

**PREPARATORY MEETING FOR 2005 ECOSOC
HIGH-LEVEL SEGMENT
16-17 March 2005**

“Achieving the internationally agreed development goals, including those contained in the Millennium Declaration, as well as implementing the outcomes of the major United Nations conferences and summits: progress made, challenges and opportunities”

ROUNDTABLE 1: ERADICATION OF POVERTY AND HUNGER

Chair: H.E. Mr. Munir Akram, President of ECOSOC

Lead Organizers: FAO, WFP and IFAD¹

Moderator: Mr. Hartwig de Haen, Assistant-Director-General, FAO

BACKGROUND NOTE

**Swift and coordinated action is needed to halve hunger
and extreme poverty everywhere by 2015**

¹ Other collaborators include UNDP, World Bank, ILO, UNFPA, UNU, UNIDO, UNCTAD, OHRLLS, DESA, DSPD, UNPFII and the Millennium Project.

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Poverty and Hunger: Situation and Prospects

The first Millennium Development Goal commits the world to halving the proportion of the world's population suffering from extreme poverty and hunger by 2015 from what it was in 1990. As is the case with other Millennium Development Goals, this goal restates the targets set by other global Summits and Conferences aimed at drastically reducing human misery in its various manifestations.

Yet, the Millennium Declaration adopted in 2000 is the most comprehensive attempt today to establish time-bound targets and benchmarks for addressing poverty in all its dimensions.

Some progress has already been made at global level to reach MDG 1. Between 1990 and 2001, the proportion of people living in extreme poverty (less than 1 dollar a day) has declined from 28 to 22 percent or by 137 million people. The number of undernourished in the developing countries fell by only 9 million or 3 percentage points, while it actually increased in the second half of the 1990s. According to the latest estimates 1.2 billion people in the developing and transition countries live in extreme poverty and 850 million are undernourished. Of those, 75% live in the rural areas. Rural people and rural countries are among the poorest in the world. An estimated 1.4 billion people are working poor (living under US\$2 a day) while an additional 186 million people are estimated to be officially unemployed worldwide

Projections show that strong growth in some developing countries is expected to cut the prevalence of extreme poverty in the developing world from 28% in 1990 (the base year) to 13% percent in 2015. Even if that were to imply that the MDG1 target on hunger would also be reduced by 2015, it is unlikely that the 1996 World Food Summit goal of halving **the number** of hungry people by that date will be met.

Progress in the reduction of hunger and extreme poverty, even when considered “sufficient” to reach the MDGs *globally*, masks significant differences among regions, countries, and areas within national boundaries. In Sub-Saharan Africa, progress is not sufficient to meet either of the two targets of MDG 1, unless strong economic growth in the range of 5% per annum per capita can be achieved and sustained (UNIDO). For groups of countries, such as the LDCs, poverty rates may have increased while in many countries in the group, progress on hunger remains stagnant or very slow.

Even within successful countries, there are pockets where poverty and hunger are persistently high and which will not share the fruits of economic growth. Particular groups of people suffer higher overall incidence of poverty and hunger, including children, female-headed households, indigenous and tribal peoples and landless populations. Regarding women, approaches to poverty reduction often neglect differentials between men and women in terms of their access to income, resources and services. To reach those that economic growth won't reach and those who cannot take advantage of it, swift and targeted action is required.

Hunger and Poverty: Exploring the Critical Linkages

Achieving the MDGs starts from the recognition of their interdependence. Access to safe drinking water and basic sanitation (MDG 7) is closely related to reducing the incidence of major diseases (MDG 6), while the promotion of gender equality (MDG 3) cannot be divorced from the achievement of universal primary education (MDG 2). Progress in meeting commitments on trade, debt and ODA (MDG 8) are essential to support and remove impediments to the realization of national MDG processes. Likewise, we cannot expect to increase school attendance and student performance when millions of children suffer from chronic hunger. It has been calculated that meeting the non-income poverty MDGs would help raise growth as much as 1.5 percentage points (UNIDO), thus having a beneficial impact on the reduction of income poverty. With respect to MDG1, recognition of the close relationship between poverty and hunger is critical.

It is well-understood that extreme poverty is at the root of chronic hunger. Poor people do not possess the means to access and/or produce the food necessary for an active and healthy life. They are also more vulnerable to destitution following extreme events, as they are unable to rebuild the assets which constitute the basis of their livelihoods.

Conversely, hunger itself is an important cause of poverty. Hunger imposes human and economic costs on individuals but also on entire societies by adversely affecting health and productivity of populations. It is the fundamental cause for the loss of millions of productive life years as a result of the premature death, disease and disabilities it inflicts. Recent calculations show that the present discounted value of the combined costs of protein-energy malnutrition, low birth-weight babies and micronutrient deficiencies (such as iron and iodine deficiency) throughout the lifetime of one cohort of undernourished children would add up to at least 5 to 10 percent of GDP of the developing world – roughly US\$500 billion to US\$ 1 trillion. The “hunger –low-productivity-extreme poverty” nexus acts as a trap from which hungry people find it hard to escape.

The developing world is spending at least 30 billion dollars a year, a sum which amounts to half of the entire official development assistance, to deal with the direct damage caused by hunger: treating the problem pregnancies and deliveries of anemic, underweight mothers and the severe and frequent illnesses of children whose bodies and immune systems have been weakened by hunger. Hunger and extreme poverty thus cause a drain in the scarce financial resources available to developing countries.

