

SUMMARY RECORD

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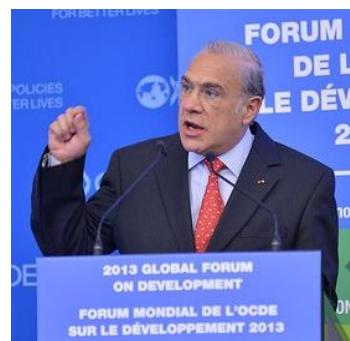


THURSDAY 4 APRIL 2013

WELCOME REMARKS AND KEYNOTE SPEECHES

Angel Gurría, OECD Secretary-General

Over the next two years, the international community will seek to work together to put forth a new and more ambitious vision for a Post-2015 development world. In our view, this new vision needs to be global, holistic, measurable and meaningful. “Global” because the developing and the developed divisions between North and South no longer reflect our growing interdependencies. “Holistic” because we must address jointly the sustainable development goals and the poverty and human development agenda. “Measurable and meaningful” so that we can assess progress, achieve high levels of transparency and hold ourselves accountable for our future actions.



The 8 MDGs established over a decade ago provided us with a clear roadmap, targets and common goals. Undoubtedly, we have made significant progress on reaching many of these goals. Poverty has declined globally. Thanks to sustained economic growth, innovative policies and a remarkable contribution by migrant workers and remittances, there are 620 million fewer extremely poor people in the world today than in 1990. Access to health has improved: the number of deaths of children under the age of five declined from 12 million in 1990 to 7 million in 2011. This figure is still unacceptably high, but progress is undeniable.

Economic growth has played a major role in lifting people out of poverty. However, there is increasing evidence that many of these people did not move up to “middle class” status, but rather

got stuck into an intermediate state of “vulnerability” and can fall back into extreme poverty when shocks hit their households. Poverty continues to affect millions of people around the world. In Sub-Saharan Africa, half of the population still lives on less than \$1.25 a day. The numbers of informal, poor quality jobs remain high in many developing countries. Our *Perspectives on Global Development 2011* report reveals that inequality within developing countries has decreased but it is often still at very high levels. Data from our *Divided We Stand* report showed that in Mexico and Chile the richest 10% of the population have incomes 27 times those of the poorest 10%; while in Brazil this ratio stands at 50 to 1.

We must look at poverty through a new lens that sees beyond absolute income poverty. The OECD is developing new ways to measure well-being and progress both in terms of average achievements and inequalities. In this respect, our *Better Life Initiative* plays a critical role in the international debate on “well-being”, going beyond income poverty to account for other basic needs and dimensions, such as access to quality education and healthcare, the availability of clean air and water, the support of the community and life satisfaction.

The interplay of social inclusion, mobility and social capital, or what we call “social cohesion” is also a useful approach to measure the range of factors that impact on social outcomes and to address poverty and inequality. The OECD is making a contribution in this area, both in OECD countries (where our work with Korea is a key example) and in developing countries (where the first Social Cohesion Policy Review for Vietnam is another key example). The OECD is also launching an important initiative on Inclusive Growth that supports our work on New Approaches to Economic Challenges (NAEC) and promises to lead the way towards a new economic pro-growth and pro-people paradigm.

Designing better policies and implementing the necessary changes and reforms to promote growth, fight poverty and exclusion require good data and information. Hence, it is imperative to strengthen national statistical capacities in a number of countries. In this respect, we are proud to host the Partnership in Statistics for Development in the 21st Century (PARIS21), a global and effective endeavour of many international organisations, developed and developing countries aimed at strengthening the statistical capacities of low-income countries.

Olusegun Obasanjo, Former President, Federal Republic of Nigeria and President, Olusegun Obasanjo Foundation

Africa used to be a forgotten continent. However, it has made significant and measurable progress across the whole region, in key areas such as educational attainment and health. The establishment of the MDGs, NEPAD, and the African Peer Review Mechanism all contributed to the achievements by challenging African countries to do



better. The spread of the Internet and new communication technologies helped as well. Debt relief was also channelled to meet the MDGs, although Nigeria did not qualify for the Heavily Indebted Poor Countries (HIPC) Initiative because it was an oil producing country. The Poverty Reduction Strategy Papers (PRSP) became the tool to promote poverty reduction in Africa. However, we wanted to go beyond just poverty reduction and aim for wealth creation and employment generation. For this reason, we developed the National Empowerment Economic and Development Strategy (NEEDS). It is important for countries to know what they need, which could then be supported by donors. This also applies to the Post-2015 MDG framework, which should be measurable. Measurable is the key word. The single most important thing policy makers need data. Give me statistics!

There are five areas that need to be prioritised in the Post MDG Framework. The first is education, especially for girls, as girls' education determines population growth, a productive population, and maternal health. The second is health, to reduce communicable and non-communicable diseases. Polio can be prevented and managed. The third is agriculture, including how to manage agribusiness and land grabbing. The fourth is infrastructure. Although it is not easy to measure, infrastructure development must be included. The fifth is the fight against corruption. Here, leadership and mobilising political will are absolutely necessary. In sum, both quantitative and qualitative indicators would be important for the Post MDG Framework.

Erik Solheim, Chair, Development Assistance Committee, OECD; Former Minister of Development and Environment, Norway said that the focus of the Forum was on action -- how we can all work to achieve the existing MDG's and how we can all work towards the aims of the post-2015 development agenda and help crystallise them in a development framework we can all support. The goals of the next development framework will likely focus on further reducing poverty, better managing the environment and natural resources and encouraging greater shared economic growth.



SESSION 1: THE POVERTY CHALLENGE - GLOBAL TRENDS, UNCERTAINTIES, AND NATIONAL POLICY FRAMEWORKS

PANEL 1.1: THE GLOBAL-NATIONAL NEXUS

This session was moderated by **Jon Lomøy**, Director, Development Cooperation Directorate, OECD.

