



**Preliminary Report of
the APA Secretary-General
On
Alleviating Poverty in Asia**



Background

- 1- In 2006, the APA Plenary decided to establish a working group to prepare a Plan of Action for Alleviating Poverty in Asia. In 2007, the APA Plenary adopted the text of the Plan of Action in its Resolution APA/Res/2007/04, and decided to establish a Sub-Committee under the Economic and Sustainable Development Committee to consider how best to facilitate the implementation of provisions of the Plan of Action on Alleviating Poverty in Asia. By the same resolution, the Plenary further requested the Secretary General to prepare a report for consideration of the Sub-Committee.
- 2- To fulfill this mandate, the Secretary-General communicated and consulted with APA Member Parliaments to identify members to this sub-committee, as well as to seek their views and proposals on poverty reduction priorities and projects they regard the most appropriate and urgent.

Introduction

- 3- In light of the above and based on the text of the Plan of Action, the Secretary-General submits the present report to the Sub-Committee on alleviation of poverty in Asia. The report focuses primarily on the role of parliaments in strengthening national anti-poverty plans.¹ The result of the Sub-Committee deliberations of the Secretary-General's report will be forwarded to the First Executive Council meeting in 2008 to be referred to APA Plenary for further consideration and action by the Standing Committee on Economic and Sustainable Development.

The Report of the APA Secretary-General addresses several structural as well as thematic issues as follows:

3.1- Importance of National Poverty Alleviation Strategic Plan and its cycles

3.1.1- Proposition 1: the role of Parliaments

3.2- Understanding Poverty

¹ There is a good deal of information on the role of parliaments in national poverty reduction initiatives that are available publicly and generated by private and public institutes including international organizations.



- 3.3- Development of National Poverty Alleviation Strategic Plan, and certain creative themes thereof: enabling programs, addressing urban poverty
 - 3.3.1- Proposition 2: the role of Parliaments
 - 3.4- Implementation of National Poverty Alleviation Strategic Plan
 - 3.4.1- Proposition 3: the Role of Parliaments
 - 3.5- Evaluation and Monitoring National Poverty Alleviation Strategic Plan
 - 3.5.1- Proposition 4: the Role of Parliaments
 - 3.6- Proposition 5: Challenges for effective involvement of Parliament in National Poverty Alleviation Strategic Plan
 - 3.7- Proposition 6: proposals for joint programs of information and experience exchanges within APA
- 4- Since Mid 1990s, alleviation of poverty has been a top priority agenda in every major international economic and development forums. The United Nations, for instance, designated 1997-2006 as the First and 2008-2017 as the Second Decade for the Eradication of Poverty. Developing countries have been encouraged to allocate greater energy and resources to formulating and implementing national strategies for poverty reduction with a view to eliminating abject poverty. In this context, limited international resources for some technical and financial support for such national strategic plans to reduce poverty have been established.

National Poverty Alleviation Strategic Plan

- 5- The first step to reduce poverty is to develop a sensible National Poverty Alleviation Strategic Plan, hereinafter "NPASP." The key concept in development of "NPASP" is to define poverty appropriately. Implementation and evaluation are the other major steps that would define the degree to which a particular "NPASP" is successful. Therefore, development, implementation and evaluation are the three critical cycles of every "NPASP." Parliaments can play a major defining role in reinforcing the success of "NPASP" at each of the three main cycles. These roles are presented here as proposed parliamentary engagement.



Proposition 1: Parliament involvement in "NPASP" cycles reinforces the potential for its success and sustainability.

6- Parliaments generally exercise, albeit to varying degrees from a country to another, an oversight function over the policy decisions and implementation by the executive branch. As such, parliaments could play a significant reinforcing role in the processes of development, implementation and evaluation of "NPASP." Greater parliamentary engagement with "NPASP" processes fosters a national poverty strategy that is developed, implemented and evaluated through national institutions with a greater degree of political legitimacy and public support to ensure sustainability.

