

Poverty Alleviation Initiatives

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ESCAP

Microfinance a powerful force to fight poverty

“Successful promotion of the grass roots economy will allow it to achieve its full potential as a powerful force to support a broad range of wealth-creating activities,” said H.E. Somkid Jatusripitak, Thai Deputy Prime Minister and Finance Minister at the opening of the three-day Conference on Microfinance Policy and Governance in Bangkok from 6 to 8 March 2002. “Such force will be self-sustained and growth-oriented as local communities expand their commercial activities and linkages, ultimately providing a productive foundation for the economy,” he added.

The Conference on Microfinance Policy and Governance was organized jointly by the Economic and Social Commission for Asia and the Pacific (ESCAP), Asian and Pacific Development Centre (APDC), Asia Pacific Rural and Agricultural Credit Association (APRACA) and Association of the Asian Confederation of Credit Unions (ACCU) in collaboration and with support from the Japan Foundation, the Leopold Mayer Foundation, the Canadian International Development Agency (CIDA), Canadian Cooperative Alliance, the Initiatives in Research and Education for Development in Asia (INASIA), and Ethnos Asia.

Poverty and its reduction as a strategy to reduce injustice and violence had been the centre of United Nations' concern for a long time, and had found a pivotal place in the Millennium Declaration, adopted by no less than 150 Heads of States and Governments at New York, in September 2000. One of the crucial goals specified in the declaration was to halve absolute poverty by 2015. The incident of 11 September 2001 had given new urgency to the task of addressing poverty and injustice.

Non-governmental organizations (NGOs) had played a pioneering role in initiating and providing microfinance services to the poor. The most important lesson from microfinance services was that these institutes were able to effectively respond to the needs of the poor, where state and market had failed. These services are still in the forefront. However simple replication of successful services should proceed with caution. While the lessons learned over the past two decades have more focused development, microfinance services currently need to assess their functions, and where necessary, adjust their future course of action.

A new change in the global environment that could affect the future success of microfinance services are the impact and opportunities offered by information and communication technologies (ICT) for the poor. In the past, land was the most important symbol of empowerment. Given the new situation, if the poor, particularly in rural areas, become owner and provider of ICT services, they could be empowered. The microfinance institutes could play a pivotal role in bringing out this new revolution and in alleviating poverty.



H.E. Somkid Jatusripitak Finance Minister, addressing the Conference

ESCAP works towards reducing poverty and managing globalization

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A total of 150 participants attended the Conference, and included representatives of the poor, microfinance institutions, credit unions/cooperatives, government agencies, academics, banks, donors, and the United Nations agencies.

The main purpose of the Conference was to provide a forum for the active partners in the region to refine and to rationalize the future course of microfinance services and governance. ESCAP was happy to be a partner and facilitator in this process.

H.E. Somkid Jatusripitak stressed the importance of Thailand's reform efforts that focus on the grass roots level of the economy, which condition can most affect the welfare of the majority of Thai people. "I believe that it is safe to say that this government is the first to set as top priority the systematic development of the grass root economy as the foundation for sustainable growth and wealth of the Thai economy. Thailand's core strengths are rooted in a flexible workforce endowed with unique skills, creativity, and high-quality workmanship, complemented by rich natural resources. Our new economic roadmap therefore, aims to foster a strong grass root economy, the breeding of Thailand's true competitive strengths."

With respect to microfinance, the Minister of Finance continued "this government, through our grass root-focused

policies, is fully supportive of microfinance as an important tool to foster a strong local economy. In this regard, we will strive to create an efficient institutional framework for microfinance governance and implementation, that takes into consideration relevant regulatory issues, necessary mechanisms, and linkages. I am personally confident that microfinance will play an increasingly larger role in the development of the Thai economy."

The Minister of Finance stated that the signing of the Bangkok Declaration on Microfinance would be "another important step in marshalling our joint effort to advance microfinance and its potential benefits for countries in the region."

