

International Council

ON SOCIAL WELFARE

A World Organisation Promoting Social Development

GLOBAL COOPERATION NEWSLETTER August 2008

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Accra meeting on Aid Effectiveness

The Third High Level Forum on Aid Effectiveness (HLF 3) will be held in Accra, Ghana in early September 2008. The HLF 3 builds on previous high level international meetings, most notably the 2003 Rome HLF which highlighted the issue of harmonisation and alignment, and the 2005 Paris HLF which culminated in the endorsement of the <u>Paris Declaration on Aid Effectiveness</u> by over 100 signatories from partner governments, bilateral and multilateral donor agencies, regional development banks, and international agencies.

ICSW has prepared a paper entitled *Can Aid be Effective without Civil Society?* The Paris Declaration, the Accra Agenda for Action and Beyond. The paper is the ICSW contribution to the ongoing discussion and debate surrounding aid effectiveness and the role of civil society in development. It has been prepared for the High-level Forum in Accra. The intended audience for the paper includes all actors in the realm of aid effectiveness.

The paper aims to add to future aid discussions and inform ICSW members about the past and present state of aid effectiveness. It includes a summary of events and issues that are pertinent to fully understanding the dialogue surrounding the Paris Declaration and the Accra Agenda. Many of the events and issues summarised have been the centre of great debate and the subject of numerous publications.

The dialogue and rhetoric on aid effectiveness is constantly changing. Positively, this means that aid effectiveness is an active policy area and a sphere in which diverse actors are demanding progress. This means that while contemplating the current state of aid effectiveness, we must also look to the future developments.

The Paris Declaration was seen by many as an attempt to revolutionise international aid by combining the concepts of country ownership and accountability. However, the resulting Declaration has been criticised by civil society organisations (CSOs) as ignoring the unique and essential role of civil society in executing the principles of the Declaration. CSOs' discussions up to this point have been productive and have resulted in changes to the Accra Agenda for Action. While the Accra Forum is a time to discuss which of CSOs' criticisms have been taken into account and which remain unrecognised or unresolved, it is also an opportunity for CSOs to step back and consider the larger picture. In doing so we analyse not only the directions of current policies but also the next steps for civil society. The ICSW paper can be found at Top News on the ICSW website www.icsw.org

UN's Affordable Pricing Policy for Publications

The UN has introduced a new three-tier pricing policy for its publications sold in developing, least developed and developed countries. While prices in developed countries will continue to be based on prevailing market conditions in those countries, the sale price in developing and least developed countries will be reduced by 50 per cent and 75 per cent, respectively. The new pricing policy will apply both to print publications as well as PDF versions sold online. For instance, the print edition of the Yearbook of the United Nations, which costs \$175, would be available at half and one quarter the price, depending upon the country where it is sold.

For information on the new three-tier pricing initiative, please contact Gundega Trumkalne trumkalne@un.org, or Vlad Vitkovski vitkovskiv@un.org.

New IPC Publications

Title: Cash Transfers – Lessons from Africa and Latin America **Editors:** Degol Hailu and Fabio Veras Soares **Series:** Poverty in Focus # 15

In this issue of the *Poverty in Focus* a collection of articles discuss lessons learnt from conditional and social cash transfer programmes implemented in Africa and

Latin America. Click <u>here</u> to download: <u>http://www.undp-povertycentre.org/pub/IPCPovertyInFocus15.pdf</u>

New IPC Online Resource

IPC has a new section on its website: <u>Poverty Networks</u>. This new resource brings together web-based platforms that share development-related publications and initiatives. IPC's collaborating networks are accessible on this website.

Click <u>here</u> to access the Poverty Networks website: http://www.undp-povertycentre.org/povnet/

New IPC "One Pagers"

Title: Why is Africa Constrained from Spending ODA?

Author: Terry McKinley argues that ODA should enable fiscal policies to become more expansionary. Monetary policies should also support such fiscal expansion to undertake the public investment needed to reach the MDGs. **Series:** One Pager No. 34 Click http://www.undp-povertycentre.org/pub/IPCOnePager34.pdf

Title: Can all Cash Transfers Reduce Inequality?

Authors: Sergei Soares and Eduardo Zepeda **Series:** One Pager No. 36 This One Pager explains why the Conditional Cash Transfer programmes of Brazil and Mexico have reduced inequality, while Chile's programme failed to do so. Click http://www.undp-povertycentre.org/pub/IPCOnePager36.pdf

Title: Growing Pains': Key Challenges for New Conditional Cash Transfer Programmes in Latin America **Authors**: Fabio Veras Soares and Tatiana Britto **Series**: One Pager No. 44 (In French, English, Spanish and Portuguese) The authors, Fabio Veras Soares and Tatiana Britto, address the key challenge of 'exit door' strategies for CCT programmes, particularly in countries such as El Salvador and Paraguay, which have less financial and institutional capacities than Brazil and Mexico. While acknowledging that such features can help enhance political support for CCTs, they maintain that early 'exit' of beneficiaries is inconsistent with the longer-term objective of human-capital accumulation.

