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POVNET WORK STREAMS FOR 2011-12

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This document presents POVNET's three work streams in 2011-12: i) Greening Pro-Poor Growth, ii) Global Food Security, and iii) Promoting a Global Social Protection Floor. Its purpose is to identify clear value added to work in these areas, determine how to get organised to deliver outputs and consider how we will assess take up and usefulness of guidance to be developed. It is for DISCUSSION under Item IV of the agenda for the meeting of the DAC Network on Poverty Reduction (POVNET) [DCD/DAC/POVNET/A(2010)6].

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POVNET WORK STREAMS FOR 2011-12

I. Introduction

1. The DAC has now agreed on its programme of work and budget for the 2011-12 biennium. The new work programme includes three outputs under the theme of “Accelerating progress towards MDG1” which the Network on Poverty Reduction (POVNET) is accountable for delivering:

- a) Greening Pro-Poor Growth (Intermediate Output 5.1.3.1.1).
- b) Global Food Security (Intermediate Output 5.1.3.1.2).
- c) Promoting a Global Social Protection Floor (Intermediate Output 5.1.3.1.3).

2. This document aims to help POVNET take up these tasks. POVNET is invited to ensure value added in relation to work being undertaken elsewhere in the OECD and the international community on these themes and, indeed, how its work can support other work underway. POVNET is also invited to consider how we organise ourselves to deliver agreed outputs. Finally, in areas preparing policy guidance for donors, the DAC has requested that all subsidiary bodies develop approaches to measuring the uptake of that guidance and its usefulness to Members.

3. On this basis, this note is structured as follows:

- Sections II, III and IV set out background, deliverables and working modality issues for each of the three out areas – greening pro-poor growth, global food security and the social protection floor, respectively.
- Section V proposes a first discussion on how to go about monitoring uptake of policy guidance to be produced. That discussion will be supported by secretariat colleagues supporting the Evaluation Network.
- Section VI sets out next steps, suggesting terms of reference for the three work streams be finalised at the next meeting of POVNET.

II. Greening Pro-Poor Growth

a) *Background*

4. Many problems facing the planet are global in nature and can only be addressed through international co-operation. An integrated approach is needed to tackle climate change, energy sustainability, biodiversity loss, food security and poverty reduction. The 2010 UNGA Review of progress towards the MDGs recognizes that meeting these challenges is of key importance in safeguarding and achieving progress. The immensity of the climate change problem is such that it must permeate through all of our thinking, including the areas of development, growth and poverty reduction. This is why the OECD has launched work on a Green Growth Strategy (GGS). In June 2009 a Ministerial Declaration on Green Growth was signed by all OECD countries. Ministers tasked the OECD with developing a Green Growth

Strategy bringing together economic, environmental, technological, financial and development aspects into a comprehensive framework. POVNET can both learn from this work and contribute to its development dimension in ways that seek to accelerate a pace and pattern of growth that is good not only for the environment but equally effective in reducing poverty.

5. Economic growth implies many things. In developing countries it is essential in raising living standards and reducing poverty. Yet growth can also be the source of societal problems such as inequality and environmental degradation. Developing countries are increasingly prioritising pro-poor green growth and require assistance to turn these plans into reality. A number of actors have taken up this challenge.

- UNEP has launched a Green Economy Initiative to assist governments in “greening” their economies by reshaping and refocusing policies, investments and spending towards a range of sectors, such as clean technologies, renewable energies, water services, green transportation, waste management, green buildings and sustainable agriculture and forests. UNEP and ILO have issued reports on Green Jobs.
- ODI has also completed work on Low Carbon Growth.
- The Donor Committee on Enterprise Development (DCED) is looking at private sector involvement in tackling climate change and investments in greening the economy.
- IFC has examined the investment and financing gaps.
- The DAC Environment and Development Network (ENVIRONET) focus on three pillars of "pro-poor green growth" in developing countries: (1) Encouraging sound natural resources management and governance; (2) shaping climate resilient development; and (3) promoting low-carbon growth.
- Among donors, GTZ and DFID have produced work in this area.

b) *Povnet deliverables and value added*

6. The objective of this work is to prepare donor guidance on how best to help partner countries embrace the green growth agenda in ways that reduce poverty and inequality. Intermediate outputs will include:

- bringing in the perspectives of developing countries (governments, business, civil society, research) on the questions of the compatibility between green growth and poverty reduction strategies, the design and decisions on policies and incentives, and on opportunities to embrace green growth;
- assessing positive and negative impacts of green growth scenarios on poverty reduction and better management of policy trade-offs; and
- assessing changes needed in sector support in areas such as agriculture and infrastructure to make these more supportive of greening pro-poor growth strategies.

