



Poverty Reduction Challenges and ADB's Poverty Reduction Strategy

Shiladitya Chatterjee

Head, Poverty Unit

Regional and Sustainable Development Department

Asian Development Bank

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ADB



Overview

- I. Poverty in Asia- Pacific

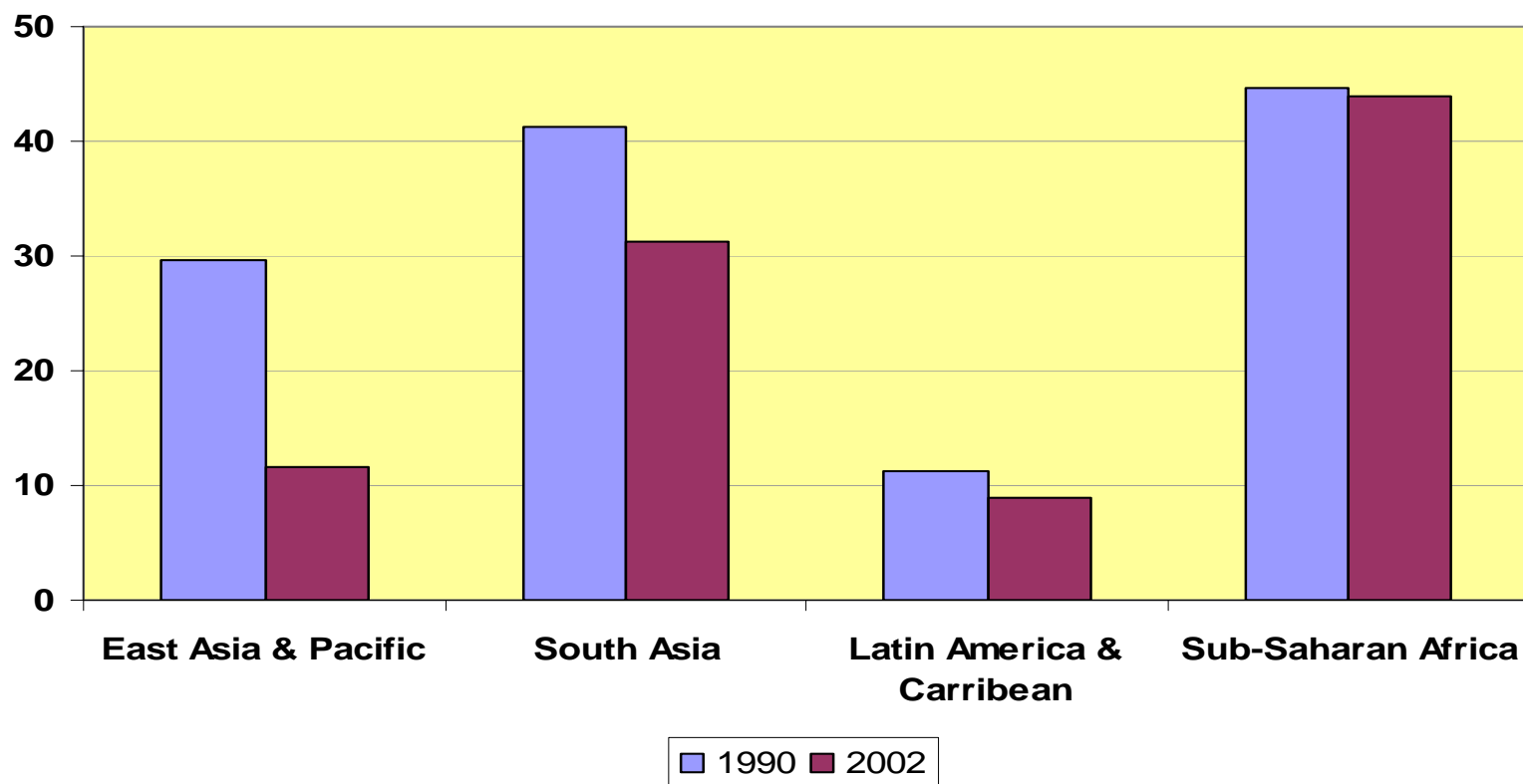
- II. ADB's Poverty Reduction Strategy



Poverty in Asia-Pacific

Progress on Income Poverty

Poverty Headcount by Region, 1990 and 2002: Percent of Population Living on Less than \$1 a day