Moving from political commitment to action

The MDGs can be achieved in the coming decade if the political will to do so can be furbished and focused, and if concerted action is taken. Rich and poor nations alike should perceive meeting the goals as a shared responsibility. Actions need to be well-targeted and well-coordinated both at the global level (such as increasing development assistance, donor coordination, a conducive trading environment, provision of global public goods) and at the country level. Actions to achieve the MDGs should be sustainable economically, socially and environmentally. In this context, payments for environmental services can become a powerful instrument for achieving poverty reduction and environmental/ natural resource objectives. Although strategies for reaching the MDGs must be tailored to the individual countries, there are critical general elements for ensuring that actions and initiatives will be successful and sustainable:

- **Set targets and agree on coordinated actions in each country.** This involves profiling the poor and hungry, agreeing on priorities, roadmaps and timetables, exploiting synergies among the goals, mobilizing resources and allocating them strategically. Despite perceived shortcomings, nationally-owned Poverty Reduction Strategies are increasingly fulfilling this function and are becoming principal national tools to achieve the MDGs². International cooperation should support such national efforts.
- **Combine transfers with long-term development programmes:** Addressing the urgency and sustainability of the poverty reduction effort requires a **twin-track approach** which combines (a) direct interventions to address the immediate needs of poor and hungry by investing in social safety nets, conditional or unconditional cash transfers, food and nutrition programmes with (b) long-term development programmes to enhance the performance of the productive sectors (especially to promote agriculture and rural development), create employment and increase the value of the assets held by the poor (physical, human, financial). Establishing coherence between economic and social policies improves their effectiveness. The creation of decent work (more and better jobs, including adequate social protection systems) could go a long way towards hunger and poverty reduction. Reducing inequalities in income and access to assets increases the beneficial impact of economic growth on poverty reduction.
- **Give priority to actions in hotspots:** Programmes and investments need to focus on poverty and hunger “hotspots” – those areas around the world and within a country where a significant proportion of people suffer from malnutrition and high incidence of poverty. Implementation of plans of action for country groups or regions (e.g. NEPAD, the Brussels Programme of Action for the Least Developed Countries, the Barbados Programme of Action for the Small Island Developing States etc.) should be supported in the context of the MDGs.
- **Intervene directly to enable the neediest:** The hunger-productivity nexus brings to the fore the necessity of direct and immediate access to food and good nutrition in order for the most vulnerable groups to take advantage of development opportunities. Innovative approaches for direct assistance have to be context-specific. Initiatives such as school meals supplied by local production should be up-scaled when good results have been obtained. Investment in health services (including access to reproductive health services and programmes to combat HIV-AIDS), sanitation and clean water programmes are essential complementary interventions.
- **Focus of policies and investments on rural areas and agriculture:** The fight to meet MDG1 will be won or lost in the rural areas of developing countries, home to up to 75 percent of the poor and hungry who derive the basis for their livelihoods from agriculture and related activities. Enhancing employment and income growth in the rural areas entails scaling-up actions to improve the productivity of smallholder agriculture, promoting sustainable use of natural resources, improving rural

² Criticisms often include lack of adequate inclusion of social targets, of sectoral focus and of sufficient participation by the private sector and (lack of) consultation with vulnerable and disadvantaged groups.

infrastructure, research and communications, , facilitating the functioning of markets and enhancing rural institutions. Productivity-induced agricultural growth has a wider impact on rural areas through the strengthening of off-farm activities and rural employment and wages. It is urgent that the declining trend in official development assistance to agriculture and rural development be reversed.

- **Accelerate progress towards an open and fair international trading system:** In order to make the system more conducive to reduction of poverty and hunger, progress is particularly needed on issues of market access, export subsidies and trade-distorting domestic support in agriculture. In particular, low income countries need to strengthen the competitiveness of their domestic food production and compliance with sanitary and phyto-sanitary standards. They need concrete provisions for trade-related financial and technical assistance. Furthermore, in view of the continuing distortions on world markets, they need to be given more “policy space” necessary to reduce poverty and hunger by developing their rural areas and agriculture. The agreement in WTO should contain strengthened provisions for safety nets at the international level, such as the Marrakech Decision for assuring reliable and affordable import of foods.
- **Support a dynamic growth process:** The promotion of rural development in a sustainable way can stem rural-urban migration, bring employment opportunities to rural areas, reduce regional income disparities, and ultimately fight poverty at its very source. Emphasis needs to be placed on diversification towards rural non-farm activities, including value-added production, and strengthening productive capacities of micro, small and medium enterprises, a process in which women in rural areas play a major role. The dynamic transition from agricultural to industrial production and strengthening the links between these two sectors, is a major driving force of economic and social transformation.
- **Strengthen poor urban livelihoods:** Important as the rural space is for economic development and poverty reduction, it cannot escape our attention that world population is increasingly “urbanizing”. Challenges in meeting urban food security include: pro-poor employment and asset generation, combined with measures to assist the urban poor in meeting their basic needs, in particular regarding housing, nutrition and water, food safety, health and primary education.
- **Use bottom-up and participatory approaches.** Local institutions are needed managed by and accountable to local people and communities. Local capacity building and skill development are key elements to the empowerment of poor people to take charge of their lives as is the enhancement of legal and property rights and access to resources especially by vulnerable groups such as women and indigenous people. In this context, and in accord with the Millennium Declaration, efforts should be made to promote the human right to adequate food and implement the related Guidelines recently adopted by governments. MDG-based strategies should be transparent and inclusive working closely with civil society organizations, the domestic private sector, and international partners.