In her opening statement Ms Keiko Okaido, Deputy Executive Secretary and Officer-in Charge, a.i. of the ESCAP Secretariat, pointed out that "the alleviation of absolute poverty was not an easy task, as many countries in the region face widening gaps between the rich and poor. Over the past two decades, microfinance services have empowered millions of poor in their fight against poverty by providing them with the needed capital and making them believe in themselves. These institutions have demonstrated that the poor can help themselves as groups to perform better and be successful. Instead of being on the receiving end of ad hoc donations, millions of poor now have their own savings, their own products and are able to determine their own fate. This is a remarkable transformation in the empowerment of the poor."

In recent years, new challenges have emerged, as many microfinance institutions graduated, or were at the verge of graduating into full fledged financing institutions. Developing countries need to seize this opportunity to support poor people. The process should not however divert these institutions from their original path of easy accessibility to the poor people.

Another important social agenda of the Conference was the role of microfinance services in dealing with the scourge of HIV/AIDS in this region.

The regional programme for cooperation focused on the following key areas: (i) the establishment of a regional smart partnership network that would document various modalities of interface between microfinance and other development services to the poor, to promote the development of alternative vehicles for financing microfinance institutions in Asia and the Pacific region; (ii) the identification, rationalization, and joint promotion of capacity-building programmes specifically geared towards building up the competence for governance of national networks of microfinance institutions (MFIs); and (iii) the establishment of a regional level information system on microfinance policies/regulations and best practices in the governance of microfinance institutions in Asia and the Pacific region.

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EDITORIAL

Pursuing the Millennium Declaration Goals on Development and Poverty Eradication, the Conference on Microfinance Policy and Governance concluded with the unanimous adoption of a landmark agreement, the *Bangkok Forward Looking Declaration on Microfinance*, laying out a road map for regional cooperation and development of microfinance as an important and powerful development tool.

Under the Bangkok Declaration, countries have agreed to strengthen microfinance service institutions, including the regulatory mechanisms that promote and control, such institutions. Information and communication technologies to promote best practices, and expand linkages between microfinance and enterprise development are on the agenda.

The Declaration recognized the need to improve the livelihoods of the 800 million poor in the region, in the immediate future. The Declaration considered that a strong partnership was essential between developing and donor countries for the social and economic upliftment of the poorest of the poor.

“It is also very heartening to see that microfinance, after years of being considered the domain of NGOs and development agencies, is now becoming a priority matter of government policy,” said Ms Keiko Okaido, Deputy Executive Secretary of the Economic and Social Commission for Asia and the Pacific.

It was encouraging to listen to a wide range of opinions which included not only microfinance service professionals, but more encouragingly and more importantly, the voices of potential beneficiaries, – the poor – which made the conference special.

Asia has the largest number of people living in abject poverty – an estimated 800 million of the 1.3 billion worldwide – based on the US\$ 1/day Purchasing Power Parity (PPP) criteria. Of this, the South Asian subregion has the largest share comprising nearly 44 per cent, followed by East Asia and the Pacific with 23 per cent. What was most alarming was that the number of Asians living in abject poverty has been increasing, despite the many poverty alleviation efforts by donor agencies, governments, NGOs, and other organizations.

Contrary to popular belief, the benefits of many development programmes do not get through to the most disadvantaged groups, especially those who are outside the reach of social programmes. Clearly, poverty cannot be overcome only by pouring in huge sums of money at the global level. Evidence shows that small-scale grass roots projects could, and do have an immediate and more lasting impact. The poverty alleviation programmes of the Regional Unit for Social and Human Sciences for Asia and the Pacific (RUSHSAP), one of UNESCO’s major programme priorities was implemented on this basis.

Turning to another area of contention, trade and poverty have always been at the heart of environment and development challenge. Klaus Toepfer, Executive Director of the United Nations Environment Programme (UNEP) urged flexibility in tackling the challenges of poverty alleviation, environmental protection and managing economic globalization at the Asia-Pacific Forum for Environment and Development (APFED) held in Bangkok from 12-13 January 2002. These were critical areas for re-analysis, creativity and action in the lead up to the World Summit on Sustainable Development (WSSD).