Moreover, such programmes should evolve, ideally, into permanent features of these countries' general social-protection strategies.

Click <u>here</u> to download: <u>http://www.undp-</u>povertycentre.org/pub/IPCOnePager44.pdf

Title: Which Poverty Line? A Response to Reddy **Author**: Martin Ravallion **Series**: One Pager No. 53 (In French, English, Spanish and Portuguese) The author responds to a recent IPC One Pager. He reaffirms the importance of the "\$1 or \$2 a day" measurements in estimating poverty. Click here to download: http://www.undp-povertycentre.org/pub/IPCOnePager53.pdf

Title: A Consistent Measure of Real Poverty: A Reply to Ravallion **Author**: Thomas Pogge **Series**: One Pager # 54 (In French, English, Spanish and Portuguese) The author contributes to the lively debate on poverty measurement. He argues that a-dollar-a-day calculations are not sufficient to inform policy.

Click <u>here</u> to download: http://www.undp-povertycentre.org/pub/IPCOnePager54.pdf

Title: Equitable Access to Basic Utilities: Who will Guarantee it? **Authors**: Degol Hailu **Series**: One Pager # 55 Click http://www.undp-povertycentre.org/pub/IPCOnePager55.pdf

Title: What Do We Mean by "Feminization of Poverty"? **Authors**: Marcelo Medeiros and Joana Costa **Series**: One Pager # 58

The authors define the feminization of poverty as a change in poverty levels that is biased against women or female-headed households. This definition provides a simple but effective tool for conducting policy analysis. Click here to download: http://www.undp-povertycentre.org/pub/IPCOnePager58.pdf

Title: A Global Realignment by 2020: U.S. Decline, Emerging Economies Rise **Authors**: Francis Cripps and Terry McKinley **Series**: One Pager # 63

Title: The Global Benefits and Losses from the U.S. Recession and Recovery Package **Authors:** Francis Cripps and Terry McKinley **Series:** One Pager # 62 In these two papers, the authors analyse the impact on the global economy of rising oil prices, a falling dollar and a U.S. economic downturn. By 2020 there will be a major realignment of the global economy. The U.S. will experience further economic decline. China, India and Brazil will continue to grow. Non-energy producing countries in sub-Saharan Africa would fare the worst. Income per capita would fall by 1.2 per cent per annum.

New IPC Monthly Newsletter

IPC is publishing a new monthly Newsletter on Brazil-Africa Cooperation Programme on Social Protection. Featured topics: Social Protection in Ghana, Investing in Social Protection in Africa, related seminars and publications. Click http://www.undp-povertycentre.org/publications/cct/brazil/news_eng.pdf

Publications on Gender Equality

Social Justice and Gender Equality: Rethinking Development Strategies and Macroeconomic Policies

The contributors to this edited volume explore the effects of various development and associated macroeconomic policies on women's well-being and progress towards gender equality. Detailed analyses of major UN reports on gender reveal the different approaches to assessing absolute and relative progress for women and the need to take into account the specifics of policy regimes when making such assessments. The book argues that neoliberal policies, especially the liberalisation of trade and investment, make it difficult to close gender wage and earnings gaps, and new gender sensitive policies need to be devised. These and other issues are all examined in more detail in several gendered development histories of countries

from Latin America and Asia.

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Global Perspectives on Gender Equality: Reversing the Gaze

The Nordic countries have long been seen as pioneers in promoting gender equality. The book, edited by Naila Kabeer and Agneta Stark with Edda Magnus, brings together scholars from the global South and post-socialist economies to reflect on Nordic approaches to gender equality. The contributors to the book seek to explore from a comparative perspective the vision, values, policies, mechanisms, coalitions of interests and political processes that help to explain Nordic achievements on gender equality. While some contributors explore the Nordic experience through the prism of their own realities, others explore their own realities through the Nordic prism. By cutting across normal geographical boundaries, disciplinary boundaries and the boundaries between theory and policy, this book will be of interest to all

readers with an interest in furthering gender equality.

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World Bank Updates Poverty Estimates for the Developing World
The World Bank's New Poverty Estimates – Digging a Deeper Hole
Global Poverty Reassessed: A Reply to Reddy from Martin Ravallion
New UN Publication "National Development Strategies – Policy Notes"

Accra meeting on Aid Effectiveness

The Third High Level Forum on Aid Effectiveness (HLF 3) was held in Accra, Ghana in early September 2008.

