

Poverty Reduction: Maintaining the focus on achieving the MDGs

UNDP'S WORK on the MDGs focuses on coordinating global and local efforts that campaign and mobilize for the MDGs through advocacy; sharing best strategies for meeting the MDGs; monitoring and reporting progress toward the MDGs; and supporting governments in tailoring the MDGs to local circumstances and challenges. In 2008, UNDP contributed to the development of tools and analysis for the monitoring of MDG achievements, notably in **Madagascar, Pakistan and Uganda**; in addition, several countries have now substantially moved into the implementation phase of national-scale MDG programmes, including **Ghana, Malawi, Niger, Senegal, Tanzania, Togo, Uganda and Zambia**. In 2008, UNDP partnered with UN regional commissions and civil society organizations (CSOs) in Africa, the Arab States and Eastern Europe to train government officials and other stakeholders in the monitoring and reporting of the MDGs. This work also contributed



In Brazil, UNDP is working with the Government on creating working opportunities for families who are part of a national conditional cash-transfer programme.

to an overall assessment of the quality of information being used for MDG monitoring.

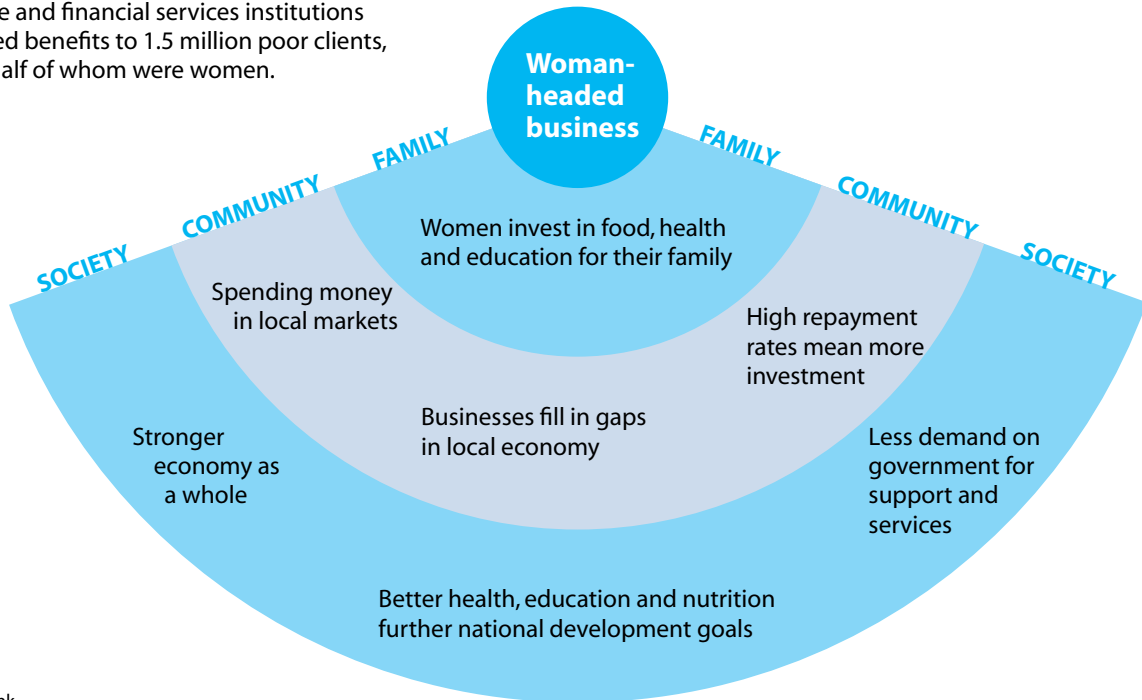
UNDP engages with civil society at all levels to promote the MDGs and support people in their efforts to build a better life. In **Niger**, UNDP partnered with SNV Netherlands Development Organization and a local CSO, *Programme de lutte contre la pauvreté* (Programme for the Fight Against Poverty) to support local authorities on localizing the MDGs. Citizens in four districts in Niger were informed about the MDGs in their local language, which led them to question the low rates of primary education enrolment in their communities. As a result, one district began issuing free birth certificates – an essential form of identification – since their prohibitive costs had barred many children from enrolling in school. Another district built a new primary school that was closer and more convenient.