“Trade ministers from over 140 countries now firmly accept that globalization of trade and the reduction of trade barriers must take into account environmental issues and the development needs of some of the world’s poorer countries,” he told an audience of leading thinkers from throughout the region.

“We need to use trade to lift large numbers of people out of poverty, while maintaining and promoting a healthy, clean and environmentally sound planet. It is important to ensure that increases in incomes, as a result of trade liberalization, do not occur at the expense of the environment. But it is equally important to have safeguards, so that countries do not use the environment as an excuse for banning imports, so called ‘green protectionism’,” continued Mr Toepfer.

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Ms Okaido, in her closing statement pointed out that the Conference was special with regard to the results achieved. “We are proud to have in hand today the Bangkok Forward Looking Declaration on Microfinance, a landmark document, laying out a road map for regional cooperation and development. Our deliberations during the past few days have shown that there are remarkable successes, but they have proven even more pointedly that there is no room for complacency.”

Ms Okaido, continued “When, in 2015, the world community will congregate and assess, whether we have done the right thing, taken the right direction, made the correct choices, I hope, it will be recognized, that the “Bangkok Declaration” and our humble efforts have made, at least, a small contribution to achieve the desired goals.”

The Bangkok Declaration on Microfinance follows.....

BANGKOK DECLARATION ON MICROFINANCE

Preamble

1. The Conference on Microfinance Policy and Governance was held in the United Nations Conference Centre, Bangkok from 6 to 8 March 2002, to build knowledge, institutional capacity, strategic alliances, and public-private sector cooperation in enhancing the effectiveness of microfinance for poverty reduction in the Asia-Pacific Region. The Conference was graciously opened by His Excellency Mr Somkid Jatusripitak, Deputy Prime Minister and Minister of Finance, Government of Thailand. The Conference, organized by ESCAP, APDC, APRACA and ACCU, with support and cooperation from the Japan Foundation, the Leopold Mayer Foundation, the Canadian International Development Agency, Canadian Cooperative Alliance, the Inter-American Development Bank, the Initiatives in Research and Education for Development in Asia and Ethnos Asia, was attended by the representatives of all key stakeholders – the poor, microfinance institutions, credit cooperatives, government agencies, academicians, donors and the United Nations agencies.
2. The Conference considered the policy and regulatory regimes needed for sustainable growth of microfinance access by the poor, the transformation of institutional delivery mechanisms into recognized members of the finance sector, the need to develop new products and services, and the linkage of microfinance to emerging issues, such as the global response to the spread of HIV/AIDS.
3. The Conference unanimously adopted the “**Bangkok Declaration on Microfinance**”.

Recognizing, that there are 800 million poor in Asia and the Pacific region that need to improve their livelihoods in the immediate future;

Considering, that a strong partnership between developing and donor countries for the social and economic upliftment of the poorest of poor is essential;

Acknowledging, that the poor work hard and have come together in formal and informal groups for the betterment of their, and their children’s future;

Affirming, that sustainable development and significant reductions in the number of poor households requires more, especially by government and non-governmental agencies responsible for development policy, poverty reduction planning and grass roots level project implementation;

Believing, that the goal set by the Millennium Summit in September 2000 by the Heads of State and Governments in New York to halve, by the year 2015, the proportion of the World’s people whose income is less than one dollar a day is an important and bold target that will not be attained without substantial growth in microfinance outreach;



Further Acknowledging, that microfinance alone is not adequate to achieve this target. Sustained poverty alleviation also requires the adoption of pro-poor macro economic policies, the consequences of which will strengthen the link between microfinance and other economic and social components of holistic development for sustainable development and improved quality of life for all poor households; and

Reiterating, the desire and determination of the Conference to ensure that microfinance is used appropriately as an important and powerful tool for poverty reduction in the coming decade, the Conference **unanimously declares and participants commit themselves to:**

Pivotal role of microfinance:

1. The Conference acknowledges the overwhelming evidence showing the pivotal role that microfinance has and can play in poverty reduction in Asia and the Pacific region, and to the vision of better and broader access by the poorest of the poor to microfinance through strengthened institutions, appropriate regulatory mechanisms, and support for grass roots organizations of the poor.

