

CONCEPT PAPER

Economic and Social Council (ECOSOC) Annual Ministerial Substantive Review (AMR)

BACKGROUND

Seven years after the Millennium Declaration was adopted by heads of state and government, we are off-track in many regions of the world in terms of achieving the internationally agreed development goals, including the MDGs. This was recognized by the world's leaders when they gathered for the 2005 World Summit. At the Summit they envisaged several concrete steps to speed up implementation. One of these steps was to mandate ECOSOC to hold an annual ministerial substantive review (AMR) to assess the progress made both towards the MDGs and the implementation of the other goals and targets agreed at the major UN conferences and summits over the past 15 years, which constitute the United Nations Development Agenda (UNDA).

PURPOSE OF THE AMR

The overall objective of the AMR is to scale-up and accelerate implementation of the internationally agreed development goals. The AMR aims to make an impact on implementation through an action-oriented *ministerial declaration* and by encouraging the *launch of new partnerships*. A successful AMR will help (1) bring the different existing conference follow-up processes together (2) strengthen the link between the normative and operational work of the UN and (3) to identify innovative practices that should be scaled up.

- **Tracking progress** -- A high-level Annual Ministerial substantive Review will provide a global forum for systematic review and monitoring of progress made in the implementation of the UN Development Agenda.
- **A comprehensive picture** -- In addition to a global review of progress of the UN development agenda, the AMR will each year focus on a specific theme which is central to the achievement of the MDGs. It will also provide countries with the possibility to give voluntary national presentations on their progress towards their national development strategies.
- **Bringing the UN system together** -- Today, the progress made in terms of implementation of the UN development agenda is reviewed in disparate ways. There are many different review processes which are scattered around the UN system (functional commissions, General Assembly, specialized agencies). ECOSOC's subsidiary bodies, notably the UN functional and regional commissions, as well as the UN system at large will contribute to ECOSOC's review exercise. The AMR will help to bring together the different review processes.
- **Tapping innovation** -- The AMR should also serve as a global platform, with multistakeholder participation, where knowledge on successful innovative policies in implementing the UN Development Agenda is reviewed and lessons learned on how to internalize these goals into national development strategies are shared.

WHAT WILL THE AMR LOOK LIKE?

- **Format** - The actual AMR will be held as a two-day ministerial-level meeting during the ECOSOC high-level segment in July. It consists of a *global review* of the United Nations development agenda, a *thematic review* related to one of the eight MDGs or an other selected

theme, and *voluntary national reviews* where countries will present the progress they have made in terms of implementing their national development strategy.

- **Not an event, but a process** – The AMR should however not be seen as a two-day event but rather as a process. The whole UN system has been asked to provide input to the meeting. A month-long *e-discussion* hosted on UNDP's mdg-net will capture important feedback and insights from the country-level. A global AMR *preparatory event* is planned to take place in New York in March 2007. In addition, in preparation for the AMR thematic debate, three tentative *country-led meetings* are planned in Mexico, Bangladesh and Morocco in spring 2007. Moreover, countries volunteering for AMR review at the 2007 ECOSOC substantive session in July are envisaged to hold *national consultative meetings* with key stakeholders, including from civil society, on the implementation of their national development strategies.
- **Hands on** -- The AMR will be complemented by an AMR Innovation Fair. The Fair will promote an exchange of practical examples of what has worked and what has not worked to help identify which policies merit scaling-up.
- **Reaching out** – The AMR will have broad-based participation. Getting the private sector and civil society engaged in the AMR will be imperative for the success of the new forum.

THE 2007 ANNUAL MINISTERIAL REVIEW THEME

The Council has decided that the **theme for the 2007 Annual Ministerial Review will be MDG 1, i.e. Eradication of Poverty and Hunger**. Such a theme spans a very broad range of inter-related and complementary issues. The following highlights a few aspects that are seen as fertile areas for discussion.

POVERTY

Employment generation

Employment generation is known to contribute to economic prosperity and poverty reduction, and to strengthen economic and social development, yet it is proving to be elusive in the present economic environment. According to the International Labour Organization (ILO) *Global Employment Trends Brief*, January 2007, more people were in work in 2006 than in 2005, yet unemployment reached an all-time-high of 195.2 million individuals, 6.3 per cent of the global workforce.

The year 2006 reinforced the trend in which robust economic growth has failed to translate into significant reductions in unemployment or poverty among those in work. While the percentage of working poor in total employment declined in the past ten years, the ILO reports that the number of working people living on US\$2 a day has continued to grow in absolute numbers, reaching 1.37 billion in 2006, almost half (47.4 per cent) the world's workers. The ILO projects that the pattern will continue in 2007, with a forecast growth rate of 4.9 per cent likely to ensure that unemployment remains near 2006 levels. The jobless growth of recent years confirms that growth alone cannot guarantee job creation – much less decent work – nor ensure the significant reduction in extreme poverty needed to attain the internationally agreed development goals.