On a policy level, in January 2009, the Civil Society Advisory Committee to the Administrator – created in 2000 as a formal mechanism for dialogue between civil society leaders and UNDP's senior management – added 10 new members. The purpose of the Advisory Committee is to serve as a strategic advisory body and sounding board to UNDP's senior management on key policy and programming issues. As the international community grapples with the multiple governance challenges and serious threats to achieving the MDGs and aid agendas as a result of the financial crisis, it is more important than ever for UNDP to reach out and work creatively with its partners and allies, among whom it counts civil society in all its diversity.

At the global level, UNDP supported UN Secretary-General Ban Ki-moon's MDG Africa Steering Group. The Secretary-General has emphasized that the financial crisis cannot be allowed to deflect attention from tackling the most basic injustices in our world, captured in the MDGs. As the Secretariat for the Steering Group, UNDP was instrumental in helping to reach an agreement among all major international organization members as to how African countries can close the gap between their current challenges and the MDGs. The agreement offers concrete, practical actions, including a call for

LOANING TO WOMEN BENEFITS SOCIETY AS A WHOLE

In 2008, UNCDF – administered by UNDP – supported microfinance and financial services institutions that delivered benefits to 1.5 million poor clients, more than half of whom were women.



Source: World Bank
Illustration: Pamela Geismar

heavy investment in agriculture, education, health and infrastructure; in July 2008, the African Union endorsed the Steering Group's recommendations. Along with the UN Department of Economic and Social Affairs (UN-DESA), in 2008 UNDP coordinated the MDG Gap Task Force, working to heighten awareness of implementation gaps and the steps needed to address them with a comprehensive report focusing on the steps that must be taken by international development partners in order to achieve MDG 8. In particular, the Report found that important gaps still remain in delivering on global commitments in the areas of aid, trade, debt relief and access to new technologies and affordable, essential medicines. UNDP also organized a series of side events that occurred alongside the September 2008 UN High-Level Event on the MDGs, where world leaders convened in order to review progress toward the MDGs and make concrete commitments in terms of action and resources in order to bridge existing gaps. As a result of UNDP's event on the Business Call to Action – an initiative that aims to build MDG awareness in business communities around the world and challenge companies to use their core business for both sustainable development and commercial success – three new companies signed on.

Addressing poverty lies at the heart of UNDP's role as the UN's global development network. Many of UNDP's poverty reduction programmes are a direct result of needs identified by the communities that they serve. In **Armenia**, UNDP worked hand-in-hand with the rural village of Lusadzor in 2008 to set up locally-based participatory planning and development needs assessments and, as a result, came up with an integrated development plan. UNDP is working to make these priorities happen in one of the most socially disadvantaged areas in Armenia. Villagers identified a range of development needs, from the creation of income generation opportunities, like cattle breeding and fruit production, to the recovery of socio-economic infrastructure. Within one year, natural gas and potable water networks were constructed, an irrigation network reconstructed – increasing the profitability of land use – and 52 hectares of the community's unused arable lands were returned to crop cultivation. In **Ecuador**, UNDP – with support from the Canadian Government and in cooperation with *Fondo Ecuatoriano de Cooperación para el Desarrollo*, a CSO – is providing support for farmers who have suffered spill-over effects from conflict in neighbouring Colombia, by helping to identify, plan and

successfully manage income-generating production chains that are environmentally sustainable and economically sound. In 2008, the initiative saw 18,000 families in six provinces along the country's northern border increase their income by almost a third, including 5,400 households headed by women.

Countries are in particular need of social safety nets now as the commodity and financial crisis continues to spread, stemming capital in-flows and threatening the employment and security of millions of the world's poor and lower middle class. In partnership with the Government of **Serbia**, UNDP has been administering an ongoing and highly successful safety net initiative – called the Social Innovation Fund – that targets the country's most vulnerable populations. Like other countries in the region, Serbia has seen an erosion of state-sponsored safety nets as economic growth has slowed down. During the last seven years, existing social service infrastructure has been improved with 250 projects and

services that did not previously exist and more than 500 newly trained social workers. Recent analysis reveals that 86 percent of services financed through this \$9 million initiative achieved sustainability and are part of the state-sponsored network of services. Perhaps most importantly, by the end of 2008, a renewed commitment to offering free access to vital social programmes like home care, day care and Roma-targeted education and counselling centres has become embedded in the Government's overall reform framework.