Gyan Chandra Acharya (Under-Secretary-General and High Representative for Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, UN-OHRLLS) highlighted that, at the global level, we must celebrate the average achievement of the MDGs, such

as poverty reduction, girls' schooling, child mortality, maternal mortality and access to water. However, the averages mask large difference among countries.

In particular, for the one billion people of 90 least-developed countries (LDCs), landlocked and small island states, the remaining challenges are still large in the next two years as well as in the next 10-15 years. About 25% of the world population live under the 1.25 dollar a day poverty line whereas in the LDCs this percentage is still about 50% and only 35% of the population has access to sanitation. While we say that there are large numbers of poor in MICs, which is true, within LDCs, the proportion of the poor is also still very high. Therefore, the post-2015 framework should take into consideration the unfinished agenda as well as the new agenda, and pay particular attention to the heterogeneity and specific vulnerabilities of different countries.

While there is a need to make progress in social sectors such as health and education, we must also look at inclusive and sustainable economic growth, for example through better productive capacity and employment, which was not in the MDGs. Other issues such as ICTs, transport, energy and agriculture, which are development multipliers, need to be an important pillar of the post-2015 agenda. Furthermore, environmental sustainability is key, especially for the rural poor as they deal with the repercussions of environmental degradation and climate change on a daily basis. We need to work better with them to enhance their resilience through investment in capacity, technical knowledge and income generating skills.

While national states are mainly responsible for their countries' development, including mobilising domestic resources, they cannot do it alone, as they lack capacity, effective institutions, and financial resources. Therefore, to accelerate the MDG achievement and deal with the unfinished agenda in the post-2015 development framework, an effective global partnership through the international community should help governments addressing challenges and harnessing emerging opportunities.

Mok Mareth (Senior Minister, Minister of Environment / Chairman of the National Council on Green Growth, Cambodia) highlighted that Cambodia's per capita GDP went from USD 250 in 1993 to 2,090 today and that the poverty rate went from 39% in 1993 to 20% in 2012. Cambodia used to import rice, but is now food sufficient and is an exporter. It has not been significantly affected by the financial and economic crisis. The country has had a series of national development strategies that led to peace, political stability, macro-economic stability, good governance, job opportunities, human resources development and gender equality. With more than 80% of the population being farmers in rural areas, Cambodia focused on boosting the productive opportunities of agriculture, as this was fundamental. In particular, reforms were carried out in land and fisheries, giving to farmers land titles covering 1 million hectares. Demining has also been a priority for agricultural development. Policies focused on SME development and infrastructure development and rehabilitation, which led to access to medical centres and schools.

Green growth is a central priority. The National Strategic Plan of Green Growth Development is based on a Win-Win Methodology that links Cambodia as indicated in the four main pillars of Cambodia: Economy, Environment, Society and Culture. Green Growth Strategy secures macro-

economic stability, succeed environmental protection and poverty reduction with social equity as preserve and develop the traditional and national culture. Each ministry plays a very important role in natural resource management and environmental protection. Since implementing “Old Policy, New Action on Land Section” Cambodia given high consideration on livelihood of its people in releasing land titles to people and providing economic land concessions for the agro-industry such as rubber plantations. In parallel with the development, Cambodia has highly consideration on conservation. To assure and address sustainable development and to fit with the vision of inclusive growth, Cambodia requires all partners to follow and assist the implementation National Strategic Plan on Green Growth at Local Governmental on capacity building, human resource development and budget support. The government has been working closely with Asian Development Bank and the World Bank and hope as well that the international community will continue to provide assistance to Cambodia’s national development strategy plan. Cambodia appeals for supporting funding to development of green growth as well as transferring technology for both green-house emission and adaptation. It encourages agro-industry investment, forest conservation, fostering stable macroeconomics and job creation, supports for small-medium scale enterprises, which are not high polluting, but create job and help trade balance, encourages green infrastructure development in the rural areas as well as promotion of non-polluting transportation throughout the country, and encouraging the tourism sector.

Cambodia’s National Strategic Plan on Green Growth is a living document that will be updated over time to reflect the changing context.



Otaviano Canuto (Vice President and Head of the Poverty Reduction and Economic Management (PREM) Network, World Bank) discussed the interplay between global and national development targets, highlighting that the former were extremely useful to galvanise the international community, gather resources and create the conditions to achieve them. However it is up to the individual countries to translate these global targets into national targets and indicators. In particular, different

countries are facing different challenges associated to their stages of development, so they need to internalise where their priorities lie.

Since poverty is multi-dimensional, reducing poverty further demands action on several fronts. The World Bank identified two major factors in poverty reduction that are common in many developing countries. The first one is the capacity of a country to generate more and better jobs through a robust private sector and financial sector in a stable macro-economic environment. The second relates to basic human needs: education, health, basic infrastructure, and social protection. In particular, it is important to be vigilant to external shocks, e.g. coming from food and financial crises, with a social protection system that caters towards the vulnerable to protect them against shocks and disruptions.

While national development strategies that are fully owned by the countries are most important, benchmarks and “blueprints” are also useful to compare progress towards the achievement of goals. Establishing development goals on the one hand and specifying the interventions for poverty reduction on the other hand, with a focus on results, allows checking what works in terms of the countries’ efforts and international assistance. In order to do this, countries’ statistical capacity is fundamental as the raw data are produced by the countries themselves. If we don’t have improved quality data, we cannot track progress.

Sabina Alkire (Director, Oxford Poverty and Human Development Initiative (OPHI), Department of International Development, University of Oxford) recommended that the new post-2015 development agenda should not be distracted by too many goals, but should focus on key issues that encapsulate the multi-dimensionality and inter-connectedness of poverty specific to each country.

There have been proposals to add more goals to the post MDG framework such as peace, justice, inequality, gender, and so on, but the increased data requirements may dilute the focus and distract attention from necessary actions needed to reduce poverty. At the same time, we should not forget the multi-dimensionality of poverty. In 2010, a UNDP study of looked at 50 countries and showed that successful policies to help people exit from poverty and achieve the MDGs require looking at several, inter-related dimensions of poverty.

