

Globalisation and Poverty Reduction: For People and Planet

The BOND Development and Environment Group (DEG) Response to the Conservative Party Policy Commission on Globalisation and Poverty Reduction

A Call for Action: The UK must pursue a coherent sustainable international development strategy for poverty eradication within a ‘One Planet Economy’¹ that acknowledges the critical importance of environmental sustainability, and consistently addresses the impacts of all UK policies and actions upon developing countries.

The Conservative Party Commission on Globalisation and Poverty Reduction provides an excellent opportunity to show true leadership in eradicating poverty and achieving sustainable development. The global imperatives and challenges of poverty eradication and ensuring environmental sustainability will require concerted and coherent action is urgently needed across government to address these global challenges.

FACING THE FACTS: POVERTY AND ENVIRONMENT LINKAGES

Poverty eradication and sustainable development depend upon ensuring environmental sustainability; otherwise, any gains will be transitory and inequitable.² This fact has been acknowledged at the highest level.³ However, within many development contexts, the environment is associated principally with checks and barriers to development. This is a false distinction as environmental management can unlock natural resources as the wealth of the poor as well as acting as a vital buffer for coping with social, economic and environmental shocks.

The environment refers to the living (biodiversity) and non-living components of the natural world, and to the interactions between them, that together support life on earth. The environment provides goods (natural resources) and services (ecosystem functions) used for food production, the harvesting of wild products, energy, and raw materials. The environment is also a recipient and partial recycler of waste products from the economy and an important source of recreation, beauty, spiritual values, and other amenities. Amongst their many pressing development challenges, however, developing country governments generally lack capacity and resources to identify, invest in, sustainably use, measure, monitor and regulate their environmental assets.⁴ The development community urgently needs to increase its understanding of and action on how environmental management can constructively underpin poverty eradication and sustainable development.

Some 2.7 billion people - almost half the world population - still live below the \$2 a day poverty line.⁵ They are disproportionately dependent on utilising environmental goods and services for livelihood security⁶. Positive environmental management, linked to improved and more equitable governance at all levels, offers opportunity to realise untapped wealth for billions of poor people, whilst protecting natural resources for present and future generations. This is an essential part of “good governance”.

However, the poor and particularly women, often lack voice, access and rights over their immediate resources - as well as to technologies and markets that enable them to earn a living from their resources. Institutional failures and a lack of good governance increasingly disenfranchise the poor and degrade their natural assets. The poor are increasingly environmentally marginalised, forced into fragile and unproductive ecosystems or urban slums, which are worst affected by natural disasters and environmental hazards (such as floods, droughts, land slides).

Mounting evidence demonstrates that the international development system is failing on the environment, with severe consequences for the poorest.⁷ MDG7 (ensuring environmental sustainability) is way off track and threatens the achievement of other MDGs.⁸ The world is facing dire environmental consequences - climate change, biodiversity loss, declining ecosystem services, increasing vulnerability and tension and conflict. Climate change, largely fuelled by rich nations over-consumption, threatens the livelihood security, health, food production and water supplies for billions of people,⁹ undermining development gains and disproportionately impacting the poorest.¹⁰

DELIVERING SUSTAINABLE DEVELOPMENT WITHIN A “ONE PLANET ECONOMY”

Addressing such global challenges as climate change, ecosystem degradation, HIV/AIDS, population dynamics and conflict, requires a fair and just multilateral system. Rich countries and the undemocratic global institutions they dominate (e.g. World Bank, IMF and WTO), largely create the arena of macroeconomic conditions within which low-income countries attempt to develop. Through distorted policies and markets, and unfair trading arrangements, this system can fuel poverty, inequality and unsustainable environmental practices, and then fail the world's poor and exacerbate environmental degradation. To deliver sustainable development, equity and justice for all, there is an urgent need to re-balance power and ensure much better participation, accountability and transparency in decision-making.