Understanding poverty

7- Due to the great social transformation in the recent decades in public health, explosion of population, immigration, urbanization and industrialization, poverty would no longer be treated as a personal misfortune, but as a basic and encompassing social problem. Poverty as a multidimensional problem is influenced by many factors such as national and international economy, employment, education, agriculture, health, population growth rate and labor market. The role of each individual factor requires calculated and contextual analyses based on specific situations and experiences of each country. Definition of poverty is country-specific and based on a country's particular history and social and economic experiences. Generally, however, a person is regarded poor if he/she has very limited: opportunity, due to low income; capability, due to poor levels of education and health; security, due to economic shock; and empowerment, due to constrained access to power.

"NPASP" Development

8- "NPASP" should address the prioritization of different needs, budget allocation, human resources and mobilization of all sectors of societies. "NPASP" requires encompassing long, medium and short term programs for poverty reduction in a time-bound and measurable way. It should take into account the commitment to the Millennium Development Goals (MDGs) particularly its first goal: halving the number of the poor living on \$1.00 per day by 2015. "NPASP" in Asia should focus on rural as well as urban productivity, health, education, environment and good governance. Balancing "NPASP" priorities is the key political judgment in development of a country's national poverty reduction strategy and its



success in terms of overall result depends on how widely the views of stakeholders in poverty reduction strategies are taken into account.

- 9- The theme of "enabling the poor" is an underlying concept of every "NPASP." This concept is formulated and built in each "NPASP" in accordance with particular social, economic and political experiences of a country. Nevertheless, some themes and basic projects have gained global recognition.

"Enabling the poor" is a theme that by definition is much broader than charity. Charity, a positive and humane practice in and of itself, is not a panacea for poverty. "Enabling the poor" involves, among others, formulation and implementation of national pro-poor strategies for:

- General education,
- Vocational training and improving technical skills,
- Providing initial capital for small and medium size businesses,
- Providing business and marketing skills, and
- Facilitating access to the market.

Grameen Credit initiated by Dr. Muhammad Yunus, and micro credit and finance practiced in many other countries seem to have integrated some of these pro-poor strategies into their projects. The Sub-Committee may wish to look into micro credit and finance schemes that forge a partnership between a government and the private sectors to enable the poor to cross the poverty line. There is a good deal of interests on the part of the private sector, on both humanitarian and business grounds, to engage in such enabling and publicly-funded programs.

- 10- Urban poverty: Most research on poverty has concentrated on the rural poor, because their numbers are so overwhelming. However, with trends showing increasing urbanization and rapid immigrations in Asia, researchers and policy makers are focusing greater attention to the problems of urban poverty. The nature, scale and dynamics of urban poverty are different from those of rural poverty. The tools and programs that have been developed for alleviation of rural poverty do not work in urban areas. The income of poor in urban areas may seem higher than villages, but the cost of living in city margins are much higher than that margin. The cost of housing and necessities of life is high, and access to health and education is very limited. The bulk of the urban poor are living in extremely deprived conditions with insufficient physical services like low cost water supply, sanitation, sewerage, and facilities



relating to health care, nutrition, pre-school and non-formal education.

Urban Poverty is a major and growing challenge in Asia and calls for serious attention and innovative approaches. Urban population in Asia is increasingly growing, so is the urban poverty. As the Asian Development Bank, (ADB) has estimated, 700 million people in Asia and the Pacific live on less than US\$1 a day, 400 million of whom are residing in urban areas. Moreover, each day a further 120,000 people are added to the populations of Asian cities due to rural-urban migration and job-mobility. In addition, the highest population growth rate belongs to the least developed centers. Many Asian cities face deteriorating sanitation and environmental conditions, inadequate housing and infrastructure, and other problems.