7. The objective of this work is to provide guidance for donors to assist partner countries to build their productive capacities and economic resilience in environmentally sustainable ways. Building on existing work which deepened and refined the growth concept in a development context, it will contribute

a pro-poor dimension and build links with other policy communities while providing insights from the developing countries, especially the LICs, on the development of plans and programmes.

c) *Organising the work*

8. Looking first of all at the intermediate outputs, the following suggestions on getting started are offered to promote discussion. To bring in the perspectives from developing countries, a pro-poor green growth seminar could be organised with other interested parties in DCD and OECD and with some developing country partners. Work to assess positive and negative impacts of green growth scenarios on poor women and men and on vulnerable and disadvantaged groups could start by mapping work and case studies already done and synthesising generic messages from these. In terms of looking at sector issues, we could have a first exchange on which specific sector to test out ideas.

9. On organising ourselves to undertake the work, there are various issues to address. Should POVNET form a task team to do this work or keep it as a ‘plenary’ theme? How should we link up with work in ENVIRONET, e.g. each subsidiary body informing the other of work in progress and commenting on drafts or possibly via a joint ENVIRONET-POVNET task team tackling all DCD work in the green growth area? And should we seek to strengthen the development dimension of OECD work on Green Growth via greater involvement in some form of ‘advisory group’ or ‘secretariat steering group’, operating as a sounding board to exchange information and perspectives?

III. Global Food Security

a) *Background*

10. Food security strategies have various pillars. One pillar concerns short term humanitarian/emergency responses, medium to longer term policies to tackle the structural problems and better approaches to connecting these two dimensions. Another pillar addresses the different elements of the problem – availability (production and productivity, quality and nutritional value), access (markets, trade and infrastructure) and affordability (prices and purchasing power). Promoting national food security strategies is one of the actions set out in the 2010 UNGA MDG Review that are needed to scale up and accelerate progress with the MDGs. It is also one of the main issues on the Korea G20 agenda this year. Many international organisations are active in the food security agenda.

- The FAO fosters co-ordination and good governance of the efforts of the international community to promote food security.
- The WFP mobilises and delivers emergency food aid, and promotes medium term strategies to support livelihoods and productive safety nets, post emergency.
- IFAD is a specialised agency supporting pro-poor agriculture programmes and projects.
- The World Bank promotes the contribution of agriculture to development and the use of effective instruments to that end. The World Bank also manages the Global Agriculture and Food Security Programme (GAFSP), a multilateral financial mechanism to deliver additional funding in support of national and regional strategies for agriculture and food security.

11. There are also a number of international mechanisms in use to promote sustainable agriculture development and food security.

- The Comprehensive African Agriculture Development Programme (CAADP) is a collective African vision to reduce hunger and eliminate poverty through agriculture development, with its efforts organised around the four pillars of land and water management, market access, food security and hunger, and agricultural research.
- The Global Donor Platform for Rural Development (GDPRD) is a network of bilateral and multilateral donors promoting increased quality and quantity of aid for agricultural and rural development.
- The UN High Level Task Force on Food Security brings together specialised agencies, funds and programmes to ensure comprehensive and co-ordinated understanding and action in response to immediate and longer term food challenges (OECD participates in the HLTF).
- The Committee on Global Food Security (CFS) has recently received a new mandate as the UN system forum on world food security including food production and physical and economic access to food.
- The L'Aquila Food Security Initiative (AFSI) is an informal grouping of countries (including but going well beyond G8 countries and organisations, including OECD) that tracks and supports the disbursement of financial and other pledges made at the L'Aquila G8 Summit.

12. Inside OECD itself, TAD and DCD are developing a horizontal project on food security, focusing on the medium/long term dimensions of food security. This will look at promoting food production, fostering trade and better functioning of markets, tackling the wider development and poverty dimensions of food insecurity and tracking donor support for food security. This work is also taken up as one of the pilots in the OECD work on DEV GOALS (which is about OECD wide development goals). Other relevant OECD work includes that of the Investment Committee looking at investment in infrastructure and piloting the Policy Framework for Investment (PFI) in Burkina Faso for agriculture.