Despite recognising the multi-dimensional nature of poverty, the UK Government's current poverty reduction agenda is principally focussed on economic growth, usually measured by Gross Domestic Product (GDP). This simplistic focus on growth and GDP as the means to reduce poverty, fails to reflect inequality (including access to assets and opportunities), the multiple deprivations by which poor people themselves identify their poverty, the condition of the world's natural life-support systems (upon which life depends) and the failings of “trickle down” development. Pro-poor, pro-environmental growth increases the quantity and productivity of the per capita assets available to the poor (e.g. natural, physical, social, financial and human) whilst ensuring that the management of natural resources recognises their true importance to well-being and, where allocated through markets, decisions are based on societal, not private costs and benefits.¹¹

Despite encouraging recent pronouncements, UK domestic and international policy in many areas (e.g. energy, transport, trade, and foreign policy) lacks coherence with international poverty eradication and sustainable development objectives. There is a real need for the UK to get its own house in order and to demonstrate good governance locally, nationally, within the EU and globally. This includes commitment to achieve sustainable development - and not merely economic growth. UK government's move towards a 'One Planet Economy' (an economy that grows within the capacity of the planet's resources) as part of the UK Sustainable Development Strategy acknowledges that economic growth cannot be measured as a success in isolation, or an end in its own right, but must be judged by its global impact on people and the environment.

DFID'S COMPARATIVE ADVANTAGE

Historically, DFID has been a respected change agent within the International Development community, e.g. supporting Livelihoods Approaches and comprehensive Participatory Poverty Assessments - listening to the voices of the poor.¹² DFID has been a global leader in sustainable development, championing links between development and environment – particularly for the World Summit on Sustainable Development and the Poverty and Environment Partnership (PEP). DFID has proven international leadership and considerable experience in this field, which should not be marginalized or allowed to atrophy; but rather capitalised upon to help developing countries eliminate poverty and achieve sustainable development.

A CHALLENGE TO THE CONSERVATIVES

It has been acknowledged at the highest level that: “*We fundamentally depend on natural systems and resources for our existence and development*”, and “*Our efforts to defeat poverty and pursue sustainable development will be in vain if environmental degradation and natural resource depletion continue unabated*” (Kofi Annan, UN Secretary General, 2005).¹³ International development and environment NGOs are forming active coalitions to tackle global challenges (e.g. Stop Climate Chaos, Trade Justice, CORE etc.). Environment and development issues are of increasing public concern, offering new opportunities for political support. Future public support for poverty reduction will be more secure if it links strongly to other issues about which the public is concerned, notably the environment. We are willing to support HMG on these issues, if it is prepared to take a strong public position, backed by committed action to deliver sustainable development and make poverty history.

We recommend that the Conservative Party explicitly implement a “New Vision” for Poverty Eradication and Environmental Sustainability within a “One Planet Economy”. This requires:

Delivering Development More Effectively: A New Approach to Eliminating Poverty

1. **Ensuring environmental sustainability is explicitly recognised as a prerequisite for sustainable growth and development.** *This requires the identification of the necessary policies, tools and systems to commit to action and articulate a vision for ‘green’ economic prosperity as the foundation for poverty*

eradication, sustainable development and achieving other MDGs. This entails targeting new resources and political will towards ensuring effective environmental mainstreaming and policy coherence in support of MDG7.