She proposed to include in the post MDG framework, alongside international indicators, a set of multi-dimensional poverty indicators (MPI) at the national level. Countries should have their own indicators by identifying the level of deprivation at the household level across a region or nation. Different countries and cultures are at different stages of poverty reduction, so what will work in one country may not work in another. Therefore, the indicators need to be adjusted, just as national poverty lines are adjusted alongside the international goals. Then the measures can be unpacked according to different regions, religion, ethnic groups, and so on. For example in Nepal, poverty was reduced, as shown in different indicators in 10 out of 13 regions. Mexico looked at a Multidimensional Poverty Index among the indigenous population, and tried to see the policies that had the most effect. Policies can include those such as conditional cash transfer, land reforms, etc., as well as geographical targeting.

On the other hand, some countries might be interested in comparing with other countries and learning from them. The UNDP MPI made rigorous comparison of income levels among countries including Nepal, Rwanda, and Bangladesh. Here, a concern for data is that good survey instruments are needed, which requires statistical capacity building—not to distract, but to focus on a key number of goals.

Abdalla Hamdok (Deputy Executive Secretary, United Nations Economic Commission for Africa, UNECA) explained that from an African perspective, the post-2015 development agenda should be more holistic than previously, to address inequality, “enablers” beyond only outcomes, and the quality of outcomes as opposed to just quantity—. A renewed global partnership is needed to offer solutions to global problems, such as tackling illicit financial flows.

The optimism of President Obasanjo is shared regarding Africa rising. Six out of ten economies that experienced faster growth last year were in Africa. Africa grew on average 5% in 2012, which is impressive considering the global economic and financial crisis. The success mainly came from rising commodity prices, improved macro-economic management and the business environment, increased trade links with the emerging economies such as China, India, Brazil, Turkey, increased public spending; the emergence of middle income sectors in societies and, most importantly, the peace dividend. But there are also concerns related to the African growth model, such as joblessness, particularly among the youth, persisting poverty and the high dependence on commodity exports and their volatile prices.

On the MDGs, there is a great deal of success, which is a welcome story. Although MDGs have managed to provide policy space and focused us on monitoring and tracking of progress, they need to be revisited. MDGs look like a social programme, making us less focused on economic growth. In the post-2015 framework we need to look at economic transformation as well as focus on quantity rather than quality, notably in the case education and on inequality,

We also need to look at domestic resource mobilisation and financing of development. There is a disproportional bias on focusing on outcome rather than enablers, such as infrastructure, peace, security, and government. The new post MDG agenda needs to take these on board more holistically. At the latest Africa regional conference of ministers of finance, the major theme was industrialisation, and the challenges of a commodity-driven development. They agreed that a commodity-based industrialisation is desirable and possible for Africa.

Finally, we also need to address Illicit Financial Flows (IFF). Estimates show that \$50 billion leave Africa each year due to IFF. This is a perfect topic for a global solution. It needs to be addressed collectively as the development impact of these forgone resources on the MDGs, social spending, infrastructure, etc. is significant.

Twitter questions focused on the fact that gender empowerment is one of the most important cross-cutting issue for poverty reduction; however we need more data on this. Better data are necessary to analyse better why some of the MDGs have not been met yet. We also need to pay

more attention to “development enablers” such as free trade, infrastructure, foreign direct investment, good governance and local level implementation and monitoring.

Jon Lomøy (Director, Development Cooperation Directorate, OECD) concluded that we should celebrate the achievements in meeting some of the MDGs, although there are remaining challenges among and within countries, including on gender inequality. Measurements such as the MDGs and global targets have been and will be useful. For the next development agenda we need to understand why some of the current MDGs were not met and whether adjustments to on goals and indicators are necessary. It would also be necessary to translate any international targets into individual country contexts.



PANEL 1.2: THE MULTI-DIMENSIONAL NATURE OF POVERTY REDUCTION APPROACHES: INTER-LINKAGES AND TRADE-OFFS

This session was moderated by **Mario Pezzini, Director, Development Centre, OECD**.

Sung-Hwan Kim (UN High Level Panel Member, Former Minister of Foreign Affairs and Trade, Korea) analysed three elements in Korea’s experience in reducing poverty. First, Korea took a broad-based, holistic approach, promoting social cohesion and economic growth. Second, it took ownership in development by securing foreign capital and mobilising domestic resources. Korea established the bureau of tax services in 1966 and introduced value added tax in 1977. With these resources, it established a package to invest in infrastructure and spur industrialisation. Third, Korea invested in human resources. In 1950, the country was one of the poorest countries in the world, but it invested heavily in education. In order to create jobs, Korea combined human resources development with economic growth.

On new policies that developing countries can adopt in this changing global environment, Korea believes that green growth is important. In the 2008 financial crisis, Korea adopted a low-carbon green growth strategy as a national agenda. The former President established a presidential commission on Green Growth including 14 ministers from finance, environment, foreign affairs, trade, as well as 36 representatives from civil society organisations (CSOs) and the private sector. There was strong commitment and leadership by the top government to form a solid partnership with the people in order to facilitate a move toward green growth for the whole country in a short time.

There is a consensus among the High Level Panel members that there needs to be a two-tiered approach to development goals and targets. There can be global goals, but each country needs to be able to select from a menu of targets based on its specific national conditions. While the MDG goals, targets, and indicators were good, there were only globally agreed ones and didn't reflect the countries' specific conditions. The proposed two tiered approach will need significant co-ordination, particularly since there are on average 30 donors per country, unlike in the 1960s where there were on average three, and the development strategies of each countries are quite different.