b) DAC/Povnet deliverables and value added

13. Three outputs are proposed:

i) Tracking aid (including L'Aquila pledges) for agriculture/food security

14. The DAC, through DAC and CRS databases, has an obvious niche in this respect and is best placed in the international architecture of food security to measure aid for food security and how/where this is spent. This has been recognised by the AFSI, where OECD leads an informal network to track the disbursement of pledges made at L'Aquila. Work to track aid to food security will seek to marry DAC donor CRS reporting with the additional dimensions of the L'Aquila pledge (non DAC donors and non-financial support) to provide as comprehensive a picture as possible on support from the international community to food security. Not only will this work guide DAC and OECD work, but it will also input into work being led by the CFS on 'mapping' finance from all sources in support of country led food security plans.

ii) Guidance to donors on effective support for investment in agriculture and food security

15. Donor support for agriculture and food security covers a vast array of activities. Povnet work on 'Agriculture and Pro-poor Growth' (2006) provided policy guidance to donors on how to support agriculture in ways that promoted sustainable poverty reduction. One thing in common across all donors is the wish to support sound country led agriculture and food security strategies. How can Povnet work best

support this? Are there some priorities around which we should seek to better co-ordinate donor efforts, e.g. to improve the quality of all elements of sustainable food security strategies and the capacity to implement them, to help leverage other resources for development (from government budgets, private investors and public/private sector investment opportunities) and to promote more policy coherence for development in non-aid policies important for food security?

iii) Operationalising the Paris Declaration principles/AAA for a more effective delivery of support to agriculture/food security

16. While by no means the only one, agriculture is a central element of food security strategies, but it is also first and foremost a private sector activity. While there are different rural/agricultural worlds, the part of the agriculture sector most relevant for poverty reduction is concentrated on smallholder farmers, often women and often in the informal economy. Government obviously has an important role in agriculture, but not in the first instance as a producer/provider. With this background, how is aid delivered to support agriculture in ways that promote food security, and can delivery be improved to make that aid more effective? If we put food security through a Paris Declaration/AAA lens, what will be the implications for effective aid support? In what practical ways can we strengthen developing country ownership of strategies and programmes, and how can donors better co-ordinate support aligned with national and international efforts?

c) *Organising the work*

17. POVNET is invited to consider how to organise this work. As for other themes, options include keeping this as a POVNET plenary theme or, if there is sufficient interest from enough Members, to form a Task Team to prepare the deliverables. Whatever organisational approach decided, it will be important to keep this work very closely connected with the OECD horizontal project and DEV GOALS work mentioned above. We should also see where we can build better synergies with the GDPRD, not least because we both serve the same client group – bilateral donors. Equally, our work will need to stay closely connected and feed into that of others such as the CFS and the AFSI.

IV. Promoting a Global Social Protection Floor

a) *Background*

18. Building on recent (2009) Povnet work on ‘Social Protection and Pro-Poor Growth’, Povnet work on the Global Social Protection Floor (SPF) theme aims to support partner country efforts to define and build permanent and sustainable social protection systems that provide and protect a basic minimum level of access to essential services and to provide income security to help poor people better withstand shocks. The work on SPF goes beyond that of safety nets, in that its overall objective is to give effect to the right to social security, it promotes universal entitlement and seeks to establish national poverty lines to provide insurance against poverty. “Promoting universal access to public and social services and providing social protection floors” is also one of the recommendations in the 2010 UNGA Review to accelerate progress with the MDGs.

19. In the UN family, the SPF aims at joint actions to promote access to essential services (e.g. health, education, water/sanitation, housing, etc.) and social transfers (cash/kind) for income and livelihood security. The UN has a global advisory network of advisory agencies to support work on the SPF, including UN agencies (e.g. ILO, WHO, UNDP, UNESCO, UNHABITAT, WFP, etc.), World Bank and the Regional Development Banks, and bilateral donors and international NGOs.

b) *Povnet deliverables and value added*

20. The deliverable set out in the 2011-12 PWB has both advocacy and practical dimensions. It will show why this area is central to equitable global development, poverty reduction, pro-poor growth and to longer term strategies of developing countries to recover from the global economic crisis and to lessen the impact of future shocks. And it will advise donors on how best to support partner country efforts to build permanent social protection systems. The report will also discuss the benefits of global and national approaches to mobilising the resources needed. Intermediate outputs will include (i) a stocktaking of initiative and lessons learned and (ii) advocacy to promote greater donor engagement in this area.