Unequivocal support for partnership with the poor:

2. An enduring partnership between the clients and providers of microfinance services is a hallmark of success of any microfinance initiative. This partnership is grounded in participatory approaches to development, which needs to be further nurtured as microfinance providers assume an even greater role in pro-poor economic growth for sustainable development and better quality of life in all poor households.

Forward looking perspective:

3. Microfinance providers must be forward looking to meet the growing, diverse, and changing needs of the poor for financial intermediation in their money management and financial planning. While traditional microfinance services continue to be required, the advent of new technologies, particularly information, communication and data management, has opened up new avenues for microfinance to help bridge gaps between the rich and the poor. Poor households are empowered when they are given access to these new technologies.

Build on critical linkages:

4. Where the linkages between microfinance services, market-oriented mechanisms and enterprise development have been established, the multiplier effects have proven to be substantial, contributing significantly to sustained income and employment generation for poor families surviving on average incomes of less than one US\$ per person per day. Strengthening these linkages will contribute to bringing microfinance into the mainstreams of development policy and poverty reduction initiatives.

Recommend increased financial and technical resources:

5. Increased financial and technical assistance is warranted and needed by the developing countries of the region to promote, expand and strengthen access by the poor to microfinance products and services. The bold goal of the Millennium Summit, to halve the number of poor people by 2015, cannot be achieved without increased financial and technical assistance for microfinance outreach to the poor, especially the poorest of the poor.

6. The urgent need for follow up activities to promote access to microfinance by the poor at regional, national and local levels to fulfil the dreams of the millions of poor of Asia and the Pacific region.



Poverty alleviation through capacity building and social mobilization: Women in rural areas

Asia has the largest number of people living in abject poverty – an estimated 800 million of the 1.3 billion worldwide – based on the US\$ 1/day Purchasing Power Parity (PPP) criteria. Of this, the South Asian subregion has the largest share comprising nearly 44 per cent, followed by East Asia and the Pacific with 23 per cent. What is most alarming is that the number of Asians living in abject poverty is increasing, despite the many poverty alleviation efforts by donor agencies, governments, NGOs, and other organizations.

Contrary to popular belief, the benefits of many development programmes do not get through to the most disadvantaged groups especially those who are outside the reach of social programmes. Clearly poverty will not be overcome only by pouring in huge sums of money at the global level. There is evidence that small-scale grassroots projects could have an immediate and more lasting impact. The poverty alleviation programmes of the Regional Unit for Social and Human Sciences for Asia and the Pacific (RUSHSAP) are implemented on this basis.

RUSHSAP's effort

One of UNESCO's major programme priorities is alleviation of poverty. Some of the approaches used in achieving poverty alleviation objectives include the utilization of alternative forms of education, endogenous management of cultural sites and natural resources, development and marketing of local handicrafts, microfinancing and social support services.

A number of poverty alleviation projects by RUSHSAP over the last three years have been initiated in Lao People's Democratic Republic, Thailand, Myanmar and India. The projects' principal objective was to contribute to building capacities for poor women through income generation and social mobilization activities in the rural communities. The focus is on women, because this segment continues to be neglected, or at least not taken seriously in the present poverty alleviation strategies, despite claims to the contrary.

Project methodology

Reliable local organizations/groups were identified as local partners and with their help, geographic areas and specific communities were identified, with the projects' objectives and requirements in mind. Workshops were organized for capacity building in technical aspects, such

as skills for producing traditional handicrafts, basic business and entrepreneurial skills (marketing and banking) and basic literacy and numeracy skills. Other social issues were also addressed during the workshops, such as governance, human rights and gender equality (forming organizations to promote and protect women's interests), prevention of HIV/AIDS and general hygiene, drug abuse, environmental awareness, etc.