2. **Explicitly recognising the multi-dimensional nature of poverty and development, develop, use and promote measures that reflect this.** *It is essential to develop, use and promote a more nuanced basket of indicators that reflect and measure real progress in eliminating poverty rather than focusing on simplistic monetary GDP or dollar per day measures that address neither deprivations in human development (health, education and gender equality etc.) nor non-reversible reductions in natural assets and environmental damage.*
3. **Climate change (i) Supporting developing countries:** *Increase commitment to creating a low carbon future and ensure all development assistance minimises climate and disaster-related risks, including through using climate safeguard policies. Promote developing countries participation in the formal UN process to negotiate a post 2012 climate framework based on a strengthened and expanded Kyoto architecture. Stress the urgent need to help developing countries adapt to climate change and champion (i) the LDC Fund created by the UNFCCC (at COP7 in Marrakech) (ii) the Kyoto framework and (iii) the five year programme of work on adaptation agreed at COP 11 and COP/MOP1, including the provision of substantial funding and technical support to assist LDCs to adapt (as per Commission for Africa Report).¹⁴*
4. **Climate change (ii) Ensuring UK leadership:** *Continually endorse the strong scientific evidence for climate change. Implement significant cuts in UK emissions and strongly encourage all developed countries to assess their consumption patterns and reduce carbon emissions, supporting a robust policy framework for G8 countries' long-term action on climate change. HMG should establish a UK Carbon Budget to deliver a reduction in UK carbon emissions of 3% per year. Within such a framework, the UK Government must encourage behavioural change at all levels of society through tax incentives, effective education and awareness-raising. DFID and DEFRA should engage with the Treasury to shape ethical and environmentally friendly procurement strategies.*
5. **Technology:** *Support access to renewable and environmentally sound technologies to help developing countries leapfrog environmentally damaging development processes. This should include developing new industries and skills and capturing new markets based on a 'green' economy and provision of environmentally sustainable goods and services. The UK should work with the World Bank, other IFI and G8 countries to promote much more ambitious investment targets for renewables and to support sustainable and socially responsible businesses in emerging economies.*
6. **Urbanisation:** *Between 2000 and 2030, the urban areas of the less developed regions will absorb 95 per cent of the world's population growth.¹⁵ There is an urgent need to support national governments, all development agencies, civil society and key institutions in cities with resources and technical capacity to address challenges posed by rapidly urbanising environments.*
7. **Rural Development:** *Agriculture is central to the livelihoods of the rural poor who, in spite of rapid urbanization, still account for the majority (around 70 per cent) of the world's poor.¹⁶ Hence support national governments, development agencies, civil society and key institutions responsible for agriculture, natural resource management (e.g. water, forestry and fisheries) and rural development with resources to address the inequalities in rural areas by encouraging investment to promote social equity and environmentally sustainable agriculture.*
8. **Marginalised groups:** *Explicit targeting of support for and recognition of the importance of including marginalised groups and communities (including women, elderly, children and indigenous people) in consultations, planning, projects, programmes and decision-making processes. Gender issues need to be mainstreamed to ensure policies and practice are in line with internationally agreed instruments such as the Convention on the Elimination of Discrimination Against Women (CEDAW), the subsequent Beijing Platform for Action, and Security Resolution 1325. It is necessary to do more to recognise and support reproductive health rights for women, and mainstream equity, reproductive health and population issues within the international agenda.*
9. **Strengthening civil society participation in strategic planning and decision making at all levels.** *Support the poor and marginalised (including women, elderly, children and indigenous people) to increase their participation in planning and decision-making and increase government accountability. It is essential to promote Principle 10¹⁷ for access to information, justice and participation in decision-*

making. Promote pro-poor improvements in environmental governance and decentralisation by supporting and funding appropriate institutions, legislation and policy decentralisation frameworks focusing on rights, entitlement and sustainable use.

- 10. Supporting alternative models of economic growth and poverty reduction.** The UK should promote shifts in the global economic system, enabling collective and effective decision-making in the long-term interest and support well informed participatory democracy, accountability and transparency to truly deliver sustainable development, including by revitalising local economies and small enterprise. Where it is more difficult to reconcile economic, social and environmental priorities, decisions should be made through fully informed open and transparent decision-making processes through multi-stakeholder and cross-sector debate and sound analysis.

Delivering Aid Effectively for Sustainability

- 11. Recognise benefits and limitations of Direct Budgetary Support (DBS) and develop flexible funding mechanisms for targeting the poor.** *Develop adaptable and transparent funding systems that build effective states but also respond to the needs of the poor in fragile states, support sub-national governance and local institutions, and provide resources for off-track MDGs such as MDG7. Alternative avenues for supporting developing countries to strengthen civil society engagement in decision-making, build local capacity, invest in institutions and increase investment for critical environmental assets should be explored.*
- 12. Championing “no economic policy conditionality” in donor circles and multilateral processes** (whilst recognising and listening to developing country Community Based Organisations who tend to be more favourable towards the use of political conditionalities).¹⁸ There must be accountability of funding to IFIs and support transparency over resource-related decision-making. The UK should not fund bilateral programmes with multilateral intuitions that are using economic conditionality and the UK should use its leverage within these institutions to influence them to support a no economic conditionality position. The UK should also ensure its support for multilateral institutions upholds and advances best practice related to establishing social and environmental safeguards (with reference to international standards and conventions).
- 13. Ensuring specific international development ‘Action Plans’ (e.g water and sanitation) are actually delivering, and coherently address environmental issues and opportunities** (e.g *delivering on commitments to integrated water resource management (IWRM) and water efficiency*). *This requires DFID should regularly monitor, review and publish “from commitment to action” position papers to show progress on its Action Plans (as it has done for health and education).*
- 14. Disaster management:** Increase support for reducing disaster risks and lead in implementing the Hyogo¹⁹ Framework for Action including developing interim targets and timeframes and generating greater political will for disaster risk reduction, championing preventative approaches on the international stage (especially EU).

