a senior-level Interagency Team, with strong support from FAO and civil society partners, known as the *REACH: ending child hunger and under-nutrition initiative*. The team has developed a workplan to support governments in scaling up evidence-based nutrition interventions, building on WHO-led analyses of country readiness to act at scale, and other similar exercises. A strong focus on enhanced UN system collaboration and harmonization is part of the workplan. This approach is already being implemented in five countries in northern Sahel and will soon be developed in eastern and central Africa.
- WFP Food for Education (FFE) programmes increasingly operate under the umbrella of the *Essential Learning Package (ELP)*, a set of twelve interventions to improve the school health and nutrition of school-age children. The ELP is based on the Focusing Resources on Effective School Health (FRESH) Framework, an inter-sectoral initiative, providing the context for effective implementation of access to health and nutrition services within school health programmes.
- The *International Alliance against Hunger (IAAH)*, a voluntary partnership among the Rome-based UN food agencies, NGOs, CSOs, private sector and other local, national and international actors, was officially launched during World Food Day, 16 October 2003, as a coordination mechanism to build multi-stakeholder platforms for advocacy

against hunger. To date, there are 19 active national alliances and 25 more in various stages of development, providing a forum for mobilizing a range of government, United Nations and civil society actors.

UNICEF, which is taking the lead on nutrition within the UN system, is closely working with other UN agencies, including WHO, WFP, FAO, as well as with the World Bank to harmonize strategies, policies and programmes to fight hunger.

UNU-WIDER is carrying out a study that looks at the problem of hunger from a combination of economic, social and political perspectives.

### **Rural and agricultural development**

- FAO supports member states in establishing broad-based National and Regional Programmes for Food Security (NPFS and RPFS) which bring together government, non-governmental and international actors within a common framework. To date, 30 NPFS and 4 RPFS have been formulated and approved through national processes and 15 NPFS and 3 RPFS are already under implementation. In Africa, the programmes are in specific support of the Comprehensive Africa Agriculture Development Programme (CAADP) of NEPAD.
- The ILO's Training for Rural Economic Empowerment (TREE) tool, implemented jointly by government and private sector partners, is a community-based training programme for income generation and employment creation, targeting the most marginalized groups of society. It demonstrates how the limited opportunities for skills development in poor rural areas can be expanded and then linked to employment by identifying local potential economic opportunities, designing and delivering community-based training to take advantage of those opportunities, and providing

post-training services. The TREE programme is being adapted and implemented in Madagascar, Nepal, Niger and Sri Lanka.

IFAD launched a 19 million US dollar project in Burkina Faso, which will help approximately 20,000 poor rural household bolster their crop production and incomes by improving irrigation through a small scale irrigation and water, management project. The Project will start with an information, education and communication campaign, which increase participants' ability to intensify and diversify crops as well as support marketing activities.<sup>i</sup> This project is exemplary for IFAD's approach in its 184 ongoing projects with a financed of slightly less than USD 3 billion.

### **Employment**

- The ILO has addressed the employment needs of developing countries by focusing on strategies to encourage and support equitable growth. It has promoted policy dialogue and initiatives with relevant international organizations, government and other partners in respect to growth, investment and employment to promote equitable growth strategies. Its *Employment-Intensive Investment Programme (EIIP)*, which is operational in some 50 countries, assists governments in developing and monitoring employment-intensive infrastructure programmes comprising the reinforcement of the capacity of the private sector, community-based organizations and line ministries in charge of such programmes.

### **Science and technology:**

- UNCTAD's *Least Developed Countries Report 2007*, which focused on "Knowledge, Technological Learning and Innovation for Development" provides a first comprehensive survey of the development of technological capabilities in the LDCs,

which are lagging most behind in the area of science and technology; while the UNCTAD *Information Economy Report 2006* has developed a pro-poor ICT policy framework to design and evaluate ICT policies and assess their value in terms of their impact on people living in poverty.

- FAO and the International Telecommunication Union are taking the lead in the development of an e-agriculture information and communications technology application, as follow up to the World Summit on Information Society.

The IAEA specifically addresses the effective transfer of nuclear technologies and knowledge for sustainable development, concentrating on food and agriculture, human health, water resources, environment and industry. Over the last four years, specific thematic areas of IAEA technical cooperation to eradicate poverty and hunger included support to Member States technical, research and regulatory institutions to play a valuable role in national development, safety and security. Input on nuclear science and technology helped build capacities in the following MDG-related areas: sustainable energy planning and development, food and agriculture, human nutrition and maternal health, marine and terrestrial environmental protection.

### **Sustainable development**

- UNEP and ILO have worked on a joint UNEP-ILO study on “Green Jobs” that will be published in mid-2008; while FAO, IFAD and ILO have worked on a methodology to assess the impact of climate change in rural areas for use in national climate change adaptation strategies, planned for 2008.
- The UNFF Secretariat currently works with 14 other UN agencies, funds and programmes as well as leading international forest-related organizations through the

Collaborative Partnership on Forests to enhance collaboration and synergy. A number of collaborative activities undertaken through the Partnership seek to promote and enhance poverty alleviation and enhancement of livelihoods.

- The *Collaborative Partnership on Forests* (CPF), an innovative partnership of 14 major forest-related international organizations, institutions and convention Secretariats established in April 2001, has taken the lead in advancing sustainable forest management for the eradication of poverty and hunger. The adoption of the *Non-Legally Binding Instrument on All Types of Forests* on 17 December 2007 has further advanced efforts to monitor the state of the world's forests and secure long-term political commitment to sustainable forest management.

**Financing for development:**

- Ahead of the 2008 follow-up on the International Conference on Financing for Development, the *2008 UNCTAD Trade and Development Report* examines the implications of the changes the world economy has undergone since the formulation of the Monterrey Consensus in 2002 for the challenges faced by developing countries in financing new productive capacities. It also looks at adapting the global partnership for development to new features of global economic interdependence; reforming the international financial architecture; and new approaches to mobilizing domestic financial resources.
- The UNCTAD project on *"Mobilizing financial resources: developing local capacities for growth towards attaining the MDGs in Africa"*, is expected to produce a policy handbook on enhancing the role of domestic resources in development; while the *UNCTAD Economic Development in Africa Report 2007, on "Reclaiming Policy Space:*

*Domestic Resource Mobilization and Developmental States"*, examines the potential of African countries to increase their total domestic financial resource envelope in order to reduce dependence on ODA and diversify their development resources and focuses on how to channel these resources into productive investments.

**Other initiatives:**

The Chief Executive Board (CEB) and its High Level Committee on Programmes (HLCP) has initiated a series of consultations on how best to tackle the challenge of providing further impetus to system-wide support to Africa, including by ensuring harmonization and synergy among the various initiatives on African development.

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