After the training workshops, small amounts of project funds were allocated for each participant to acquire the basic materials and equipment required to initiate income generation activities such as weaving and handicrafts. It was agreed that women would refund this money once they were able to sell the products they made – interest free. This money was then used to establish a revolving fund to be borrowed on the same basis, either by participants themselves or by others who did not take part in the initial stage. The fund is managed by the participating women with assistance from local partners. No interest is charged initially, but second-time borrowers may be required to pay a nominal interest for subsequent loans. These decisions would be made entirely by the women themselves. As follow-up activities, workshops are organized to upgrade existing skills or to acquire new ones depending on local requirements and market demands. The projects under implementation are:



1. Women's empowerment through capacity building: Lao People's Democratic Republic

In collaboration with the Lao Women's Union, this project was begun in 1999 to train women in rural areas in basic marketing principles and general information on operating small business activities in northern (Hongsa District, Xayabouly Province) and southern Lao People's Democratic Republic (Samakhisay district, Attapeu Province) in order to help them market their cultural products. This led to sharing information on women's role in development and their status in society. RUSHSAP also assisted participants to set up a revolving fund with the money repaid by women who borrowed to buy materials and weaving instruments, to purchase further materials and equipment for weaving. The fund is managed by the women themselves and is used either to help new participants or/and extend the activities for those who started the project. There are altogether 125 families from the first and second phases involved in the project. They have paid back the loans, and another 65 will be given training opportunities and funding this year. Close monitoring and evaluation is being carried out by RUSHSAP and the Lao Women's Union.



Mother and daughter weaving cloth for market

2. Community solidarity in the Hill Tribes Women of Thailand

Another project on community development and poverty alleviation was implemented with the assistance of the Tribal Research Institute in Chiang Mai. Women in 3 villages (Ban Lao She Koi, Mae Chan District, Chiang Rai Province; Ban Den Yang Moon, Li District, Lumphun Province; and Ban Mae Sawan Noi, Mae Saraing District, Mae Hong Son Province) from 61 families had been given training in basic marketing principles, general information on operating small business activities and weaving techniques. Community groups were formed to provide assistance and moral support, and these were managed by the women themselves. Once the groups were formed and trained, small grants were allocated to the families to start their small business. It is expected that this project would strengthen community solidarity and revive certain cultural crafts (weaving, embroidering) in these hill tribe communities.



Training hill tribe people on weaving and marketing activities.



3. Poverty alleviation and social mobilization in Myanmar

A third project was begun in Myanmar (Burma) at the beginning of 2001 in collaboration with CIRDAP (Center for Integrated Rural Development in Asia-Pacific) and the Department of Agricultural Planning (Ministry of Agriculture and Irrigation, Myanmar). Kun Gyan Kone village (200 km from Yangon), with a population of 886 (192 households) was selected for the project based on several criteria (number of households, proportion of farmers to non-farmers, willingness of villagers to participate, and accessibility). Ninety-two beneficiaries were chosen. The objectives of the project were to promote the formation of women's self-help groups through social mobilization, by which they could receive technical assistance and set up a revolving development fund to provide opportunities to generate additional income. A baseline survey of the village was undertaken on socio-economic data and socio-economic problems, to record the actual situation of the village before the project intervention and to compare the results at the end of the project. A local project coordinator from the Department of Agricultural Planning and 10 local staff are based in the village to monitor the project.

4. Poverty alleviation and social mobilization in India

A fourth project is being undertaken in two villages in India (Andhra Pradesh) in Keshampet Mandal in collaboration with NIRD (National Institute for Rural Development) (Hyderabad) and CIRDAP (Center for Integrated Rural Development in Asia-Pacific). Baseline surveys have been conducted and activities are currently being planned.

Next Steps

More villages are being targeted in Lao People's Democratic Republic and Thailand. Attempts are also being made to use this model in other countries of the region such as Viet Nam, Cambodia, Nepal, Bhutan, with appropriate adaptations. Collaborations for future projects are being explored with other sectors of UNESCO and other agencies and organizations.