APA should accord high priority to the expansion of programs designed for improving the quality of life of the urban poor. The urban poor residing in low income neighborhoods are the target groups for provision of social services. Urban issues require integrated approaches that distinctly target the poor, promote economic development, treat cities as a living ecosystem, and engage private sector, NGOs, and civil society. The goal is to sufficiently feed, educate, house and employ the large and rapidly growing number of impoverished people in the margins of cities.

Failure to reduce poverty in rural areas has exacerbated the poverty situation in urban regions. Comprehensive programs for enabling poor in rural areas would have positive impact on narrowing down the number of poor in the margin of the cities. Higher productivity and income in rural areas, and not necessarily the provision of welfare services, would provide better and acceptable situation of living for poor in those areas. Greater balanced development in rural and urban areas helps to control migration from rural to urban areas.

Due to the increasing challenge that Asia faces with respect to urban poverty, the Sub-Committee may wish to accord priority to it in terms of its future work and reporting to the Secretary-General for exchange of best practices. This could constitute a thematic topic of consideration by the meeting of the mayors of big Asian cities to be held in 2008 in Tehran under the auspices of the APA.

Proposition 2: Parliaments and "NPASP" Development

11- As the most representative institution of a state, parliament should



develop the technical capacity and knowledge to ensure that the views of its constituencies are adequately represented in the process of developing the "NPASP." In this context, Parliamentarians need to develop a two-stage work plan:

First, they need to initiate outreach programs to invite feedback on "NPASP" priorities through town hall or village meetings, public hearings or committee hearings with NGOs on sector-specific issues of the "NPASP."

Second, they need to get involved in the process of developing the "NPASP" at an early stage to ensure proper representation. Governments usually establish working groups in various sectoral areas to help develop that country's "NPASP." Parliaments need to develop an institutional mechanism in cooperation with the government to match issue or region-specific expertise of parliamentarians with relevant working groups to ensure adequate contribution by parliaments to developing that country's "NPASP."

If direct participation of parliamentarians in the working groups developing the "NPASP" is not possible for any reason, then sector-specific parliamentary committees, such as health, education, finance, etc, can request periodic hearings/briefings by "NPASP" working groups on priorities, targets and indicators of results.

"NPASP" implementation

12- Implementation of "NPASP" is perhaps the most challenging and arduous cycle of poverty alleviation initiative in any country. In recent years, the Asia and Pacific region, though with different rates, has made remarkable progress in alleviating poverty due to its strong economic growth and appropriate policies. Nevertheless, based on the finding of ADB, an estimated 1.7 billion people in Asia still live on less than \$2 a day, out of which seven hundred millions live on less than \$1 a day. Asia, therefore, still has a long way to go to achieve its target for poverty reduction. This much is clear, nonetheless, that greater success of poverty reduction strategies in Asia is positively correlated with greater integration in Asia.

Proposition 3: Parliaments have a definite role in "NPASP" implementation: budget allocation, legislation and public education



- 13- In order for a government to implement the "NPASP", it needs the parliament to approve "NPASP"-sensitive budget and laws. Therefore, the national budget approved by the parliament is the single most important tool at the disposal of the government to implement "NPASP." Hence, prior engagement of the parliamentarians in "NPASP" processes makes it all the more likely for that parliament to approve budgets and pass laws that reflect already agreed upon "NPASP" priorities.

Parliamentary outreach programs to constituents strengthen implementation of "NPASP" by increasing public awareness of the anti-poverty initiatives. Furthermore, sustained communication with citizens has the added benefit of contributing to the public trust in democratic institutions by encouraging the perception that elected officials work on behalf of their constituents.

"NPASP" Evaluation and Monitoring

- 14- As part of the "NPASP" process, governments establish special groups to monitor and evaluate the implementation of the "NPASP" over a period of time, like 12 months. These special groups seek to find out the degree to which implementation adhered to "NPASP" priorities and the expenditures were consistent with the budget allocated to various sectors, projects and priorities. Based on information gathered in these assessments, "NPASP" priorities may be adjusted, resources may be shifted or a determination be made that a priority target has been met.

