

NPRS-PRF Poverty Funds¹

Thematic Study – Regional Cooperation, Regional Economic Integration, and Poverty

[Draft Summary]

1. Key Outcomes and Lessons

The themes explored in this paper are:

- The importance of the process of consensus building on poverty and poverty-reducing policies in regional cooperation and integration.
- Inclusion of the poor in the benefits of regional economic integration.
- The importance of addressing regional public goods and mitigating potential negative impacts.

Some of the broad lessons that can be drawn from each of these themes are:

Building consensus on poverty across region

An important first step for looking at poverty at the regional level is to build a common understanding of poverty issues and develop a consensus on how best these issues can be tackled through national and regional policy. The example of work from the Pacific, such as RETAs 6245²-Sub-regional: *Strengthening Pro-poor Policies in the Pacific* demonstrates the need for a process for better understanding poverty, based on local understandings of poverty and vulnerability and high quality research. It also highlights the need for continuing work to develop a consensus on taking issues forward, using both dissemination and practical approaches.

Impact of regional integration on the poor

There have been a number of NPRS/PRF-funded projects, including RETA 6171-GMS: *Reviewing the poverty impact of regional economic integration in the GMS* and RETA 6190: *Preventing the trafficking of women and children and promoting safe migration in the GMS* which have looked in detail at the issues of who benefits from greater integration and who does not. The research carried out in the countries of the GMS under RETA 6171 highlights that a greater understanding of the impacts of regional integration on the poor, that is specific groups in specific contexts, can have direct policy implications in terms of the better management of existing processes.

Regional public goods and public bads

Whilst integration has brought economic growth to previously remote areas and has provided opportunities for new livelihoods, the poor have not always benefited. A number of projects funded by the NPRS-PRF, including TA 4142-People's Republic of China: *Fighting poverty through HIV/AIDS on road projects in Yunnan Province* and RETA 6190-GMS: *Preventing the trafficking of women and children and promoting safe migration* have explored issues around the importance of addressing regional public

goods and mitigating potential negative impacts. In this context public ‘goods’ include regional programs such as proactive environmental programs in the Greater Mekong Sub-region and industrial development in LAO to reduce poverty by developing a more competitive economy through small scale industrial development. Public ‘bads’ include the spread of HIV/AIDS, drugs and human trafficking due to the opening up of national borders.

2. Summary Case Studies

Several TAs looked at the importance of the process of consensus building on poverty and poverty-reducing policies in regional cooperation and integration. These included:

- TAs 6061: *Pacific Fund for Strategic Poverty Analysis and Countries* and RETA 6245: *Strengthening Pro-poor Policies in the Pacific* which used a range of methodologies and perspectives to better understand poverty in the Pacific, with the intention that research and studies should have direct policy implications, encourage national debates, involving the poor in discussions of poverty reduction.
- A research project on remittances in the Caucasus (RETA 6315: *Remittance and Poverty in Central Asia and South Caucasus*), was used to start the process of exploring issues in integration. The RETA has launched large-scale surveys and interviews to determine the impact of remittances on poverty reduction among the households and communities. Local research institutes have been engaged to explore the remittance flow between the migrant receiving countries to sending countries. Policy recommendations are being formulated involving key stakeholders.
- RETA 6118-Greater Mekong Sub-region: *Promoting NGO Support for Poverty Alleviation in the GMS* developed a NGO-Government-ADB tripartite model for a consultative process for the formulation and implementation of the ADB’s own regional cooperation and integration strategy. It demonstrated the benefits of providing a broad platform for inputs into strategy development by civil society in terms of a focus on poverty reduction and environmental issues.
- RETA 6171-Greater Mekong Sub-region: *Reviewing the Poverty Impact of Regional Economic Integration in the GMS* attempted to define and develop methodologies for assessing the micro-level cross-border poverty reduction impact, as part of the attempt to define various aspects of ‘regional poverty’.

