DAC Network on Poverty Reduction

DRAFT SUMMARY RECORD OF THE MEETING OF THE DAC NETWORK ON POVERTY REDUCTION (POVNET)

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DAC NETWORK ON POVERTY REDUCTION (POVNET)

DRAFT SUMMARY RECORD

1. The Chair (Pierre Jacquet, France) opened the meeting by welcoming the three developing country experts, Priyanthi Fernando, Alais Morindat and Marjorie Mbilinyi, who have agreed to participate in POVNET meetings for the remainder of the 2009-10 biennium and help ground POVNET’s concepts, analysis and conclusions in the realities and livelihoods of people living in poverty in developing countries.

2. The Chair also welcomed Stefano Nicoletti, the DAC Delegate for Italy, who is the new DAC Facilitator for POVNET.


3. The draft agenda was adopted.

II. Summary Record of the 17-18 March 2009 meeting [DCD/DAC/POVNET/M(2009)3]

4. The draft summary record of the 17-18 March 2009 POVNET meeting was approved.

III. Impact of the economic crisis on poor people and developing countries

5. Following a series of presentations by staff from the World Bank (Ana Revenga), the Asian Development Bank (Armin Bauer) and the ILO (Stephen Pursey), POVNET discussed the impact of the economic crisis on poor people and developing countries. Some of the main messages included:

- For developing countries, the current economic crisis is an imported crisis, transmitted from the global economy via falling trade volumes and commodity prices, reduced access to finance and a slowdown in migration and remittances. Within developing countries, the main transmission mechanisms have been credit markets, labour markets and fiscal policy. Even though there were large job losses for migrants in receiving countries, there is no evidence of significant international return migration. The social impact in developing countries needs to be differentiated across groups and regions. The initial impact of the crisis in developing countries was on the emerging middle class, through its affects on the formal economy and skilled workers. The impact has reached poor people through falling earning opportunities and urban-to-rural migration. For low-income countries, the global recession has impacted through lower FDI, remittances (5-10% drop in 2009) and capital inflows. In low-income countries, most job losses have occurred in export manufacturing and mining, while the overall quality of jobs has also deteriorated.

- While the transmission channels mentioned above had global effects, developing Asian countries seem generally more resilient against the global crisis than expected. However, considerable variations in growth rates and effects within countries can be observed. But, there is no mass unemployment. The crisis shows that the underlying structural problem of growth in Asia is that it is not inclusive. The general lack of social protection, structural gender problems and problems in the social sectors (education and health) are becoming very visible under the current crisis. Many affected Asian countries have substantial fiscal space for rescue and stimulus packages, but

1. A fourth developing country expert, Joji Carino, has also agreed to participate in POVNET meetings but was not available on this occasion.
they will be difficult to maintain beyond 2010. The crisis will affect Asia less, but can be an opportunity to launch needed social reforms and to rethink the impact on the environment and climate change. Poor Asian countries need considerable support, but this support needs to be accompanied by reforms.

- One of the main policy responses to the economic crisis is maintaining viable employment and promoting job creation. In this context, in August 2009, the General Conference of the ILO launched the Global Jobs Pact that puts employment in the centre of policy measures to be taken; as does the POVNET Policy Statement on the role of employment and social protection in making economic growth more pro-poor (approved by the DAC High-Level Meeting on 27-28 May 2009). The ILO underlines that the employment recovery will be slower than the recovery from the economic crisis and realises that employment-related ministries and social partners are often not included in national negotiations in partner countries. Both ECOSOC and the G20 Pittsburgh Summit supported the Global Jobs Pact. It will now need to be integrated into the UNDAFs.

IV. POVNET’s 2009-10 Work Programme:


6. The Chair of the Implementation Task Team (Hitoshi Shoji, Japan) briefed POVNET on developments since its last meeting when a two-phased approach to pursuing this work had been agreed. As a first phase, a consultancy had been conducted to help clarify the issues and better determine the pressure points to target in order to change donor behavior related to promoting pro-poor growth. The consultant’s report [DCD/DAC/POVNET/RD(2009)7/RD1] stressed that effective implementation of the pro-poor growth messages needs political engagement, enthusiasm and the commitment of resources, but experience shows important lacunae in these areas. The report also highlighted that the current economic crisis and some major upcoming events, such as the MDG review in 2010, provide opportunities for disseminating POVNET messages. Regarding the second phase during the remainder of the 2009-10 biennium, the Task Team proposed a range of possible activities [see paragraphs 9 and 11 of the proposed action plan - DCD/DAC/POVNET(2009)6]. Mr Shoji concluded by seeking guidance from POVNET on which activities to pursue, how to organise the work and the timeline and administrative arrangements.

7. The discussion on the first day showed that members were interested in the following four items as possible dissemination activities:

- **MDG follow up:** Contribute a pro-poor growth perspective to a DAC input for the United Nations’ Millennium Development Goals Review Summit, planned for September 2010, as well as reflect on the post-2015 MDG agenda.