Proposition 4: Parliamentary oversight function and "NPASP" Evaluation and Monitoring

- 15- In countries where the parliaments are constitutionally mandated to exercise an oversight function over the government's policy formulation and implementation, parliaments are a natural partner in the evaluation and monitoring phase of the "NPASP." Parliamentarians have a variety of sources of information within their constituencies on public's view of the assessment of "NPASP" implementation. Parliamentary oversight activities, such as meeting directly with the constituencies, requesting information through briefing from the ministries and government agencies or public hearings in which sector or issue-specific NGOs are heard will help determine whether the executive is pursuing activities consistent with "NPASP" priorities or whether a particular anti-poverty strategy or activity has been effective. Furthermore, such oversight activities tend to strengthen a country's capacity for self-assessment of



"NPASP" implementation and by extension it promotes the efficiency of that country's poverty alleviation strategies.

Like the development phase of the "NPASP", parliamentary engagement with special groups charged with monitoring and evaluation would promote the sustainability of the "NPASP" process by providing the parliament's political legitimacy to executive-appointed special groups. This can be achieved either by assigning a number of parliamentarians serving on relevant sectoral parliament committees to evaluation and monitoring special groups, or, by institutionalizing a scheme of regular briefings by special groups on their findings for relevant parliament committees and interested parliamentarians. The combined practice of parliamentarian integration into evaluation and monitoring teams and institutionalized regular briefing of the Parliaments promotes transparency of general budget expenditure, which in turn, helps reinforce that country's anti-corruption efforts.

Proposition 5: Challenges and opportunities for effective involvement of Parliament in "NPASP" processes

16- The national impact of parliamentary involvement with "NPASP" processes vary from country to country. Such impact is influenced by many factors. By and large, parliaments in countries where separation of powers has a stronger tradition face less political challenges to contribute effectively in all phases of "NPASP", provided, of course, that technical capacity and resources are available. More general challenges facing many parliaments which could potentially limit its contribution to "NPASP" processes include:

- Less than ideal internal capacity to engage in constructive analysis of "NPASP" policies.

Even under such circumstances, parliament can still serve as a forum to build parliamentary and public awareness of the "NPASP" and its impact. This can be done through reporting requirement and regular briefing of the parliamentarians by relevant ministers and government agencies.

- Limited staff and other resources.

In parliaments where committee systems have assigned support staff but those staff have limited technical skills necessary to provide meaningful



assistance to committees and the parliamentarians, or there is limited access to accurate data or to computers and the internet, committees should explore drawing on the expertise from the civil society or the international community for technical skills and capacity building.

Proposition 6: Proposals for joint programs of information and experience exchanges within APA

17- Development, implementation and monitoring and evaluation of "NPASP" is qualitatively improved when best practices in Asia and elsewhere are shared, information exchanged and lessons learned from past practices. These efforts which aim, among others, to enable the poor and tackle urban impoverishment require information, networking and coordination among Asian countries. To this end, the Secretary General presents the following suggestions for consideration of the Sub-Committee:

- 1- Establish a networking relationship among major governmental and non-governmental institutions dealing with poverty reduction in each Asian country, to share their experiences with "NPASP" formulation, implementation and evaluation and monitoring.
- 2- Establish databases at national and continental levels to collect and compare all basic data with respect to poverty reduction efforts in all Asian countries.
- 3- Strengthen coordination among international and regional organizations, in particular ADB, ESCAP, UNDP to provide technical support to the implementation and monitoring of the APA Plan of Action on Alleviating Poverty.
- 4- Establish "Advisory Groups" as need arises on specific issues to provide technical advice to the Sub-Committee in order to pursue the implementation of the objectives delineated in the APA Plan of Action on Poverty Alleviation in Asia in a time-bound and measurable way.