Youth 15 to 24 years old represent around one quarter of the world's working population, but nearly half (43.7 per cent, according to the ILO) of the total unemployed. Creating and fulfilling income-generating job opportunities for young people can have direct positive consequences for poverty alleviation.

The jobless-growth trend underscores the need for focused strategies and policies to create employment and to promote decent work. At the national level, there is the need for

macroeconomic policies with an appropriately designed and executed employment strategy at its core. At the international level, globalization has intensified the interdependence between States in macroeconomic policies, leaving countries little policy space to increase employment levels on their own through more expansionary macroeconomic policies. For this reason, better coordination of macroeconomic policy among countries is necessary in the pursuit of full employment and decent work.

Globalization and the drive for international competitiveness, along with rapid technological development, have greatly affected the employment situation in the last decade. They have helped spawn new job opportunities in some areas but widened the gap between skilled and unskilled workers. These phenomena have also generated job losses, employment insecurity and new risks for the workforce. Furthermore, many countries have seen an increase in part-time, casual and other forms of atypical employment.

In short, an enabling environment at the national and international levels that promotes decent work together with economic growth, enterprise development and poverty reduction is critical to generating employment as a means of reducing poverty levels.

Priority areas for discussion:

- ***Breaking the trend of jobless growth***
- ***Measures to generate youth employment***

Global Context

The *2005 Human Development Report* on aid, trade and security, underscores that, indeed, global trade has enabled millions of people to rise out of poverty and share in the prosperity and human development advances generated by globalization, but the report reiterates that many millions more have been left behind. The costs and benefits of trade have been unevenly distributed across and within countries, resulting in a pattern of globalization that has deepened inequality.

Despite stating their support for trade liberalization and economic integration as part of the inexorable spread of globalization, many developed country governments maintain protectionist barriers against developing countries and spend billions of dollars on agricultural subsidies, skewing the benefits of globalization in favour of rich countries. The WTO's Doha development round has stalled -- trade barriers remain intact, agricultural subsidies have increased and rich countries have aggressively pursued rules on investment, services and intellectual property that threaten to reinforce global inequalities.

Agricultural subsidies are a particularly acrimonious subject. According to the *2005 HDR*, more than two-thirds of all people surviving on less than \$1 a day live and work in rural areas either as smallholder farmers or as agricultural labourers. Reducing the support provided to the agricultural sector in developed countries could make a crucial contribution to achieving rural development and alleviating rural poverty in developing countries.

In the larger scheme, improved multilateral cooperation on trade is vital if the international community is to achieve the internationally agreed development goals. International trade rules and national trade policies need to be aligned with the commitment to poverty reduction.

Priority areas for discussion:

- ***Minimizing the negative impacts of forces of globalization on employment opportunities***

- *Overcoming obstacles to international trade as a force for poverty eradication*
- *Enhancing sustainable fiscal space for countries to achieve their development goals*

Rural Poverty: Ownership of Assets and Financial Services

The eradication of poverty is dependent on the empowerment of all stakeholders in rural communities and households, where a majority of the world's poor still live. Rural poverty, particularly among women, often persists due to the poor's limited access to and control over productive resources (particularly land and water), services (such as extension, training and credit) and markets, as well as their limited participation in decision-making.

In order to enhance productivity, strengthen incentives to invest in and manage land and other natural resources sustainably, and reduce social disparities (including gender disparities), the rural poor need to be helped to secure rights to land and access to other resources, including water, and appropriate technology. Access to financial services can help the rural poor reduce their vulnerability and widen their economic opportunities through small productive investments, enabling them to build assets over time.

Empowerment of local communities and clients (especially women) is an important outcome of microfinance interventions. By increasing women's control over household budgets and assets, microfinance services have often helped to increase their authority in household decisions and broaden their social and political influence. While the successes of microcredit are well recognized, the provision of safe and flexible savings products, secure transfer and remittance facilities and insurance services are often as important as access to loans. Yet the majority of the world's poor still do not have access to financial services.

Access by the rural poor to assets, services and markets and their ability to make productive and profitable use of such assets are greatly influenced by the institutional framework, which is often biased against the rural poor -- especially socially excluded groups and women. Institutions responsive to the needs of the rural poor are thus a major priority in poverty-reduction strategies and in the overall strategies for accelerated, broad-based and sustainable growth.

Priority areas for discussion:

- *Promoting ownership of assets to improve financial security of the poor*
- *Increasing access of the poor to financial services for employment generation*

Urban poverty

Within countries, disparities between urban and rural areas in terms of income and employment and the availability of basic infrastructure and services are common. Since urban areas offer more and better opportunities for socio-economic mobility of the poor, rural-urban migration will continue. Moreover, labour mobility is increasingly seen as important means to find *decent* work.

