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Remarks during the Plenary Session on “Funding Priorities and Modalities for Poverty Reduction” by Terence Jones

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Terence Jones is the Resident Representative of the United Nations Development Program in the Philippines. This remarks is to be delivered at the *Asia and Pacific Forum on Poverty: Reforming Policies and Institutions for Poverty Reduction*, to be held at the Asian Development Bank, Manila, 5-9 February 2001.

Good afternoon, to our chairperson Mr. Bohun, to the distinguished panelists, and to all the long-suffering participants.

As the only multilateral on a seven-person panel I feel like a small boat in a very large sea, but I hope to contribute both an official position and some personal insights that may stimulate critical review of the issues before us this afternoon.

From the perspective of the United Nations Development Program (UNDP), the issue of funding priorities and modalities in a pro-poor development program is reflected in the new results framework, which since 1999 has guided all of UNDP’s development interventions toward a focus on poverty reduction. We have sharply refocused our priorities and in 1999 the use of resources was divided between sustainable livelihoods (40 percent), governance (39 percent), environment (13 percent), and conflict and gender (both 4 percent). Our modalities are also refocused toward policy analysis and advocacy, capacity development, and strategic pilot interventions to inform the direction of future programs.

At the end of his keynote presentation on Monday, Mr. Hafiz A. Pasha, the new Regional Director for UNDP for Asia and the Pacific, highlighted the eight key interventions that UNDP is spearheading to ensure that our work is focused on helping meet the Millennium Summit poverty reduction goals. As an aside it may be more appropriate to adopt these goals as our targets, rather than just the DAC sponsored IDGs, if ownership globally is our aim.

Those key UNDP interventions are:

- (i) Helping stimulate debate at the global level
- (ii) Drawing on the unmatched data and ideas contained in *Human Development Report* (HDR) support to national poverty surveys, policy frameworks, strategies, and action plans
- (iii) Engaging in the Poverty Reduction Strategy Paper (PRSP) type of process to build national ownership and ensure that human development issues are integrated
- (iv) Integrating gender and environment in pro-poor planning
- (v) Highlighting the importance of technology access, especially information and communications technology
- (vi) Promoting access to sustainable energy resources

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- (vii) Supporting democratic governance programs, to ensure participation of the poor and their protection

I will highlight only one of these priorities now, as most relevant for our purposes today, but encourage you to revisit Mr. Pasha’s paper for review of the others. Since the 1995 Social Summit, UNDP has supported work on national poverty strategies, policies, plans, and programs in a broad range of countries. From that experience we believe it is important to maintain a long term and well-grounded local perspective in addressing the constraints to removing poverty. For this reason UNDP has focused on capacity building interventions with national partners. The UNDP has established trust funds to gather support for its work, in poverty, and in other core areas—we would welcome partnerships in making these instruments even more effective globally, regionally, and nationally.

In that context, our engagement with the PRSP exercises reflects a response to reality: namely that the poorest countries, if they wish to continue to access debt relief and multilateral funding, need to comply with that process. What we do try to support and stress in our dialogue is the importance of maximizing capacity building interventions in support of full national ownership of antipoverty strategies and programs. We should not repeat with the IPRSPs the same mistakes made when countries were faced with the imperative of agreeing to PFPs.

The new priority focus on poverty through the PRSP process also needs to be validated as a genuine change in donor focus. In last year’s global poverty report by UNDP, the general ineffectiveness of donor programs in tackling poverty, with insufficient priority and inadequate insight into how best to support antipoverty programs, is illustrative of how far we have to go in reorienting our priorities. The presentations this afternoon do show, however, the considerable progress made since 1999 by several bilateral agencies in implementing such reforms. Hopefully the work on new DAC guidelines on poverty, referred to by Mr. Pasha, will provide further incentive and guidance on how to make such a change in orientation.

We also need to revisit aid practices more critically if we are to improve our effectiveness. We need to put more emphasis on such instruments as 20/20 analysis, integration of aid with development and recurrent budgets, program or sectorwide approaches, and innovations in working with the private sector.

Policy coherence and partnerships are addressed in the DAC approach, and both are vital for effective interventions to address poverty. On policy coherence we should avoid compartmentalization of our analysis: more work is needed on alternative macroeconomic policy scenarios that are pro-poor; more work is needed to link trade, debt, and domestic resource mobilization as part of the national strategy for poverty reduction. We hope that global and national human development reports will continue to stimulate and inform such policy debates.

On partnerships, the United Nations has adopted a common framework for working together on poverty reduction, and much progress has been made in clarifying the division of labor and agreeing on areas in which to work coherently together. There are also several good examples where donors have agreed to work together within the context of national antipoverty frameworks, for example here in the Philippines, in Laos, and in Viet Nam. In other instances the partnership has extended to regular consultations, to joint monitoring, to joint evaluation of impacts, and even resource mobilization.

It is important to continue to increase government capacity to take a leadership role in the partnership process, and for the other partners to be individually and collectively sensitive to that process. All too often we are held hostage to individual and institutional egos and the bottom line of being visible and delivering assistance as preplanned. In the United Nations Country Teams we are trained to work together, echoing earlier remarks about the importance of changing the culture of an organization and empowering its staff. Perhaps it is time for all international partners at the country level to commit themselves to such a collective exercise of change, if indeed we are to realize the cooperation goals we speak about so eloquently.

Mention was made earlier of the usefulness of partnerships between the development finance institutions in overcoming these and other constraints. We are in the process of finalizing a memorandum of understanding between UNDP and the Asian Development Bank that we hope will be the inspiration for enhancing our already extensive collaboration.

We hope UNDP will continue to be given sufficient resources by our partners so that our traditional role of risk-taking and innovation will remain the hallmark of our cooperation and our distinctive role in the collective fight against poverty.