- **DAC Peer Reviews:** In light of the importance of pro-poor growth for sustained poverty reduction, encourage systematic coverage of pro-poor growth issues in the DAC Peer Reviews and develop a methodology to support this.

- **Country-level delivery mechanisms:** Prepare a proposal for the Train4Dev Network to consider at its annual meeting in June 2010 to develop a learning event on social protection.

- **POVNET blog:** Develop a dedicated blog on promoting pro-poor growth (proposal by the Chair).
Noting a lack of conclusion on which activities to pursue, the Chair suspended discussions and undertook to consult the Bureau with the intention of presenting a proposal on the following day that took account of the discussions so far.

On the second day, the Bureau presented a proposal to pursue all four items (mentioned in paragraph 7) and asked members whether they would be interested in them. Germany indicated an interest in leading on the first activity (MDG follow up) and asked colleagues from Belgium, Spain and the United Kingdom in particular to consider joining. Ireland and the ILO expressed their interest in the second (DAC Peer Reviews) and third items (Country-level delivery mechanisms) while no interest was expressed in the fourth item (POVNET blog). It was consequently agreed to pursue the first three items during 2010.

It was further agreed that these activities should be pursued through separate task-specific interest groups co-ordinated by a POVNET Vice-Chair and reporting back to POVNET. As a next step, the Secretariat will contact POVNET members to identify volunteers to join each interest group, which will then develop a work proposal/terms of reference and a timetable for delivering outputs.

**b) Empowerment [DCD/DAC/POVNET(2009)7]**

The Chair of the Task Team on Empowerment (Eamonn O’Cleireigh, Ireland) presented an update of the list of products that the Task Team is preparing. POVNET members were asked to consider if the list was sufficient and if any members were ready to contribute to the work by participating in the Task Team and/or providing a good practice note.

In response to the last two questions, the representative from the United Kingdom stated that it is in the process of nominating a person who can participate in the Task Team and the ILO will consider authoring a good practice note on working with federations/organisations.

In preparing this work, POVNET recommended that the Task Team:

- Align with issues of ownership and aid effectiveness, as set out in the Accra Agenda for Action.
- Consider issues of operationalising its final products.
- Reflect on issues of sectors and territorial support.

**V. Working with others**

The Secretariat (Alexandra Trzeciak-Duval) presented POVNET with a proposal for joint work [DCD/DAC/POVNET(2009)8] based on research presented at the previous POVNET meeting on the linkages between human rights and pro-poor growth (the resulting report had also been circulated to POVNET members for comments prior to the POVNET meeting). POVNET members agreed that there were several interesting entry points which could be explored in a joint seminar with GOVNET on the topic of pro-poor growth and human rights and suggested that the following points be taken into account when preparing the event:

- Although theoretical debates can be pursued around the two approaches, the focus should be on the operational aspects of working jointly on issues of human rights and pro-poor growth.
- The seminar should be held in mid 2010 to allow sufficient time for preparations.
The Task Team on Empowerment was asked to take this collaboration forward, on behalf of POVNET.

15. The Chair of GENDERNET (Ineke van Der Pool, The Netherlands) confirmed that her Network will continue to contribute to POVNET work by participating in the Task Team on Empowerment and, more specifically, producing a good practice note on “Women’s Economic Empowerment” and providing support with the preparation of a good practice note on “Empowerment and Monitoring”.

16. The POVNET Chair thanked GENDERNET for its contributions but also urged them to consider ways of developing joint work for the DAC’s 2011-12 Programme of Work and Budget. POVNET Members also suggested a number of issues on which POVNET would benefit from GENDERNET’s perspective and expertise:

- Learning from experiences with mainstreaming gender to promote and advocate for greater attention to poverty reduction issues within aid agencies.
- Using a gender lens to improve POVNETs work on food security.
- Supporting POVNET with its efforts to disseminate its messages and strategically place its products within aid agencies.


17. In a joint session with members of GENDERNET, Bert van Geel (DAC Delegate for The Netherlands) reported on the outcomes of the DAC Policy Directors’ meeting on 19 October 2009. At that meeting, participants had been asked to identify priority action areas for the DAC’s work programme for 2011-12 and beyond, in line with the strategic priorities already identified through the DAC Strategic Reflection Exercise [DCD/DAC(2009)23/FINAL]. The Policy Directors’ meeting had suggested that - in addition to the DAC’s core work on peer reviews, statistics and aid effectiveness – the DAC structure its other work around four clusters: i) climate change and environmental sustainability; ii) economic growth and policies; iii) global development governance; and iv) conflict and fragility. In addition, policy coherence for development and global public goods perspectives should be integrated throughout the DAC’s activities and a set of topics, including gender equality, are “cross-cutting” issues. All DAC work should link up with the OECD’s corporate strategy. To identify how the DAC subsidiary bodies can contribute to the suggested clusters, a mapping exercise will be carried out.