Peter Moors (Director General, Development Cooperation, Federal Public Service Foreign Affairs, Foreign Trade and Development Cooperation, Belgium) mentioned a study by the University of Antwerp showing that in 1990, 90% of the poorest lived in LDCs whereas now 70% of them live in MICs. Belgium will continue to concentrate on the LDCs and the fragile states, which are mostly in Sub-Saharan Africa, where the majority of the poor still lives in rural areas. A study by FAO on greener cities states that in 2025, more than half the world population will live in cities--3.5 billion people. Belgium has been concentrating almost all of its assistance on rural aspects of development, and now needs to start looking at urban issues. In this perspective the two main challenges are to make growth environmentally sustainable and to reinforce social protection since family relationships in urban areas will not be as dense as in rural areas. Belgium still has a "romantic" view of rural development. For example, it is financing a water and food security programme in the northern part of an African country with other donors targeting 200,000 people. This is an area that will remain arid for the next 15-20 years. On the other hand, 300 km to the South, there is a very fertile area. So it might not make sense to target the arid area. Belgium also wants to concentrate on issues such as improving value chains.

Huaqing Xu (Deputy Director General, National Centre for Climate Change Strategy and International Cooperation) explained that China, with the largest population in the world, had to balance development with huge poverty in rural areas. China still has almost 120 million people living under the poverty line. The government formulated a 10-year programme to reduce extreme rural poverty. To promote this poverty alleviation, the central government took new policy measures such as increasing public financial support for specifically poor areas.

There are two challenges in achieving impact on the poverty reduction objective. The first one is to bring measurable progress in improving fairness in education. The second one is to deal with urbanization, which will be important in the next 10 years and in particular for poor people migrating into cities.

Emele Duituturaga (Global Co-Chair, CSO Partnership for Development Effectiveness; CPDE) presented the CSO Partnership for Development Effectiveness, which was formed at the conclusion of the Busan High Level Forum on Development Effectiveness. It is a global platform that unites into one single platform CSOs addressing development effectiveness. Before the post- 2015 discussions became fashionable, the CSO Partnership has been calling on the need to develop a new development framework. Some of the main challenges to address include: widening inequality (0.5% of the world population controlling a large share of overall resources); increasing food prices; and climate change.

There are three points to pay attention to. First, we need to deal with the root causes of poverty with a transformative agenda that places the well-being of people at the centre. Second, we need to promote the respect of human rights, participatory democracy, decent work, social justice and dignity for the poor and marginalized. Lastly, as poverty is multi-dimensional, a multi-sectoral approach is necessary. In particular, CSOs have been given their own right to contribute to development: while the MDGs were signed by governments only, all partners including civil society, private sector, and communities should be allowed to sign up to the post MDG framework.

Miguel Veiga-Pestana (Vice-President Global External Affairs and Media Relations, Unilever) shared Univer's experience on the post-2015 issues, based on its CEO's membership to the UN HLP on the post 2015 development framework. The discussion so far assumes that growth is driven by private sector actors, which are diverse, fragmented, and not homogenous. There are large companies like Unilever, millions of SMEs, and individual entrepreneurs such as smallholder farmers. These private sector actors provide many services including education, public health, and food in many parts of the world. For example, in Africa, education is provided also by the private sector and not just by the government. However, the private sector and civil society were not involved in the development of original MDGs, which is critical in order to debate on how the whole eco-system could work and to understand a broader framework.

We tend to focus on individual MDGs, but they are interrelated, so we need to understand the interconnectedness. For example, the poorest will be the most affected by climate change but will be the least able to deal with it. Therefore, we have to understand the linkages among environmental, social and economic issues in the post-2015 agenda.

We are talking of building new models of inclusive and equitable growth through a sustainable system. Government-led development doesn't always lead to scale or long term sustainability. So we need to build a real sustainable model which takes into consideration how the private sector can take part in it. For example, Unilever's new programme on nutrition involves 33 governments focusing on malnutrition in the first 1,000 days of life. We have set up a movement with civil society engagement that tries to leverage competencies and find a sustainable and system solution to the problem of malnutrition. But in the debate about engaging the private sector, distrust is one of the biggest issues.

Mario Pezzini (Director, OECD Development Centre) concluded this session by inviting participants to have a "structuralist" approach. He highlighted that the quality of growth is strongly related to

the characteristics of the productive structure, which affects the distribution of the gains of growth across regions and sectors of society and influences the availability of resources to finance public policies. In this respect, both social policies and policies related to the productive structure are important to tackle poverty and inequality.

EMERGING THEMES

[**Erik Solheim \(Chair, Development Assistance Committee, OECD; Former Minister of Development and Environment, Norway\)**](#) and [**Pawel Wojciechowski \(Chair of the Governing Board, OECD Development Centre; Former Minister of Finance, Poland\)**](#) drew the key messages from this session:

- Achievements made but challenges still remain. The world is moving in a positive direction. There has been major progress made on the MDGs thus far. But progress has not been achieved by all the countries, and is not convincing for many of the world's poor.
- The MDGs were useful because they focused our attention and mobilised political and financial support. The post-2015 development agenda should build on the achievements and consist of a broader framework to include issues such as inequality and quality of education, as well as "enablers" such as private investment and macroeconomic stability.
- International goals must accommodate national goals and target: The new framework should have few broad targets but they should also be adjustable for each nation. OECD should do more to provide better data, as requested by President Obasanjo.
- Green growth is important and Korea is a leader in this area. Green growth should not be a development agenda nor just an environmental agenda. Green growth must be integrated into society, job creation, getting out of the informal sector, fiscal management, and in the politics of a nation. Infrastructure should be green; there are a huge number of successes on green growth in developed countries but also in developing countries, such as Bangladesh and in Central America. Ethiopia aims to become an MIC by 2025 but without greenhouse emissions through a low carbon strategy this is not likely to happen.
- The Main outcomes of the Wikiprogress discussion held as a lead-up to the global forum include:
 - Participants identified societal groups that will require more attention in the future, as they are marginalized, vulnerable and exposed to multiple and intersecting inequalities;
 - Participants identified a range of approaches as essential to address inequality;
 - Priority should be given to people who are the most excluded from society because of multiple and cumulative inequalities;
 - A well-being and a human rights-based approach can significantly contribute to the process of defining and developing the post-2015 agenda;

- Measurements of progress in reducing poverty should be transparent, focused on those who have been excluded and country specific.
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FRIDAY 5 APRIL 2013