ICSW was represented in Accra by our Vice President, the two African Regional Presidents, the Regional Treasurer for East and Southern Africa and the ICSW Programme Coordinator from the African Office.

For the Accra Forum ICSW prepared "Can Aid be Effective without Civil Society? The Paris Declaration, the Accra Agenda for Action and Beyond". (On the ICSW website

http://www.icsw.org/doc/2008 Accra ICSW Full Paper FINAL 25Aug08.pdf) The paper was the ICSW contribution to the ongoing discussion and debate surrounding aid effectiveness and the role of civil society in development.

Those in Accra who commented on the paper welcomed ICSW's call for governments to recognise and better engage with civil society organisations. They saw the opportunity for ICSW to further develop its work in strengthening national umbrella organisations with resultant better engagement with national and regional governments. The endorsement confirms the direction of the ICSW four-year programme adopted by members at the General Assembly in July 2008. ICSW will increase its work to strengthen national umbrella organisations.

While much can be said about the Accra Agenda for Action it is only possible to comment on limited components in this newsletter. Further detail is at http://www.oecd.org/dataoecd/11/15/41380264.htm The Accra Agenda can be found on the OECD website http://www.oecd.org/dataoecd/58/16/41202012.pdf

On civil society the Accra Agenda states:

"We will deepen our engagement with CSOs as independent development actors in their own right whose efforts complement those of governments and the private sector. We share an interest in ensuring that CSO contributions to development reach their full potential. To this end: a) We invite CSOs to reflect on how they can apply the Paris principles of aid effectiveness from a CSO perspective. b) We welcome the CSOs' proposal to engage with them in a CSO-led multistakeholder process to promote CSO development effectiveness. As part of that process, we will seek to i) improve co-ordination of CSO efforts with government programmes,

ii) enhance CSO accountability for results, and iii) improve information on CSO activities."

The Agenda speaks of the action necessary to accelerate progress:

"Evidence shows that we will need to address three major challenges to accelerate progress on aid effectiveness:

Country ownership is key. Developing country governments will take stronger leadership of their own development policies, and will engage with their parliaments and citizens in shaping those policies. Donors will support them by respecting countries' priorities, investing in their human resources and institutions, making greater use of their systems to deliver aid, and increasing the predictability of aid flows.

Building more effective and inclusive partnerships. In recent years, more development actors—middle-income countries, global funds, the private sector, civil society organisations—have been increasing their contributions and bringing valuable experience to the table. This also creates management and coordination challenges. Together, all development actors will work in more inclusive partnerships so that all our efforts have greater impact on reducing poverty.

Achieving development results—and openly accounting for them—must be at the heart of all we do. More than ever, citizens and taxpayers of all countries expect to see the tangible results of development efforts. We will demonstrate that our actions translate into positive impacts on people's lives. We will be accountable to each other and to our respective parliaments and governing bodies for these outcomes.

Without addressing these obstacles to faster progress, we will fall short of our commitments and miss opportunities to improve the livelihoods of the most vulnerable people in the world. Therefore, we are reaffirming the commitments we made in the Paris Declaration and, in this Accra Agenda for Action, are agreeing on concrete and monitorable actions to accelerate progress to meet those commitments by 2010. We commit to continuing efforts in monitoring and evaluation that will assess whether we have achieved the commitments we agreed in the Paris Declaration and the Accra Agenda for Action, and to what extent aid effectiveness is improving and generating greater development impact."

The Madrid International Plan of Action on Ageing

The following UN documents relate to implementation of the Madrid Plan of action on Ageing. (Thanks to Charlotte Nusberg of AARP for drawing these documents to our attention)

Guide to the National Implementation of the Madrid International Plan of Action on Ageing (2008)

www.un.org/esa/socdev/ageing/documents/papers/guide.pdf

The Madrid International Plan Of Action On Ageing: Guiding Framework And Toolkit For Practitioners & Policy Makers

www.un.org/esa/socdev/ageing/documents/building_natl_capacity/guiding.pdf

Two following two items are UN position papers:

Mainstreaming the concerns of older persons into the social development agenda (2003)

www.un.org/esa/socdev/ageing/documents/mainstreaming/positionpaper.pdf

<u>Integration and Participation of Older Persons in Development</u> (2008) www.un.org/esa/socdev/ageing/documents/papers/Integration_participation.pdf

World Bank Updates Poverty Estimates for the Developing World

(With thanks to Isabel Ortiz of the UN Department of Economic and Social Affairs). The World Bank stated on 26th August 2008:

"New poverty estimates published by the World Bank reveal that 1.4 billion people in the developing world (one in four) were living on less than US\$1.25 a day in 2005, down from 1.9 billion (one in two) in 1981.