These projects all start at the grass roots level – the bottom-up approach. The long term objective of this initiative is to explore the most effective means through which poverty reduction activities can make the most impact on target communities. Successful approaches will be recommended to governments for national programmes. A similar concept will be explored in the urban areas, especially in the slum communities of larger cities.

Conclusion

Most of RUSHSAP's projects are long-term in the sense that UNESCO will continue to monitor them and explore ways of improving and reinforcing them. All projects will be independently evaluated and the findings will determine approaches for future projects.



Trade, poverty at heart of environment and development challenge

Klaus Toepfer, Executive Director of the United Nations Environment Programme, urged flexibility in tackling the challenges of poverty alleviation, environmental protection and managing economic globalization at the Asia-Pacific Forum for Environment and Development (APFED) held in Bangkok from 12 to 13 January 2002. These areas were critical and required re-analysis, creativity and action in the lead up to the World Summit on Sustainable Development (WSSD). Mr Toepfer pointed out that there were hopeful signs that environment, poverty and sustainable development had moved towards the centre of the international trade debate following the Ministerial Conference of the World Trade Organization (WTO) in Doha, Qatar, in November, 2001.

“Trade ministers from over 140 countries now firmly accept that globalization of trade and the reduction of trade barriers must take into account environmental issues and the development needs of some of the world’s poorer countries,” he told an audience of leading thinkers from throughout the region. Mr Toepfer also said the Doha meeting took some important first steps towards reducing or phasing out so called “perverse subsidies” in areas such as fisheries, where subsidies of US\$ 15 billion a year distorted trade, contributed to the collapse of fish stocks, and caused broader impacts on the marine environment.

Mr Toepfer stressed that a lot more detailed work was needed on further integration of the rules of the World Trade Organization and those of the Multilateral Environmental Agreements (the conventions on climate change, biodiversity, biosafety, chemicals, etc).

“We need to use trade to lift large numbers of people out of poverty, while maintaining and promoting a healthy, clean and environmentally sound planet. It is important to ensure that increases in incomes, as a result of trade liberalization, do not occur at the expense of the environment. But it is equally important to have safeguards, so that countries do not use the environment as an excuse for banning imports, so called ‘green protectionism’,” continued Mr Toepfer.

In response to demands of developing countries for specific capacity building activities in this complex, political arena, UNEP, together with the United Nations Conference on Trade and Development (UNCTAD) had recently created a Capacity Building Task Force on Trade, Environment and Development.

UNEP had also recently published the results of studies on the environmental impacts of trade liberalization on fisheries, forestry, water and other sectors in six developing countries, and the economic instruments that could be used to sustainably manage these.

APFED initiated by Japanese environment minister Yoriko Kawaguchi and chaired by former Prime Minister Ryutaro Hashimoto would prepare a message to the WSSD in Johannesburg in August, as part of a three-year programme to identify new development frameworks – harnessing technology innovation and globalization – that could lead to greater equitability and sustainability in the region.

In relation to trade, the forum focused on the need for capacity building, the promotion of environmentally sound technologies, market access for the poor and the important role of small and medium-sized enterprises. It noted the decline in Official Development Assistance since the 1992 Rio Earth Summit, and an opposite trend in Foreign Direct Investment.

While signalling a need for a greater recognition and a role for business in sustainable development, Mr Toepfer also pointed out that increasing foreign direct investment was benefitting only a dozen of the more favoured developing nations.

Many of the least developed countries remained reliant on the export of raw natural materials, which are vulnerable to market fluctuations. Access to small loans, secure tenure, good governance, gender equity and educational opportunities were also crucial issues for sustainable development.



He urged the forum to emphasize flexibility in tackling the needs of developing countries, and suggested creative combinations of “officially credited foreign investment” and “debt for education” as well as ‘debt for nature’ swaps.