Sustainable Approaches to Trade and Private Sector

- 15. Stopping “Forced Liberalisation” of developing country’s markets, restoring their discretion over trade and other policies.** The UK should call for and promote an urgent and objective review of the Doha Round WTO negotiations to consider consistency with global needs for poverty reduction and reducing carbon emissions. There is a need to re-assess the merits of further liberalisation in the trade of natural resources (including agricultural products) and consider what fresh multilateral rules are needed to ensure trade in resources helps rather than hinders poverty reduction and sustainable development.
- 16. Promoting transparency, accountability and regulation of the private sector (particularly Trans National Corporations)** - *especially with regard to private sector operations in developing countries and in conflict areas.* It is necessary to prioritise regulation of UK and EU companies operating in

developing countries as called for by CORE Coalition.²⁰ Specifically new laws in 3 key areas: mandatory sustainability reporting, directors' duties, and access to justice.

Establishing a coherent approach to Globalisation and Poverty Reduction

17. **Identifying and changing UK, domestic - international and EU policy (e.g. energy, trade, agriculture, fisheries and foreign policy) that lacks coherence with international development objectives.** *This would require development of new legislation (e.g. Swedish international development legislation²¹) for coherence on international sustainable development policy. An interdepartmental policy working group should be established to monitor and address constraints for increasing policy coherence across HMG – this could be moderated by the Sustainable Development Commission as part of its remit to follow up on the UK Sustainable Development Strategy.*
18. **Support increased international donor harmonisation and coherence on international development policy.** *Continue to lead in ensuring the Paris Declaration²² is operationalised, especially its environmental commitments and with gender commitments to be meaningfully integrated. It is necessary to offer developing countries technical capacity and policy support for environmental analysis, assessment, investment and implementing environmental legislation and commitments.*
19. **Championing fundamental international architectural shifts to ensure long-term environmental sustainability and poverty eradication.** *Conservative Policy should support multilateral system reform (including UN, World Bank, IMF and WTO) to ensure genuinely democratic processes and institutions that give an equal voice to developing countries and ensure social and environmental objectives are properly safeguarded. There should also be pro-active in reforming International Financial Institutions (IFI) positions to support pro-poor sustainable development and the UK's own position in multilateral negotiations should promote pro-poor sustainable development.*
20. **Ensuring consistency with the European Policy.** *It is essential to ensure consistency with the "European Consensus" (November 2005) and the EU Treaty objective of promoting sustainable development. Ensure adherence to the European Community principles of coherence for development and cooperation policy (Article 178) as well as environmental integration across all policies (Article 6). Including effective environmental mainstreaming and timely use of environment screening tools and procedures.²³*
21. **Recognising environmental trends and uncertainties as key opportunities as well as threats for future development paths.** *The UK should use and support models and tools such as impact assessments, scenario building and 'horizon scanning' to help themselves and others, including in developing countries, better understand the implications of present and future issues and choices linked to sustainable development and achieving poverty eradication in a rapidly changing world. Environmental challenges will need increasing political commitment and civil society engagement at all levels to maximise the potential for increased cooperation and coordination, and to avoid possible conflict (for example, linked to water resources).*
22. **Ecosystems and natural resources:** *It is essential to ensure that environmental needs are mainstreamed in development planning.²⁴ This requires giving much more attention to supporting developing countries to identify, monitor and measure their environmental assets, effectively analyse and use environmental information. Including using these to meet national, regional and international environmental commitments, for poverty monitoring, development and strategic planning, national accounting and budgeting, and the development of policy and legislation. This includes mainstreaming environmental concerns into governance systems, strategic plans and budgets, key sectors and into investment protocols. This should build on key country experience and research (e.g. in Tanzania and Ghana, and the 2005 PEP recommendations²⁵).*

The UK should also deliver on its intention to invest directly in environmental assets that are important for poverty reduction.²⁶ greater funding is needed to support investment in the productivity, restoration and protection of biodiversity and ecosystem services that generate critical resources for livelihood security and underpin development, and into systems that improve and guarantee poor people's access and rights to natural resources.