TAs on inclusion of the poor in the benefits of regional cooperation and economic integration included:

- RETA 6171: *Reviewing Poverty Impact of Regional Economic Integration in the GMS* a major regional research project that aimed to assess the impacts on the poor of the process of regional integration. It identified that the level of inclusion of the border-area poor has been limited, despite the tangible significant investments in this particular locality.
- RETA 6190: *Preventing the trafficking of Women and Children and Promoting Safe Migration in GMS* looked at how infrastructure development can have a detrimental impact on the most vulnerable groups. The research highlighted the need to develop a better understanding of vulnerability and the impacts of infrastructure projects as part of the process of developing mitigation strategies.
- TA 4108-LAO: *Integrating the poor in regional trade through standard-setting for private sector operations* in LAO worked to ensure that small-scale producers

can compete and take advantage of opportunities in new regional markets. In addition, there is a specific need to develop approaches to ensure that poor groups can take advantage of the opportunities that greater integration offers, as TA 4108 demonstrates, through the development of local production standards and capacity building.

TAs which looked at the importance of addressing regional public goods and mitigating potential negative impacts of regional cooperation and integration included:

- RETA 6190-GMS: *Preventing the trafficking of women and children and promoting safe migration in the Greater Mekong Sub-region* has worked to build the political will and capacity of regional institutions to deal with problems of human trafficking, as well as working at a local level to raise awareness of the risks of unsafe migration. Some of the work of this RETA and TA 4142-People's Republic of China: *Fighting poverty through HIV/ AIDS on road projects in Yunnan Province* show that, when seeking to mitigate the potentially negative effects of integration, there is a need to understand how different groups are affected differently. Groups therefore require specific interventions, particularly when it comes to information and education campaigns. RETA 6190 demonstrates the importance of working at a number of different levels in order to take mitigation efforts forward, building consensus and capacity at the regional level, coupled with interventions at the most local levels to address specific local risks.
- RETAs 6247-Greater Mekong Sub-region: *HIV/AIDS vulnerability and risk reduction among ethnic minority groups through communication strategies* and TA 4142-People's Republic of China: *Fighting Poverty through HIV/AIDS on Road Projects in Yunnan Province* have worked to raise awareness and reduce the risks of HIV/AIDS infection, linked to road construction.
- RETA 6289- Greater Mekong Sub-region: *Core environment program and the bio-diversity conservation initiative* supported GMS governments' Core Environmental Program introducing major new and proactive environmental programs to mitigate the negative impacts of regional environmental degradation on the poor communities dependent on natural resources.

¹ NPRS stands for the Cooperation Fund in Support of the Formulation and Implementation of National Poverty Reduction Strategies contributed by the Government of the Netherlands, while the PRF stands for the Poverty Reduction Cooperation Fund contributed by the Government of the United Kingdom, Department for International Development.

² RETA 6118-Inter-regional: Promoting NGO support for poverty alleviation in the Greater Mekong Sub-region (PRF \$850,000)

RETA 6171-Greater Mekong Sub-region: Reviewing the poverty impact of regional economic integration in the Greater Mekong Sub-region (NPRS \$850,00)

TA 4108-LAO: Integrating the poor in regional trade through standard setting for private sector development (PRF \$150,000)

RETA 6190- Greater Mekong Sub-region: Preventing the trafficking of women and children and promoting safe migration in the Greater Mekong Sub-region (PRF \$700,000)

TA 4142: People's Republic of China: Fighting poverty through HIV/ AIDS on road projects in Yunnan Province (PRF \$800,000)

RETA 6315-Central Asia: Remittances and poverty in Central Asia and the South Caucasus (PRF \$1,000,000)

RETA 6247-Greater Mekong Sub-region: HIV/AIDS vulnerability and risk reduction among ethnic minority groups through communication strategies (PRF \$700,000)

RETA 6316-Inter-regional: Asian Development Committee's broadcasting initiative (PRF \$150,000)

RETA 6289-Greater Mekong Sub-region: Core environment program and the bio-diversity conservation initiative (PRF \$550,000)

RETA 6047-Pacific: National Poverty Reduction Strategies in Pacific Developing Member Countries (NPRS \$500,000)

TA 6061: Pacific Fund for Strategic Poverty Analysis (PRF \$50,000)

RETA 6245: Strengthening Pro-poor Policies in the Pacific (PRF \$925,000)