As people continue to migrate to cities in large numbers, major effort is required to ensure that urban areas can absorb the growing urban population and that urbanization will not result in an urbanization of poverty. Ensuing depopulation of rural towns has also brought on new social and economic problems. It is important to spread the benefits associated with urbanization to all parts of the national territory, including through facilitating better access to physical and economic infrastructure and services.

Priority area for discussion:

- *Implications of the rural-urban socio-economic gap*
- *Measures to prevent the urbanization of poverty*

HUNGER

While poverty is undeniably a cause of hunger, hunger can also be a cause of poverty.

The Food and Agriculture Organization (FAO) underscores that hunger deprives impoverished people of the strength and skill to work productively. Widespread hunger and malnutrition impair economic performance of individuals, families and nations.

Food Security

According to FAO, there are more hungry people in developing countries today than there were ten years ago, and the number of hungry people in the world is currently increasing at the rate of four million a year.

Agriculture is not only a vital source of nutrition, it is also an important source of employment and income for the rural poor. Raising agricultural productivity is important for reducing poverty and promoting food security and nutritional wellbeing. To guarantee food and nutrition security, hunger must be confronted as part of a broader effort to address insecurity caused by chronic poverty, capability failures, social exclusion and marginalization, exacerbated by natural disaster and conflict. Moreover, such a strategy also needs to extend from short-term humanitarian problems to the longer-term aim of eradicating hunger and malnutrition.

Stresses on food production from growing populations and changes to the climate that affect agriculture threaten food security, but advances in the field of sustainable development and in biotechnology offer promise to safeguard the nutritional wellbeing of future generations.

Priority area for discussion:

- *Strategies to ensure sustainable and secure food supplies*

Biotechnology

According to FAO, biotechnology provides powerful tools for the sustainable development of agriculture, fisheries and forestry, as well as the food industry. When appropriately integrated with other technologies for the production of food, agricultural products and services, biotechnology can be of significant assistance in meeting the nutritional needs of an expanding and increasingly urbanized population in the next millennium.

In spite of its promise, biotechnology raises important ethical and social issues. These include equitable distribution of benefits, biosafety, and responsibility to future generations. The impacts cannot easily be confined within national boundaries and will often differ among countries, depending on local ecological, social and economic situations. Moreover, the extent to which biotechnology will contribute to the achievement of food security for all is still an open question. Science alone is unlikely to provide a complete solution to the problems of rural development. There are many processes, factors and socio-economic structures underlying poverty in rural areas, such as lack of access to land and other productive resources, low purchasing power, political powerlessness, fragile environments and distance from markets that biotechnology clearly does not address.

Priority area for discussion:

- *Opportunities and risks of biotechnologies for eradicating hunger*

Climate Change

There is growing consensus that the threat of climate change is real and that we are at the precipice. Adverse impacts from climate change will affect not only ecosystems, but also social and economic systems, undermining sustainable development.

According to a report from the Intergovernmental Panel on Climate Change, there are potential serious consequences of reduced food production and increased risk of hunger in some regions that will result from environmental changes, particularly in the tropics and subtropics. Climate change will directly affect factors such as temperature, precipitation and length of growing season, as well as changes in atmospheric carbon dioxide concentration (which may actually have a beneficial effect on the growth of many crop types). The livelihoods of subsistence farmers and pastoral peoples, who make up a large portion of rural populations in some regions, risk being negatively affected.

Fisheries and fish production are also sensitive to changes in climate. Globally, marine fisheries production is expected to remain about the same in response to changes in climate; the principal impacts will be felt at the national and local levels, as centers of production shift.

Priority area for discussion:

- ***Mitigation of and adaptation to climate change as it relates to agriculture and food security***

A STARTING POINT FOR DISCUSSION

The preceding paragraphs only touch upon some issues related to the subjects of poverty and hunger at the most shallow of levels. The AMR process can be expected to look more deeply at a broader range of issues and associated policy responses.

THE SECRETARY-GENERAL'S REPORT

A report of the Secretary-General on the theme of the 2007 Annual Ministerial Review is being prepared. It is envisaged to consist of two main sections: I. Global Overview and II. Thematic Discussion.

The overview will provide a concise analysis providing an assessment of progress, identifying gaps and obstacles in implementing the UN Development Agenda and making recommendations to overcome those gaps. The global overview will analyze the regional differences (including, where possible and relevant, differences between rural and urban areas) and highlight challenges in implementation. Particular attention may be paid to rural development and food security, financing for development and the role of intellectual property rights.

The thematic discussion will approach the 2007 theme from several perspectives. There will be an assessment of the challenges to poverty eradication and hunger, with particular emphasis on successful policies as well as beneficial partnerships. Another section will examine enhancing sustainable fiscal space for countries to achieve the IADGs. There will also be an analysis of the impact of MDG8 on eradicating poverty and hunger and of the status of implementation of MDG 8 commitments, in particular, ODA, debt relief, agricultural support, and technology transfer.