18. POVNET members subsequently discussed how POVNET could contribute to the proposed outputs for the 2011-12 work programme. This preliminary discussion suggested that POVNET could prepare contributions to the clusters being developed by the DAC in relation to pro-poor green growth (seen as integrating the ‘climate change’ and ‘growth’ clusters) and food security and possibly social protection/global social protection floor and the post-2015 MDG agenda. The ILO indicated its strong interest in the possible activity on social protection/global social protection floor while Ireland would potentially be interested in leading a work stream on food security. On the other hand, no explicit interest was manifested in pro-poor green growth and so the Chair asked members to consult with their headquarters and consider whether or not to pursue this work. When moving forward with these activities, POVNET agreed that they should be pursued with other DAC subsidiary bodies and other OECD committees.
VII. Disseminating and connecting POVNET messages to related activities:


19. The Co-Chair of the Train4Dev Network’s Executive Committee for the pro-poor growth learning events (Earnan O’Cleireigh, Ireland) reminded POVNET that the Train4Dev Network plans to organise eight developing country-based learning events during 2009-10. A consortium of ODI and ITAD had been contracted to prepare and deliver these events. A first pilot had taken place in Tanzania on 19 to 21 October 2009, based on a draft set of briefing notes. The next steps with taking this initiative forward include reviewing the pilot course and, based on the findings from this, adapting the course material, content, structure and approach accordingly. There is also a need to identify a location for a second pilot course to take place in early 2010.


20. The Secretariat (Michael Laird) advised POVNET that the China-DAC Study Group’s first event on the subject of development partnerships would take place in Beijing the following week, on 28 and 29 October. The event would focus on the Study Group’s two themes: i) China’s experience of growth and poverty reduction, including the contribution of international assistance, and its relevance for other developing countries particularly in Africa; and ii) China’s economic co-operation in Africa and its impact on poverty reduction. In 2010, the Study Group will organise three further events on: i) agriculture and rural development (in Africa in March or April); ii) infrastructure (in Beijing in mid 2010); and iii) the enabling environment for enterprise development (in Africa in late 2010). These subjects all have an important influence on both the pace of growth as well as the extent to which growth contributes to reducing poverty. They are also areas on which POVNET has developed policy guidance for donors.


21. The Secretariat (Peter Bieler) summarised its involvement in on-going initiatives on food security. Starting with a policy dialogue on high food prices organised at the OECD in February 2009 and continuing with a joint FAO-OECD meeting in May 2009, there have been several opportunities to disseminate and promote earlier POVNET policy messages on pro-poor growth and agriculture, still seen as very relevant, even as the issue has gradually shifted from ‘high food prices’ to ‘global food security’ (a likely theme inside the ‘economic growth and policies’ cluster being elaborated by the DAC for the 2011-12 work programme – see Section VI). The Secretariat explained that the DAC had already agreed to include agriculture as an optional topic to be addressed during its Peer Reviews. So far, Italy has been the only country to include this topic in its peer review. Taking this work forward requires “unpacking” the various elements associated with food security and clarifying POVNET’s role and possible future work that would be done in collaboration with the OECD’s Directorate for Trade and Agriculture and the Committee on Agriculture.


22. The Secretariat (Bill Nicol) advised POVNET that, following the release of the policy guidance for donors on social protection, there is a high interest among several donors in knowing how much ODA is spent on social protection and particularly on how to monitor trends in donors’ investment in social protection. Three steps are proposed in order to do this:

i) Examine what the Creditor Reporting System (CRS) category ‘social welfare services’ comprises and how donors report ODA under that heading.
ii) Discuss what we consider social protection to encompass, i.e. what items, as a minimum, should be measured under the heading ‘social protection’.

iii) Look at what other CRS categories might be added to the ‘social welfare services’ category to encompass a broader perspective on ‘social protection’.

23. A small group of interested donors could be formed to carry this work forward. An initial output of such work could be a discussion paper on measuring ODA for social protection.

VIII. Designation of the POVNET Chair and Vice-Chair(s) for 2010 [DCD/DAC/POVNET(2009)9]

24. Mr Pierre Jacquet (France) was elected POVNET Chair for 2010. Messrs Earnan O’Cleirigh (Ireland) and Timo Voipio (Finland) were elected Vice-Chairs of POVNET for 2010, the latter replacing Hitoshi Shoji (Japan) who is no longer available to carry out this role. POVNET expressed its sincere gratitude to Mr Shoji for the energy and expertise he has brought to POVNET work and wished him every success in his new tasks.

IX. Other business and date of next meeting

25. The dates of the next POVNET meeting will be fixed once the process and timetable for deciding the DAC Work Programme for 2011-12 has been determined (possible dates mentioned for the POVNET meeting were 23 and 24 March 2010 or 28 and 29 April 2010).
Participants list for DAC Network on Poverty Reduction (POVNET)/Liste des participants pour Reseau du CAD sur la reduction de la pauvrete (POVNET)

21/10/2009 - 21/10/2009

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