Mr Toepfer congratulated the Japanese Environment Minister for catalyzing dialogue on these important issues at a crucial time in the lead-up to the Johannesburg Summit. “As the

largest, most populous, fastest growing, and most diverse region, Asia-Pacific holds the key to the global sustainable development challenge,” he said.

“It is essential that we seize the opportunity provided by the Johannesburg Summit to redefine our relationship with this planet and with each other, building on what was achieved 10 years ago at Rio’s United Nations Conference on Environment and Development.”

The APFED meeting was organized by the Ministry of the Environment of Japan, the Ministry of Science, Technology and Environment of Thailand, the United Nations Environment Programme, the Economic and Social Commission for Asia and the Pacific (ESCAP), the Thailand Environment Institute and the Institute for Global Environmental Strategies.



Publication:....

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Poverty alleviation and food security will remain a basic challenge to development in Asia in the twenty-first century. Although the continent of Asia has taken major strides to accelerate its development, it still contains the largest number of poor mainly in the rural farming sector. Indications show that small agricultural operators, in particular, had benefitted little from rapid development. They were increasingly abandoning their land and migrating to cities in large numbers – thereby increasing pressure on the already overburdened urban infrastructure. The need to improve the socio-economic condition of farmers through the introduction of innovative techniques in the agricultural sector that would enable them to increase their income through enhanced production, on the one hand, and safeguard the environment on the other, are critical. IPM and green farming appear to have great potential in this regard.



Use of agro-chemicals from the 1970s onwards was regarded as essential for promoting food security and agricultural growth, thereby contributing to the alleviation of rural poverty. The concept of IPM, was subsequently introduced as a valuable alternative to the indiscriminate spread of pesticides use. It was, however, observed that the implementation of IPM technology was slow and limited, owing largely to the low level of literacy, lack of research results, updated information and data particularly on socio-economic and cost benefit analysis of alternatives, and also a lack of conviction at the policy-making level in the government. Its socio-economic impacts on small farmers were also not sufficiently assessed to provide incentives for wider application. The Regional Workshop on Integrated Pest Management and Green Farming in Rural Poverty Alleviation was convened in Suwon, Republic of Korea from 11-14 October 2000, to find suitable answers to these problems.

The workshop reviewed the current status and future prospects of pesticides utilization and its impacts on the region’s environment with special reference to IPM and green farming and identified priority activities for follow-up work at regional, subregional and national levels. It is hoped that the in-depth case study, country reports, and the report of the regional workshop contained in this publication would contribute to promoting awareness of the importance of IPM and green farming, in encouraging farmers to adopt these technologies towards creating a sustainable environment. It is hoped that the application and promotion of these technologies among farmers would contributed to increased income earning capacities among the rural poor, in an effort to alleviate rural poverty.

For further information, kindly contact Mr Kiran Pyakuryal, Chief, Rural Development Section.



**Investment in global health will save 8 million lives a year
and generate at least US\$ 360 billion annual gain within 15 years,
says a new report presented to WHO**

The Commission on Macroeconomics and Health (CMH) produced a report – **Macroeconomics and Health: Investing in Health for Economic Development** which breaks new ground in providing evidence-based recommendation linking investments in health sector to economic growth and poverty reduction.

This report offers a new strategy for investing in health for economic development, especially in the world's poorest countries, based upon a new global partnership of the developing and developed countries. Timely and bold action could save at least 8 million lives each year by the end of this decade, extending the life spans, productivity and economic well-being of the poor. Such an effort would require two important initiatives: a significant scaling up of the resources currently spent in the health sector by poor countries and donors alike; and tackling the non-financial obstacles that have limited the capacity of poor countries to deliver health services.

The Commission was chaired by Prof. Jeffrey D. Sachs, Director, Center for International Development, Harvard University. Its 18 commissioners are leaders in economics, finance, public health, and development. Six working groups, involving hundreds of specialists in public health and economics, conducted key analyses for CMH to ensure that policy

recommendations put forward are the outcome of extensive research and are based on solid facts.