21. As for all other areas of work, we need to be sure of undertaking work in Povnet that has an identifiable niche, adds value to the broader agenda and supports the efforts of others active in this field. Accordingly, it is suggested that the first step should be the stocktaking of initiatives and lessons learned. The multilateral picture can be provided from the UN system (e.g. ILO, WHO, etc.) and DAC Members can inform us of their activities and experiences in the field. It is hoped that the participation of the multilateral agencies at the Povnet meeting will help us identify and refine our value added deliverables. Issues that add value could include producing better statistics on aid for social protection, opportunities/options to move towards longer term financial commitments and staff training on social protection.

c) *Organising the work*

22. As for other issues, we should look at options to manage this work, including as a Povnet plenary theme or, assuming interest from a sufficient number of DAC members, with deliverables prepared in a Task Team. In any event, POVNET work should stay in close touch with work underway in the UN family on the SPF and we should also consider how best to do that.

V. *Monitoring take up of guidance*

23. One element of the DAC Reflection Exercise is the wish to strengthen arrangements whereby DAC Members are held to account for meeting the commitments they make and implementing the policies they endorse. In this connection, subsidiary bodies should ensure their work is policy-relevant and they should thus develop guidance, standards and recommendations against which DAC Members are willing to be monitored.

24. Thus, if POVNET is preparing policy guidance in areas such as greening pro-poor growth and food security, how should we go about developing and implementing approaches to ensure and test the policy relevance of work? Colleagues supporting the Evaluation network will lead us off in this discussion.

VI. *Next steps*

25. On the basis of the discussion of this note, including views on how we organise ourselves to carry out the work, POVNET and/or Task Teams on specific themes could be invited to develop more detailed terms of reference which could be submitted to POVNET for approval at its next meeting.

ANNEX 1: POVNET WORK PROPOSALS
(EXTRACTS FROM DCD/DAC(2010)ADD/REV3)

a) Greening Pro-poor Growth

Outputs

The ‘development dimension’ in the OECD Green Growth strategy needs to be more fully conceptualised and articulated, particularly in respect of poor developing countries and poor women and men. The focus of the work proposed remains on economic growth and poverty reduction, but with a perspective on greening that growth in ways that effectively, promote sustainable long-term poverty reduction. This work therefore expands the notion of pro-poor growth as developed in POVNET and refines it to address the additional challenge of environmentally sustainable growth. The work therefore complements proposed work by ENVIRONET (looking at natural resources, low carbon growth paths and climate resilient growth) by addressing the political economy, challenges through guidance on institutional frameworks and incentives structures that affect policy choices in economic growth sectors such as energy, infrastructure and agriculture. The implications of policy options for the livelihood decisions of the poor will be examined closely.

The final output will be donor guidance on how best to help partner countries embrace the green growth agenda in ways that support poverty reduction. Intermediate outputs will include (i) Bringing in the perspectives of the global South (governments, business, civil society, research) on the questions of the compatibility between green growth and poverty reduction strategies, the design and decisions on policies and incentives, and on opportunities to embrace green growth; (ii) assessing positive and negative impacts of green growth scenarios on poverty reduction and better management of policy trade-offs; (iii) assessing changes needed in sector support in areas such as agriculture and infrastructure to make these more supportive of greening pro-poor growth strategies. Collectively, DAC work should strengthen the development dimension of the OECD Green Growth strategy and its subsequent implementation phase.

This is a new area of work for POVNET, but builds on earlier work on Pro-poor Growth, including that on agriculture and private sector development.

Proposal description

Work will apply POVNET work on managing trade-offs in pro-poor growth and its application at sectoral levels (e.g. agriculture) to investigate the likely positive and negative impacts of green growth strategies in developing countries, often dependent on environment sensitive livelihoods. Work will investigate what greening growth implies for the pro-poor nature of growth (pace and pattern), its impact on the livelihoods and fragility of the poor and on poverty reduction, and what this implies for effective donor support. The work will engage with corporate/business green growth strategies as well as support efforts with other policy communities to show how OECD and DAC can help, e.g. by promoting more/better green growth technology transfer and assistance. This work is complementary and additional to that proposed by ENVIRONET on “supporting developing countries to pro-poor green growth’.

b) Global Food Security

Outputs.

The final output will be a progress report on policy adaptation of donors for a more effective support for agriculture and food security. This will build on earlier DAC/POVNET work, particularly on Pro-Poor Growth and Agriculture, but also on Employment, Social Protection and the current Empowerment work stream. The intermediate outputs will include (i) A monitoring report on tracking aid (volume, uses) for agriculture/food security, covering L'Aquila pledges but also the broader picture; (ii) guidance to donors on effective support for investment in agriculture and food security, including on public-private investment opportunities and relevant instruments (e.g. insurance instruments); and (iii) a report on operationalising the Paris Declaration principles/AAA for a more effective delivery and strategic co-ordination of support to agriculture/food security, which is a particularly complex development area.