The new numbers show that poverty has been more widespread across the developing world over the past 25 years than previously estimated, but also that there has been strong—if regionally uneven—progress toward reducing overall poverty.

Looking at the new estimates from the perspective of the <u>Millennium Development Goals</u>, a set of internationally agreed development targets, the developing world is still on track to halve extreme poverty from its 1990 levels by 2015. This is the first of eight critical goals.

"However, the sobering news—that poverty is more pervasive than we thought—means that we must redouble our efforts, especially in Sub-Saharan Africa," said Justin Lin, Chief Economist of the World Bank and Senior Vice President, Development Economics.

Updated poverty estimates are published every few years, based on the most recent global cost-of-living data and country surveys of household consumption. Full text at http://econ.worldbank.org/WBSITE/EXTERNAL/EXTDEC/EXTRESEARCH/0,.conten

tMDK: 21882162~pagePK: 64165401~piPK: 64165026~theSitePK: 469382,00.html

The World Bank's New Poverty Estimates - Digging a Deeper Hole.

Following the release of the estimates by the World Bank this critique by Sanjay G. Reddy appeared. (Extracts only) Full text at http://www.socialanalysis.org/
The World Bank estimates of 'updated' global poverty are based on a new worldwide price survey and a new benchmark international poverty line of \$1.25 2005 PPP which replaces earlier benchmark poverty lines (of \$1.08 1993 PPP and \$1.00 1985 PPP, both widely referred to as "\$1 per day") corresponding to earlier base years. The revised figures purport to estimate world poverty figures for a range of years since 1981, and thus crucially affect our understanding of the world over the last quarter century of globalization.

Many aspects of the global order, such as the movement toward freer trade, as well as national institutions and policies, are defended by referring to their effect on the poor.

The Bank's poverty estimates are thus central to their assessment. Moreover, the Millennium Development Goals are defined in terms of these estimates, making this revision of great importance for determining whether the world is on track to reduce poverty by the amount required by the Goals.

Can the Bank's new estimates be trusted? Can they be trusted more than its own earlier greatly lower poverty estimates, which they are intended to replace? Unfortunately, the Bank's new estimates are based on the same methods it used earlier and are undermined by the same problems as the earlier estimates.

Two problems are foremost, as noted in a widely cited critique by Sanjay Reddy and

Thomas Pogge ("How Not to Count the Poor", forthcoming in Stiglitz, J., Anand, S. and Segal, P. ed., *Debates on the Measurement of Global Poverty*, Oxford: Oxford University Press).

The first is that the Bank's chosen international poverty line is far too low to cover the cost of purchasing basic necessities. A human being could not live in

the US on \$1.25 a day in 2005 (or \$1.40 in 2008), nor therefore on an equivalent amount elsewhere, contrary to the Bank's claims. Indeed, it appears to be far too low in many countries to account for the cost of purchasing basic necessities. That this is so is self evident in the case of the United States—the base country in whose units the international poverty line is defined. One's daily income can be a great deal higher than \$1.25 and still leave one unable to fulfill basic nutritional requirements, let alone the other requirements of a minimally decent life. Since the international poverty line is defined in purchasing power adjusted units, meant to capture a constant level of purchasing power across countries, this incoherence is not easy to overcome.

The Bank's claim that its poverty line is sufficient in other countries, despite being

insufficient in the United States, implicitly acknowledges the second problem: that the Bank uses inappropriate purchasing power parities (PPPs) to convert its poverty line.

Global Poverty Reassessed: A Reply to Reddy from Martin Ravallion of the World Bank in the UNDP Poverty Centre One Pager Series. The author explains the improvements made to the new global poverty estimates published by the World Bank. Click http://www.undp-povertycentre.org/pub/IPCOnePager66.pdf

New UN Publication "National Development Strategies - Policy Notes"

The publication focuses on employment-generating macroeconomic policies, inclusive finance for development, public enterprises, trade policy, investment and technology (industrial) policies, and social policy. They concentrate on critical areas where other sourcebooks and guidelines do not adequately reflect alternative policy options.

The Policy Notes were reviewed by Nobel Laureate Joseph Stiglitz, Jomo K. Sundaram, Jose Antonio Ocampo and other distinguished development specialists. They were authored by Ha-Joon Chang, CP. Chandrasekhar, Murray Gibbs, Mushtaq Khan, Shari Spiegel and Isabel Ortiz.

Electronic copies of the chapters and translations to Arabic, Chinese, French, Russian and Spanish are available at: http://esa.un.org/techcoop/policyNotes.asp

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