The important role of microfinance in the fight against poverty is well recognized and documented. What is less well known – but potentially as important – is the high demand for savings opportunities for poor families and microenterprises in developing countries. Many poor households are in fact net savers seeking convenient and safe deposits, which can also ultimately fund microcredit activities. In 2008, the UNDP-administered United Nations Capital

GROWING INCLUSIVE MARKETS

UNDP's *Creating Value for All: Strategies for Doing Business with the Poor* is a new and groundbreaking report that draws on 50 specially-commissioned case studies written by a network of 18 researchers from developing countries. Covering a wide range of regions, sectors and types of companies, the cases analyze the constraints and solutions behind inclusive business models, i.e. financially sustainable models that include the poor on the demand side as clients and customers, or on the supply side as employees, producers and business owners.

Millions of entrepreneurs around the world have perceived a market and taken advantage of it, leveraging their innovations and energy to make a profit. They run self-sustaining, profitable businesses that also support the communities where they operate, often in partnership with governments and civil society. Their businesses give people a better chance to participate in markets. The stories of these innovators form the foundation of the report. Some examples include:

Entrepreneur Bindheshwar Pathak offers clean and cheap sanitation systems to 1.2 million households and operates 6,500 public pay-per-use restroom facilities in **India**.

His organization, Sulabh, has liberated over 60,000 people from lives as scavengers, mostly women and girls, while generating a \$5 million economic surplus in 2005.

Dora Nyanja, a nurse franchisee in Kibera, **Kenya**, runs a Child and Family Wellness clinic to provide better and more affordable health-care to slum dwellers. In 2006 alone, Kenya's 66 Wellness shops and clinics benefited almost 400,000 low-income patients, contributing to MDG 6, which aims to halt and begin to reverse the spread of HIV and AIDS, malaria and other diseases.

The report – launched in 38 countries in all regions of the world since it was published in July 2008 – is the flagship product of UNDP's Growing Inclusive Markets Initiative, a new collaboration with an unprecedented coalition of over 20 institutions in the private sector and development fields. UNDP believes that in order to achieve the MDGs by 2015, one of the greatest untapped resources is the private sector. The initiative is designed to make a substantial contribution to both business strategies and human development by offering research tools and best practices.



A Rwandan high school student researches a school project in Mayange Millennium Village's first Internet café, a "One UN" initiative.

Development Fund (UNCDF) supported 40 microfinance institutions and financial service providers who delivered financial services to 1.5 million poor clients – more than half of whom were women – in 20 least developed countries (LDCs).

The year 2008 also saw the culmination of the UN Advisors Group on Inclusive Financial Sectors. The Advisors Group, established in 2006 by UNCDF, UNDP and UN-DESA, engages in high level advocacy in support of financial inclusion around the world. The Group produced key messages and recommendations – endorsed by the Secretary-General in December 2008 – for governments, regulators, development partners and the private sector aimed at ensuring that poor households and microentrepreneurs gain sustainable access to a broad range of financial products and services.

In **Argentina**, working with six social organizations in the northern provinces of Chaco, Formosa, Misiones and Tucuman, UNDP coordinated the development of a microfinance management model as a way to fight poverty. The effort was specifically in line with a 2006 Argentinean piece of legislation that provides for the promotion of microcredits to the poor. By the end of 2008, over 3,500 microentrepreneurs had accessed 11,000 microloans through the initiative; 70 percent of the beneficiaries were women, half of whom were heads of household. Within a year of receiving their first loan, beneficiaries have, on average, doubled their family income. The total bad debts have amounted to slightly more than one percent and disbursed funds have revolved more than five times. The programme is currently being replicated in five more provinces.