Proposal description

The work will contribute to the overall OECD objective of a stronger, cleaner and fairer world economy with a strong PCD component on the road to Seoul 2011:

i) Tracking aid (including L'Aquila pledges) for agriculture/food security

There is high political momentum to support food security, underlined by donor pledges totalling \$22 billion at the 2009 L'Aquila G8 for agriculture and food security. This implies a considerable effort to mobilise and track aid (volumes, patterns and uses) for food security, including but going beyond the L'Aquila pledges. Building on this, a policy discussion note will seek to build shared views on the main components of food security in order to support better co-ordination among donors.

ii) Guidance to donors on effective support for investment in agriculture and food security, including on public-private investment opportunities:

With the outlook for more public support for agriculture (by developing countries and donors), it is essential to build the public and private capacities needed to strengthen framework conditions and develop and implement comprehensive and 'bankable' agriculture and food security strategies. It is critical to identify and tackle the barriers that result in significant underinvestment and low productivity in agriculture in poor developing countries and to strengthen the contribution of agriculture to pro-poor growth and income generation to make food more available and affordable. Aid alone cannot respond to the massive investment needed to improve global food security. Aid thus needs to leverage private investment, to increase the productivity and profitability of smallholder agriculture, to promote better PPPs and to help build social protection floors to ensure food is available, accessible and affordable. Fostering the dialogue between aid agencies with the private sector, civil society and partner countries will identify entry points to support the framework conditions and clarify the role of the public and private sectors for responsible investment in agriculture and food security.

iii) Report on examples for how to operationalise the Paris Declaration principle/AAAs for a more effective delivery of support to agriculture/food security:

Delivering aid for agriculture/food security according to Paris Declaration Principles/AAA needs to take into account the specificities of this activity: agriculture in poor developing countries is a private sector activity, mainly done in the informal economy and with a strong female participation. Donors need much stronger co-ordination around and support for sound and comprehensive national agriculture/food security strategies to replace the often ad hoc and fragmented approaches characterising present support, at both

bilateral and multilateral levels. Coordination of support to agriculture at all levels (global, regional, national) needs to be strengthened and effective donor engagement clarified to enhance the effectiveness of ODA investment in agriculture and food security.

c) Promoting a Global Social protection Floor

Outputs.

The final output will be a report on why this area is central to equitable global development, poverty reduction, pro-poor growth and to longer term strategies of developing countries to recover from the global economic crisis and to lessen the impact of future shocks. The report will show why a global approach would be advantageous. Intermediate outputs will include (i) a stocktaking of initiative and lessons learned and (ii) advocacy to promote greater donor engagement in this area.

This work is new. It will be developed on the basis of earlier POVNET work on social protection and pro-poor growth (2007-08) and work in the current biennium to better measure the amount of ODA supporting social protection.

Proposal description

Food, fuel, financial and economic crises highlight the fragility of poor people's livelihoods and their vulnerability to shocks and hold back progress towards the MDGs. Urgent attention is required on the social impacts of the current crisis and the ongoing vulnerabilities that have contributed to them, but there are many competing demands on scarce resources and capacities. The work would set out how donors can best support partner countries to define and build – through coherent inter-sectoral cooperation – more permanent and sustainable national and global systems that protect a minimum level of access to essential services and income security and which help poor people to better withstand future shocks.

The work would take as its starting points POVNET work on social protection and pro-poor growth and the UN 'Social Protection Floor' initiative. Its value added will be to engage bilateral donors on this issue, which contains global public goods dimensions (e.g. aggregate demand stabilization, conflict reduction, equitable development, disaster risk reduction) and which needs strong policy co-ordination and coherence if efforts are to be effective. Work would look at what is needed to define and secure a minimum level of rights, income and services (in areas such as health, housing, water and sanitation, food and nutrition, etc.) and how to maximise access to these. Work would investigate how to build on existing (but generally inadequate) systems of protection and provision, how to help people and nations save for and pool resources for managing social risks, how to avoid longer term dependency and how to ensure predictable funding, nationally and globally. This discussion connects to that on innovative sources of financing for development and what can be taken from it to support more credible and sustainable financing commitments.