These leading economists and health experts maintain that, by 2015-2020, increased health investments of US\$ 66 billion per year above current spending, will generate at least US\$ 360 billion annually. About half of this would be as a result of direct economic benefits: the world's poorest people would live longer, have many more days of good health and, as a result, would be able to earn more. The other half would be as a consequence of the indirect economic benefits from greater individual productivity. It would mean a total economic gain of at least US\$ 360 billion per year – a six-fold return on the investment.

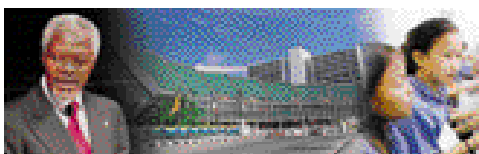
To achieve this, the experts state that a dramatic increase in resources for health over the next few years is needed. About half of the total increase would have to come from international development assistance, while developing countries would provide the other half by re-prioritizing their budgets.

Additional investments in health – requiring of donors roughly one-tenth of one per cent of their national income – would be repaid many times over in millions of lives saved each year, enhanced economic development, and strengthened global security.

“With bold decisions in 2002, the world could initiate a partnership between rich and poor of unrivalled significance, offering the gift of life itself to millions of the world's dispossessed and proving to all doubters that globalization can indeed work to the benefit of all humankind,” write the 18 members of CMH in a joint foreword to their Report. The investment plan, they conclude, is needed to meet the Millennium Development Goals for health agreed by the international community at the Millennium Summit of the United Nations in September 2000.

The Report argues that the links between health, poverty reduction and economic growth are much more powerful than has been generally understood. The Commissioners use clear scientific evidence to challenge the traditional argument that health will automatically improve as a result of economic growth. Their Report shows that the opposite is true: improved health is a critical requirement for economic development in poor countries.





**Pyongyang women's trading and garment center's success at
Hong Kong fashion week: *UNIFEM-UNDP support reaps rewards for the
women of Democratic People's Republic of Korea***

For the second year, UNIFEM-UNDP supported the participation of Pyongyang Women's Trading and Garment Center (PWTGC) in Hong Kong Fashion Week.

Hong Kong is the world's second largest clothing provider and fashion capital of Asia. Each year the world apparel and accessories industry gathers in Hong Kong for Fashion Week. This year 900 exhibitors from 19 countries took part in the four-day event from the 15-18 January 2002.

PWTGC through its participation this year, garnered a number of new buyers and an invitation to exhibit at the World Apparel Market in Brussels. The Center's exhibition attracted over 64 buyers from all over the world. Many were serious buyers looking for a complementary and

alternative source of goods from emerging markets. Buyers from Australia, Mexico, Hong Kong and China showed strong interest, and 19 companies placed orders.

The Center operated and managed by women, was established under a UNIFEM project in Pyongyang City in the Democratic People's Republic of Korea. At the end of the pilot project, a joint UNIFEM-United Nations Development Programme (UNDP) project continued support to the Center. Through UNIFEM and UNDP, the enterprise had received modern equipment and technical support and skills training in design, production and marketing.

Following its success at Hong Kong Fashion Week 2002, PWTGC had been invited to attend the Interstoff Asia in Hong Kong and the Inter Textile Fair in

Beijing, both in March. It also received press exposure in Germany where the success of the project has impressed many.

The Center has since establishment in 1998, achieved strong growth, with orders increasing from zero in 1998 to over US\$ 300,000 in 2000/2001. The economic empowerment and enhanced skills base provided through the project is providing a positive example to other women, not only in the Democratic People's Republic of Korea, but also in other emerging nations.

PAI

Poverty Alleviation Initiatives (PAI) is published quarterly, as an interagency endeavour to provide United Nations initiatives on poverty alleviation in Asia and the Pacific region. The inputs for the newsletter are provided by the members of the Thematic Working Group on Poverty Alleviation, Rural Development and Food Security.

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Present membership of RCM, includes ESCAP, UNICEF, UNEP, UNFPA, UNDP, and FAO, ILO, UNESCO, UNIDO, UNIFEM, and WHO.

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