This response was prepared by the Development and Environment Working Group (DEG) of BOND (British Overseas NGOs for Development), based on a consultative process with BOND members and developing country partners. BOND is a network of more than 300 UK based voluntary organisations working in international development. <http://www.bond.org.uk/>. DEG works for a powerful collective voice demonstrating critical evidence and workable solutions for poverty eradication, environmental management and sustainable development. <http://www.bond.org.uk/wgroups/environment/index.htm>.

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- ⁹ Tear fund (2005) Dried up, drowned out. <http://www.tearfund.org/webdocs/website/campaigning/policy%20and%20research/driedupdrownedout.pdf>
- ¹⁰ Simms, A et al. (2004). *Up in Smoke? Threats from and responses to the impacts of global warming on human development*.
- ¹¹ Natural resources referring to all natural assets and ecosystem services they support.
- ¹² Brocklesby, M. A., and E. Hinshelwood (2001). *Poverty and the Environment: What the Poor say. An Assessment of Poverty-Environment Linkages in Participatory Poverty Assessments*. DFID, London.
- ¹³ Report of the UN Secretary General (2005) *In Larger Freedom: towards development, security and human rights for all*.
- ¹⁴ The Commission for Africa Report, HMG (2005) “from 2008 donors should make climate variability and climate change risk factors an integral part of their project planning and assessment and meet commitments on funding for adapting to the risks and impacts of climate change”.
- ¹⁵ UN-Habitat (2003). *Slums of the World: the face of urban poverty in the new millennium?*. Nairobi: UN-Habitat.
- ¹⁶ DFID (2003). *Agriculture and poverty reduction: unlocking the potential*, a DFID policy paper, December 2003.
- ¹⁷ Principle 10 of The Rio Declaration (1992) “Environmental issues are best handled with the participation of all concerned citizens at the relevant level. At the national level each individual shall have appropriate access to information concerning the environment.... States shall facilitate and encourage public awareness and participation.... Effective access to judicial and administrative... shall be provided.” Paragraph 128 of the WSSD, 2002, further support this as does a number of Multilateral agreements (e.g. Aarhus Convention, 1998 and the Malmo Declaration 2000).
- ¹⁸ Menocal, A.R. and A. Rogerson (2006). *Which Way the Future of Aid? Southern Civil Society Perspectives on Current Debates on Reform to the International Aid Systems*. Working Paper 259.ODI, London.

¹⁹ International Strategy for Disaster Reduction (2005), *Hyogo Framework for Action 2005-2015: Building the Resilience of Nations and Communities to Disasters*. www.unisdr.org/wcdr

²⁰ The Corporate Responsibility (CORE) Coalition set up in 2001, represents over 130 charities and campaigning organisations, faith-based groups, community organisations, unions such as AMICUS, GMB, UNISON and TGWU, businesses and elected representatives. (<http://www.corporate-responsibility.org/>)

²¹ In December 2003 the Swedish Parliament adopted ‘*Shared responsibility - Sweden's policy for global development*.’ ... ‘Global development policy is a task for the whole government and not merely a development assistance issue. All policy areas have a common overall objective for global development policy: to contribute to equitable and sustainable global development. ... Equitable and sustainable global development can only be achieved by many forces pulling in the same direction. Coherence must characterise national and EU policies alike. Links must be made between security, trade, agriculture, public health and migration policies and global development.’ From ‘*Global development and development cooperation*’, online at <http://www.sweden.gov.se/sb/d/3102>.

²² Paris High Level Forum (2005). Opt *cit*.

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²⁶ DFID (2006) Environment Approach Paper.