WELCOME REMARKS AND KEYNOTE SPEECH

Pawel Wojciechowski (Chair of the Governing Board, OECD Development Centre; Former Minister of Finance, Poland) stressed the importance of looking at social cohesion and well-being as part of the post-2015 development agenda. Quoting the OECD Development Centre's "2012 Perspectives on Global Development", he emphasised that a cohesive society could be defined as one that works towards the well-being of all its members, fights exclusion and marginalisation, creates a sense of belonging, trust, and prospects of upwards social mobility. In highlighting the impact of inequality, he stressed the role of a country economic structure and institutions, referring to the findings presented by Prof. François Bourguignon in the 2013 Angus Maddison lecture when he compared African countries and showed that more diversified economies tend to have a more inclusive growth path, with less inequalities. In concluding, he welcomed the on-going work the OECD Development Centre is conducting on "Social Cohesion Policy Reviews" to study the various dimensions of social cohesion at the national level, with a first pilot project on Viet Nam.

Heather Grady (Vice President, Rockefeller Foundation) presented a few innovative solutions and tools to promote more inclusive and resilient growth supported by the Rockefeller Foundation in its 100 years of existence, such as HARITA (Horn of Africa Risk Transfer for Adaptation, a crop insurance and community resilience programme) and the African Risk Capacity (a payment system for farmers to rapidly receive humanitarian aid). To prepare for a post-2015 world, two fundamental shifts are necessary: (i) improving our ability to manage risks and (ii) building resilience. The historical divide between long-term development on the one hand and response to humanitarian crises – with two distinct communities, paradigms and institutional setups – needs to be overcome. Strengthening resilience and universal health coverage should be considered as potential cross-cutting goals for the post-2015 framework. The philanthropic sector can have a strong impact on the post-2015 world, using funding for both patient capital and risk capital. Heather Grady recommended that we do not see 2015 as a finish line for the



MDGs but as a starting line for a more holistic, innovative and bolder framework for international cooperation.

SESSION 2: BEYOND POVERTY REDUCTION: THE CHALLENGE OF SOCIAL COHESION IN DEVELOPING COUNTRIES

The moderator, **Duncan Green (Senior Strategic Adviser, OXFAM Great Britain; author of “From Poverty to Power”)** pointed to various dimensions of social cohesion that are worth considering (beyond the “social capital”, “social inclusion” and “social mobility” dimensions): sense of belonging, legitimacy of the government, social contract between the government and citizens. He also asked whether social cohesion was a technical issue, a political issue, or both.



Pierre Jacquet (President, Global Development Network) emphasized that social cohesion is mainly a political challenge, not a technical challenge. Series of normative statements such as “we need to reduce poverty and inequality” or “we need to reinforce women rights and green growth” are irrelevant to address reality. More data-based evidence (on income distribution, quality of public service delivery, taxation, risk mitigation, etc.) is needed to influence political debates and priorities of policy-makers. There is an increasing support for mainstreaming social policies into growth policies, but this will only be possible through a strong ownership of the national levels. Local priorities need to be defined by local actors, such as local NGOs and local researchers (and not by international donors and foundations). In this regard, he stressed the role of the Global Development Network, based in New Delhi, which builds capacity in economic and social sciences in developing countries.



Alan Hirsch (Professor and Director, Graduate School of Development Policy and Practice, University of Cape Town, South Africa) analysed the lessons of the South African experience on social cohesion since 1994, based on his 18-years experience in the South African government. After the apartheid, the South-African society was “the absolute opposite of cohesion”. The Mandela period tried to reduce the division of society through various initiatives such as the unification of education and health systems, free access to basic services (water and electricity), massive social transfers, public employment programmes and black economic empowerment programmes. These projects created a major transformation of society and strongly contributed to poverty reduction. However in the long term massive reconciliation did not fully result in social cohesion and deep fundamental cleavages remain.



Sexual assaults and violence rates remain very high, and service delivery protests increase, pointing to an un-finished agenda.

Shirin Sharmin Chaudury (Minister of Women and Children Affairs, Government of the People's Republic of Bangladesh) looked at social cohesion from the perspective of gender equality, based on the experience of Bangladesh in the area of economic, social and political empowerment of women. Reducing inequalities and reinforcing social cohesion needs to be seen as a self-sustaining goal in the post-2015 agenda. Gender equality is not a goal in itself; it is a precondition to achieve the challenge of poverty reduction and to promote sustainable development. Poverty has a strong gender dimension: women and girls are important agents of economic and social transformation and they strongly contribute to the development process, but they bear an unequal burden of poverty. Bangladesh strongly improved women's lives through various proactive policies targeting women, such as mainstreaming gender reforms in sectoral policies, special social safety nets, collateral-free loans or small and medium women entrepreneurs, mobile services for pregnant women, etc.).



Trinh Cong Khanh (General Director of Ethnic Minority Policy Department, Committee of Ethnic Minority Affairs, Viet Nam) presented Vietnamese efforts to support ethnic minorities. Poverty was reduced in Viet Nam but it remains widespread among ethnic minority groups, which represent 14% of total population but accounts for more than 50% of overall poor people (in 2010). Limited access to quality social services is a key challenge to reduce multi-dimensional poverty among ethnic minorities. The “135 programme” has been managed by CEMA since 1998, with financial and technical assistance from international organisations. It focuses on four components: (i) market-oriented agricultural production, (ii) community infrastructure, (iii) capacity building, and (iv) improved social and cultural livelihoods. This pro-poor programme puts a strong emphasis on decentralisation and empowerment at the grassroots' level, through an active participation of communities. He referred to the “Social Cohesion Policy Review” recently launched by Viet Nam and the OECD Development Centre as a useful instrument to support the country's efforts, with its focus on social protection, education, fiscal policies, civil participation and the environment.