An important part of UNDP's pro-poor work is strengthening the abilities of people and institutions, a policy that results in sustainable, long-term achievements. There must be a strategic plan that addresses the technical, financial and institutional

UNCDF: SUPPORTING SOCIAL PROTECTION IN A TIME OF CRISIS

The **United Nations Capital Development Fund (UNCDF)** supports least developed countries (LDCs) with local development programmes, an intervention that allocates block grants to local governments according to priorities established by the beneficiaries themselves. UNCDF facilitates this process with capacity development and technical assistance. Based on lessons learned at the local level, UNCDF provides evidence-based policy advice to governments and thereby contributes to the reform of the entire local government system and related legislation.

In response to the current difficult financial environment, UNCDF – together with its local and national partners – has initiated innovative ways of utilizing local development programmes as platforms for devising social protection schemes at the local government level. In **Nepal**, as part of a Government local governance and community development programme, UNCDF has piloted conditional cash transfers to poor families, a process that is managed by village development committees, the lowest tier in the local government system. In **Lao PDR**, as part of a wider joint programme with UNDP, UNCDF is exploring options for piloting district-managed safety-net programmes,

like workfare and conditional cash transfers. In **Rwanda**, the UNCDF and UNDP joint programme *Projet d'Appui au Développement Communautaire de Gicumbi et Rulindo* supports a Government programme that is working to enhance the role of districts and sectors in monitoring and administering a cash transfer programme targeting the poorest families in the district.

UNCDF local development programmes have also supported the role of local governments in the effective management of natural resources, for example, by introducing and enforcing a balance between the demand and supply side of scarce natural resources in a manner that accommodates the needs of communities while ensuring their sustainability for the long term. In terms of local economic development, UNCDF programmes enhance enabling environments through effective investments in economic infrastructure, support for improvements in regulatory environments and the promotion of responsive business development services and inclusive financial sectors. These programmes are also suitable platforms for building capacity and channelling investment resources for climate change adaptation at the local government level.

resources needed to transform success into everyday practice. Over the past decade, thanks to the cooperation of various international institutions, significant progress has been made in managing the return and reintegration of refugees and displaced persons to their pre-war homes and communities in **Bosnia-Herzegovina**. But that assistance is now on the decline and, with 40,000 returning families, local and central government institutions must step up their policy and coordination efforts in order to develop not just an effective return strategy but also the know-how and resources for the longer-term development of the country. For the past five years UNDP – along with the European Commission, the UN High Commissioner for Refugees (UNHCR) and various government ministries and municipal governments – has been working with government agencies to establish systems and procedures of sustainable return in line with international aid

effectiveness standards, such as the Paris Declaration. At the local level, close to 1,500 households have been reconstructed – with special emphasis on cross-border and minority beneficiaries – and 51 technical infrastructure projects have been completed, including roads and management systems for water, electricity and solid waste.

Human development cannot be achieved without taking the role of women into account. Poverty often hits women and women-headed households the hardest, and women have fewer economic and political opportunities to improve their well-being and that of their families. In **Pakistan**, UNDP, in partnership with food corporations, has developed an innovative three-year programme designed to enhance the role of rural women in the livestock and dairy sector, in direct response to the stated needs of the Government. Lady Livestock Workers are selected from the communities they serve, undergo

hands-on training in livestock health management and are given toolkits made up of medical instruments, medicines and vaccines. They then return to their communities where they provide vital livestock services to the rural poor. These women, who often had no income before the programme, now make as much as \$37 a month, increasing household cash flow and food security. They were also encouraged to undertake small business initiatives through access to microloans. By the end of 2008, almost 75,000 households had benefited directly, with 2,900 women trained in livestock health and care and over 2,000 of those women now self-employed.

As a trusted development partner and co-sponsor of the Joint United Nations Programme

on HIV/AIDS, UNDP has a special mandate to put HIV and AIDS at the centre of national development and poverty reduction strategies. In **Chad**, UNDP is funding a government initiative to bring HIV and AIDS awareness, prevention and advocacy efforts to the country's rural population, most of whom still see the disease as an urban problem. As a result of one 2008 effort, close to 8,000 rural religious and village leaders were brought together for community conversation sessions on the topic of HIV and AIDS. Each of those leaders then took on the responsibility to relay the information they learned to at least six people in their communities, totaling more than 46,000 people.



In Egypt, UNDP supported a programme aimed at helping microentrepreneurs in mostly poor, urban areas to start up, sustain and expand income-generating enterprises. Since 2007, the project has been self-sustaining.