

Poverty Reduction

Now we know how
the system works
and we feel a lot more
confident of how to realize

our own plans and
improve our lives.

Sveta Abylgasieva,
Kyzyl Oi Self Help Group,
Kyrgyzstan

The core of UNDP's mission is eliminating poverty and meeting the Millennium Summit goal of halving extreme poverty by 2015. Today, one in five of the world's people—1.2 billion—live on less than a dollar a day. Fifty-six percent of the developing world lacks the most basic sanitation, and more than 50 countries have lower real per capita incomes today than they did a decade ago.

Where poverty is extreme and unending, human rights are eroded; the natural resources base deteriorates; and human dignity too often gives way to despair. Breaking the cycle of poverty is an integral part of development in every nation. And whenever a family, community, region or nation succeeds in leaving poverty behind, it sets off a chain reaction of improvement for people everywhere.

UNDP has a well-established track record of pushing the fight against poverty to the forefront—by monitoring poverty through its **Human Development Reports**, sparking debates on how to move forward, and helping write and implement national strategies to fight poverty. With the World Bank, UNDP helps draw up poverty reduction strategy papers (PRSPs) to accompany international debt relief and help maximize its benefits. UNDP supports efforts in 60 countries to monitor poverty and set benchmarks for its alleviation. It has had a significant effect on how poverty is viewed, and how it is fought, from **Brazil to India**. Now, in the aftermath of the *Millennium Summit*, UNDP is taking the next step—monitoring and supporting efforts to meet the Summit's ambitious goals. Governments in more than 100 countries rely upon UNDP's advice, service and financial support as they draw up and implement national action plans to eliminate extreme poverty and

work toward the Millennium Summit goals.

Everywhere there has been dramatic success in cutting poverty, the formula is similar: sustained and equitable economic growth, accompanied by strategies aimed at meeting the health and education needs of the very poorest.

UNDP is taking the lead in transferring those strategies where they are needed most. UNDP provides developing countries the advice and consulting services they need to create broad-based growth and empower the poor, especially women, to change their own lives for the better. UNDP crafted a five-year strategy for **Latin America and the Caribbean** in 2000 to provide timely advice and quick access to the knowledge governments need to address their pressing development challenges. With an absolute figure of 224 million poor people in 1999, poverty was considered one of the gravest problems in the region, and economic policy the main determinant of both poverty and inequality.

UNDP is a global advocate for the aid funds and trade opportunities that must be part of any plan to end poverty. Ultimately, UNDP must hold together a global coalition that puts poverty at the top of this Millennium's agenda.



UN CAPITAL DEVELOPMENT FUND: INVESTING WITH THE POOR

UN Capital Development Fund (UNCDF) projects have long served as pilots or successful examples for UNDP, as it advises developing country governments on how to promote economic growth. Now UNCDF has sharpened its focus to two key areas: supporting microfinance and promoting decentralization projects that meet local priorities. On microfinance, UNCDF seeks out and supports effective, efficient institutions that extend services to the small entrepreneurs traditional banks would miss. In just six months last year, UNCDF-supported microfinance operations provided access to credit to 3,600 poor clients in Malawi. Their goal is to serve 19,000.

On decentralization, UNCDF helps support local solutions, promote pilot projects, and export successes from one region to another. Supported by voluntary contributions and co-financing of projects, UNCDF has had particular success in helping governments decentralize key services from Cambodia to Tanzania.

UNCDF works to eliminate poverty around the world and expand opportunity by providing access to funding and projects that allows local communities to choose their own roads out of poverty and toward development. For more information: www.uncdf.org.

In **Indonesia**, UNDP works directly with NGOs through the Community Recovery Programme, a consortium of local and national groups in Indonesia. UNDP administers a trust fund and helps raise money and support programming: to date, over US\$17 million has funded more than 460 grassroots projects across the country. Civil society groups are using this money to provide micro-credit, offer broad economic opportunities and show that progress out of extreme poverty is an attainable goal.

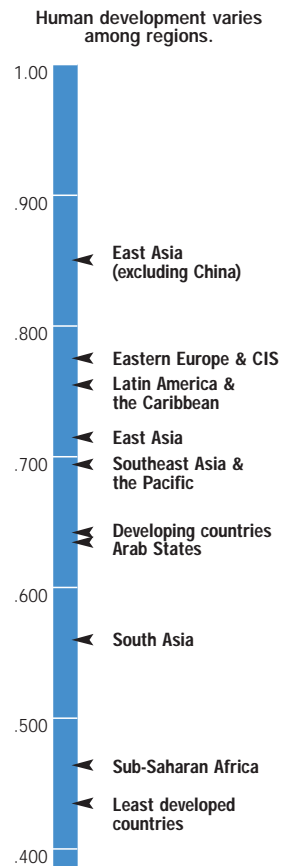
The Government of **Kyrgyzstan** invited UNDP to create a Participatory Poverty Alleviation programme for isolated communities that feel largely abandoned since the collapse of the Soviet Union. UNDP helps villages establish self-help groups, rebuild their decaying communities, buy new equipment, and receive training and micro-credit.

In April 2000, UNDP published its second global poverty report, *Overcoming Human Poverty*, setting forward a clarion call for a new commitment to fighting poverty and a new vision of the way forward.

Halving world poverty in the next 15 years is an ambitious goal, but a realistic one. The right combination of global and national policies, and sustained political will, can make it happen. And UNDP's multilateral character, universal presence and long experience in empowering communities to fight poverty place it squarely in the forefront of that effort. ■

HDI 1998 BY REGION

The human development index (HDI) measures a country's achievements in terms of life expectancy, educational attainment and adjusted real income.



Source: Human Development Report 2000