LUNCH TIME PRESENTATION: POST 2015: EFFECTIVE PARTNERSHIPS FOR DEVELOPMENT IN A CHANGING WORLD

The fourth edition of the European Report on Development (ERD 2013), "Post-2015: Global Action for an Inclusive and Sustainable Future", seeks to contribute to the global debate on the emerging post-2015 development framework. This independent report was prepared by a consortium of three research centres - the Overseas Development Institute (ODI), the German Development Institute/Deutsches Institut Für Entwicklungspolitik (DIE) and the European Centre for Development Policy Management (ECDPM). To enrich the analysis, four case studies were conducted by local research institutes in Côte d'Ivoire, Nepal, Peru and Rwanda; and a dozen background papers were commissioned.

The ERD 2013 focuses on how global collective action can best support the efforts of developing countries in achieving development. This lunch session provided the opportunity to preview¹ and debate some of its key findings and conclusions.

Hildegard Lingnau (Senior Counsellor, Strategic Analysis & Cross-Cutting Issues, Development Cooperation Directorate, OECD) stressed the role of research in informing and feeding the post-2015 debate, and therefore welcomed the important contribution of the ERD 2013.

Charlotte Bué (Policy Officer, DG Development and Cooperation EuropeAid, European Commission) presented the ERD initiative, which is supported by the European Commission and seven EU Member States. With its focus on post-2015, the 2013 ERD is most relevant and timely, and is expected to feed into the EU's reflection but also to stimulate the global debate.



James Mackie (ERD 2013 Team Leader, European Centre for Development Policy Management, ECDPM) introduced the 4 main conclusions of the report, which stress the need for: (i) a post-2015 agenda pursuing a wider and more transformative approach to development, in order to tackle poverty at its roots; (ii) a design that would foster national ownership and better link national and international efforts, e.g. by allowing for both global and national



¹ The report was officially launched and published on April 9th. The full report and all related documents (including background papers and case studies) can be found at <http://www.erd-report.eu/>

goals; (iii) scaled-up global collective action, in order to ensure that the international environment is conducive to development ; (iv) considering instruments as much as goals.

The report identifies three key potential drivers of a global partnership for development post-2015: money (development finance), goods (trade and investment) and people (labour migration).

Claire Melamed (Head of Programme, Growth, Poverty and Inequality, Overseas Development Institute, ODI) provided an overview of the chapters on trade & investment, and on labour migration. The former calls for the post-2015 agenda to focus on helping LICs and LDCs gain productive capacity, move into modern sector production, and achieve structural economic transformation, including job creation, by leveraging trade and investment policies. The latter argues that migration should feature prominently in the post-2015 framework, as facilitation of labour mobility could play a key role in reducing poverty and fostering development.

Stephan Klingebiel (Head of Department, Bilateral and Multilateral Development Policy, German Development Institute, DIE) introduced the development finance chapter, which looks at ways to both raise additional development resources and make them more effective, and points to the importance of diversification. He concluded the presentation by explaining the "Beyond MDGs/Beyond Aid" matrix around which the report is articulated, which seeks to consider options for a post-2015 framework beyond existing parameters.

The authors' presentation was followed by a Q&A session with the floor, moderated by Hildegard Lingnau and **Federico Bonaglia (Head of Division, Policy Dialogue, Development Centre, OECD)**.

Several questions from the floor were related to the EU's potential role beyond 2015: will it be able to deliver? Where should Europe and other OECD/DAC countries reinforce their efforts to make change happen and what could be their role in a changing context?

Another strand of comments emphasised the need to look at the politics of the post-2015 negotiation and implementation: Who will provide individual leadership to spearhead an ambitious agenda, as Kofi Annan did for the MDGs? Which type of mechanisms and institutional framework could be put in place to ensure that the global partnership effectively delivers?

The need to better articulate the link between global and national efforts was also highlighted: do global frameworks actually exert traction over national decision-making, especially when many developing countries will have their national development strategies in place by 2015? How to ensure that these efforts are complementary? Can regional organisations play a role?

Moderators concluded the session by reminding the audience that this preview was the first of a series of debates around the report, with events scheduled to take place in the EU and beyond. Indeed, the ERD 2013 "road show" aims to provide a platform for debate and exchange of ideas, including among various policy communities (not only development but also migration, trade, etc.).

SESSION 3: INNOVATIVE APPROACHES TO MEASURING POVERTY, WELL-BEING AND PROGRESS, AND IMPLICATIONS FOR STATISTICAL CAPACITY DEVELOPMENT

PANEL 3.1: MEASURING WELL-BEING AND PROGRESS IN DEVELOPING COUNTRIES

Martine Durand (Chief Statistician and Director of Statistics Directorate, OECD) moderated this session and raised three key questions:

- 1) Does it make sense to talk about a more holistic approach to development when millions of people in developing countries are still confronted with extreme poverty and have unmet need for basic services including food, shelter and basic health care?
- 2) What is the relationship between concepts such as poverty, social cohesion and progress?
- 3) Can well-being be measured in countries that have less developed statistical systems, and what have been the specific challenges for Morocco and Mexico as they endeavoured to do this?

Allister McGregor (Vulnerability and Poverty Reduction Team Leader, Institute of Development Studies (IDS), United Kingdom) underlined that “yes we can and yes we must” measure development using a more holistic approach. This approach must begin with people’s well-being aspirations and the methodology should be bottom-up. He emphasised the point that decision makers need to take voices of the citizens into consideration by employing systematic, regular consultations to find out what matters to them. If people are what development is about, then it should be right it at the heart of our thinking and our measurement of development. He also highlighted the uneven distribution of well-being in that it has been traditionally assumed that growth will deliver well-being for everyone everywhere. He went on to say that GDP is not a well-being measure and therefore other measures that reflect the aspirations of people should accompany GDP if we want to measure real progress. He went on to say that for well-being to be sustainable it must be achieved through relationships, thus one needs to understand that well-being is a social concept and understand the country level context as cultural heritage affects what is considered important for well-being.



Gerardo Leyva Parra (Deputy Director General for Research, National Institute of Statistics and Geography (INEGI), Mexico) outlined the challenges for Mexico in developing well-being measures. The first challenge highlighted was convincing people that measuring well-being beyond GDP in Mexico was possible and would be useful. Further, defining the specific indicators was proven to be a challenge. Thus, the discussions were taken outside the walls of the institutions to involve government officials, think tanks, civil society and the private sector. It was noted that this dialogue

must be continuous in order to make sure that the indicators remain relevant. The second challenge cited was the need to be able to communicate that going beyond GDP does not mean forgetting about measuring basic material needs. A third challenge is to ensure that the new indicators get integrated and taken up by decision makers. The microdata of subjective well-being surveys can provide valuable insights into the drivers that allow some people to live happy, more satisfactory and meaningful lives than others.

Khalid Soudi (Head of research on poverty and inequality, Haut Commissariat au Plan, Morocco) outlined the Moroccan experience in measuring well-being. In the 1990's Morocco discovered a divergence between the indicators of national progress and the perspectives and preferences of the population. This gap between the objective and subjective measures highlighted the importance of capturing people's views for public policy. In the session, the quality of life and subjective well-being measures employed were discussed as well as the collection of qualitative data on public perceptions. Further, Morocco collects and analyses this data by including modules and questions on subjective well-being in regular surveys, conducting qualitative surveys and combining the objective and subjective measures in analysis such as the quarterly index of consumer confidence. Further initiatives in the area highlighted include: a national study which sampled 3,200 people aged 15 years older, a household questionnaire on the socio-demographic characteristics of its members and living conditions, an individual questionnaire on well-being (given to one adult per household) and a classification of the factors of well-being that were developed and validated on the basis of a pilot survey. Emerging from these initiatives were three domains of well-being for Morocco: 1) material well-being which includes housing and income, 2) a social domain which includes employment, health and education and 3) a societal domain which includes family life and social environment including the cultural, spiritual and recreational aspects of life.

PANEL 3.2: STATISTICAL CAPACITY DEVELOPMENT IN AN EMERGING POST-2015 DEVELOPMENT AGENDA

This session was moderated by **Johannes Jütting (Manager, PARIS21 Secretariat)**. Demands for data are rapidly increasing and diversifying — not just in the wake of recent financial, food, and environmental crises but also in the lead-up to the emerging post-2015 development framework. However, with limited technical, financial, and human resources, many developing countries face great challenges in producing all the data needed to inform and monitor policy. In parallel with this increasing demand for statistics, several developments are providing exciting new opportunities to assist countries in the provision of information for policy needs. Recent innovations in data production and dissemination suggest that there is a real possibility to "leap frog" stages of statistical capacity development. Big and open data,



as well as new forms of public–private engagement between data users and producers, offer unprecedented opportunities to overcome existing gaps and resource constraints in statistical production.

In light of this fluid environment, session 3.2 explored the impact of the current MDG framework on statistical systems in developing countries and considered how technological innovations could help countries fill data gaps, in particular with the post–2015 framework likely to require data on emerging issues such as social cohesion and societal progress.

Espen Prydz, Consultant (Development Consultant based in Cambodia) presented a paper entitled “Knowing in Time: How technology innovations in statistical data collection can make a difference in development”. He described how at the country level there is an increased demand for more data, produced more quickly. Poverty numbers that we have globally are more than five years old — that is, before the financial crisis. We still don’t know the impact of the crisis on poverty.

However, there are new opportunities to improve the frequency of data collection with innovative technologies (tablets, computer assisted personal interviewing – CAPI, etc.). Such techniques have been piloted with success in South Sudan. Another opportunity is the increase in mobile phone penetration in developing countries. As of 2011, 93% of households in Kenya had a mobile phone. We can now reach people by calling them directly on a regular basis to collect data. Lastly, studies have shown that big data, a by-product of an increasingly connected world, can be used for development.

One limitation of these tools is the risk of sampling bias. However, mobile phone penetration is nearing universality. In South Sudan, we overcame this problem by simply handing out phones to those who had none. It may be desirable to employ mixed-mode data collection — a combination of traditional paper surveys with more innovative techniques.

Gay Tejada (Chief of the Statistical Programs, Policies and Advocacy Division of the Philippines National Statistical Co-ordination Board) offered some recommendations on how to sustainably develop statistical systems based on her experience in the Philippines. Since those who defined the original MDG process did not consult with statisticians, she encouraged national statistical systems and the international statistical community to proactively join the deliberations on the post-2015 development framework. Measuring challenging issues such as well-being will require that statisticians be consulted early on.



Furthermore, discrepancies exist between nationally produced data and those data reported in international organisations. The latter are often adjusted without explanation. She questioned if donor programmes are helping to build capacities in statistical systems in the short term or in the long term. Often, donors fund a survey (on an ad hoc basis) without addressing long-term sustainability.

She closed by recommending that donors and statisticians strengthen and enhance linkages with civil society, NGOs, media, etc. In particular, donors can do a better job in respecting country ownership of statistical priorities, as expressed in their National Strategies for the Development of Statistics (NSDS). Only 50% of activities in the Philippine NSDS are funded. The NSDS is key to ensuring sustainability of statistical production and capacities.

Comments from the floor and the Twitter board emphasised a number of areas for improvement in statistics, including data quality, building statistical capacity at the subnational level, user literacy, co-ordination, and donor behaviour.

Johannes Jütting (Manager, PARIS21 Secretariat), closed the session by underscoring a few themes that emerged from the presentations and discussions. He concluded that there exists great potential for new approaches to data collection that could help developing countries respond to increasing demands for data, not just at the national level but also at the international level (e.g., MDGs, post-2015 framework). Statistical capacities will nevertheless still have to be built, and countries and donors need to improve co-ordination, in particular through the country-defined NSDS.

TAKING THE AGENDA FORWARD: TOPICS FOR FURTHER ACTION AND FORUM CONCLUSIONS

Amina Mohammed, Special Advisor of the UN Secretary-General on Post-2015 Development Planning

There have been major changes since 2000, which make the context for the Post-2015 development agenda different from the current MDG agenda. Wealth is shifting from OECD countries and problems and solutions are becoming more global.

Going forward, we cannot build a new agenda without finishing the current MDG's, which will not stop in 2015; there will be a transition. As the Millennium Declaration is still valid, we need to have a better story of where we are today and what we can do to move ahead. We need to look at why some countries did not reach the MDGs targets in order to address gaps and lessons learned. But we do not have to wait until 2015 to do so. In fact, by 2015, we need to fix the fact that some data are unavailable or not accurate. If we don't have good data, particularly baseline data, we will lose credibility and thereby political commitment. We need to fix and improve statistical capacity, but try to find ways by using new technology which should allow easier data processing and strategic data conversion.

Secondly, on going forward, it is important to set up goals and a metric, but not an endless number of goals. A smarter set of goals needs to be adapted to the country level to mobilise politicians to implement them beyond a silo approach, as a holistic and integrated agenda for sustainable development.



Third, financing for development is important. The financial crisis has placed an extra burden on the countries providing aid while the financing needs are enormous. ODA will remain important, as for some countries, it makes up 40% of their national budget. However, the question is how to better use ODA to leverage other financial sources for LICs and MICs for domestic resource mobilisation and credit guarantees for economic growth. We need tools to access the excess liquidity from sovereign wealth funds and pension funds, particularly to properly finance infrastructure and clean energy. We need to look more at south-south co-operation and to green growth—how to transition to a green economy. We need an inclusive agenda and innovation, particularly given the financial crisis. We need to present opportunities for women, youth and migrants, as investments for the future. We also need to talk beyond pilots and go for scale. In order to do this, we need institutional capacity at the local level.

As we move on, it is clear that we cannot sit in a vacuum. As the UN HLP work towards the September UNGA, we will report on the progress of the current MDGS, propose some actions to engage in 2014, and consider a new framework that will be narrowed down for the Member states to agree on. We welcome OECD's participation to this process, particularly through its leadership in urgently looking at the sustainable development agenda.

CONCLUDING REMARKS:

Jon Lomøy, Director, Development Cooperation Directorate, OECD

We have moved from a narrative of misery to one of opportunities. Eradication of absolute poverty is in reach. Broadening of agenda should include the three dimensions that Amina mentioned. For green grown and sustainable development, OECD can continue to make a contribution to develop the means and tools. We should not to throw away ODA, but also look at its capacity to leverage other financial resources, look at new tools and tackle illicit financial flows. We should also think of how to combine the global vision on poverty reduction and how countries can formulate their own priorities at national level. And it's all about measurement. If we can't increase our collective capacity on the objectives, we will be failing.

Mario Pezzini, Director, Development Centre, OECD

The objective of this forum was to listen to traditional and new actors and to give a voice to both public and non-public stakeholders, such as foundations and think-tanks. We are not in the same narrative as ten or fifteen years ago. In the 2000s, as many as 83 developing countries managed to double OECD per capita growth rates, compared to only 12 countries in the 1990s. National development strategies need to co-ordinate different policies and to translate data into policy mixes and policy sequencing adapted to the specificities of each country, finding a right balance between the central authorities and the local levels. It appears today that growth and market efficiency are not enough to reduce inequalities and poverty: the quality of growth is also extremely important. Fiscal reforms need to find the right balance between the State and the market in order to establish

a real capacity to implement policies in the fields of education, health and social protection. Next year the Global Forum on Development will focus on how to rethink productive structures and industrial policies.

Martine Durand, Chief Statistician and Director of Statistics Directorate, OECD

The changes in the global economic landscape described in this Global Development Forum are set to last over time. They imply a change in the geography of poverty and growth, and a change in our own understanding of the development process and of how to measure it. Following are four main points which should be focussed on:

- First, governments have traditionally focused on GDP growth and reduction in extreme poverty measured in the income space (1.25 \$ per day), and there is no doubt that many parts of the developing world have been very successful in terms of both (even if much more remains to be done). But development goes beyond economic prosperity and encompasses other important dimensions (such as health, security, governance, education, and housing) that need to be measured to assess progress. The call for *broader measures of development*, reaching beyond GDP and focusing on people's well-being is being answered by countries at all stages of development. Examples of these initiatives were seen in the interventions by Mexico and Morocco at the Forum and there are many others around the world who are working in this same direction. So, it can be done.
- Second, notions such as well-being, progress, sustainable development, social cohesion talk directly to the concerns of people around the world, irrespectively of whether we consider the country where they live as 'developed', 'emerging' or 'developing'. The notion of well-being changes how we think about development, as it confronts us with the question of how we, as a community, are living together and relate to each other. The concept is universal, comprehensible to everyone, everywhere, notwithstanding different cultures, contexts and levels of socio-economic development.
- Third, any post-2015 development framework will require statistics to track progress towards agreed goals, which in turn requires that capacity be sustainably built in developing countries to produce the necessary indicators. Innovations in technology and the promise of Big Data may enable countries to "leap frog" stages of statistical capacity development. Such capacity building should also recognize the increasing importance of some of the "new" concepts that were discussed at the Forum (e.g. multidimensional poverty, social cohesion and well-being) and the interrelationship between concepts, anchoring them firmly in the

statistical infrastructure of all countries. The Paris 21 Partnership can play an important role here.

- Last, developing better statistics is not an end in itself; it is a means to influence the policy making process. New measures of well-being should inform specific policies aimed to increase well-being, sustainability and equity, but we should not expect that this will happen automatically, simply as a result of the availability of better statistics. It will happen only if we develop a better understanding of the drivers and ‘law of motion’ of various well-being outcomes. This is an agenda that reaches beyond official statisticians, and where the contribution of researchers and policy analysis will be increasingly important. This calls for enhanced analytical capacity building and evidence-based policy making in developing countries. In other words, how can better statistics be fed into the policy-making process to achieve better policies for better living? Do we need a post-2015 goal on statistical capacity? The current discussion on the emerging post-2015 Development Framework would benefit a great deal if it started with a reflection on how national statistical systems can be strengthened on a sustainable basis.