Source: Global Monitoring Report 2006



Poverty in Asia- Pacific

Role of growth and distribution in income poverty reduction

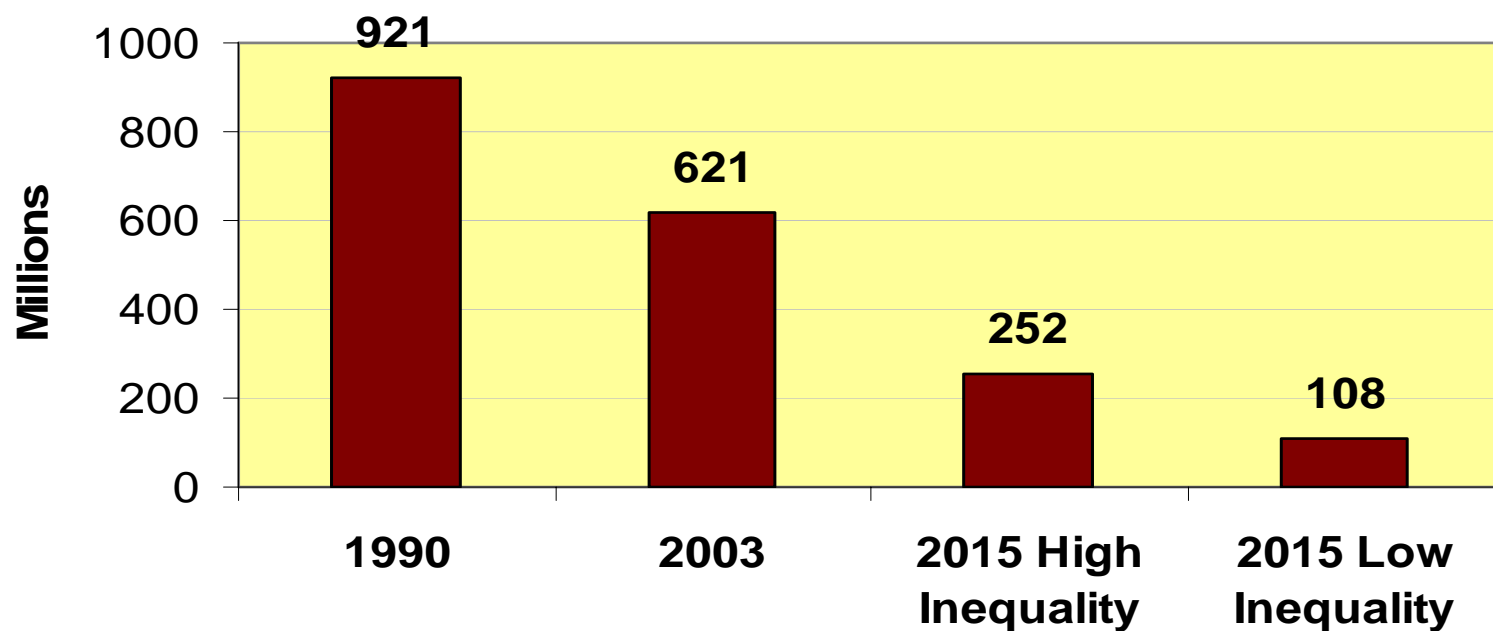
- 1% increase in growth in per capita income causes 2% reduction in poverty incidence
- Impact of growth larger in Asia-Pacific owing to lower inequality



Poverty in Asia-Pacific

Growth Inequality and Poverty

\$1-a-Day Poverty Numbers: Current and in 2015 Under Alternative Inequality Assumptions



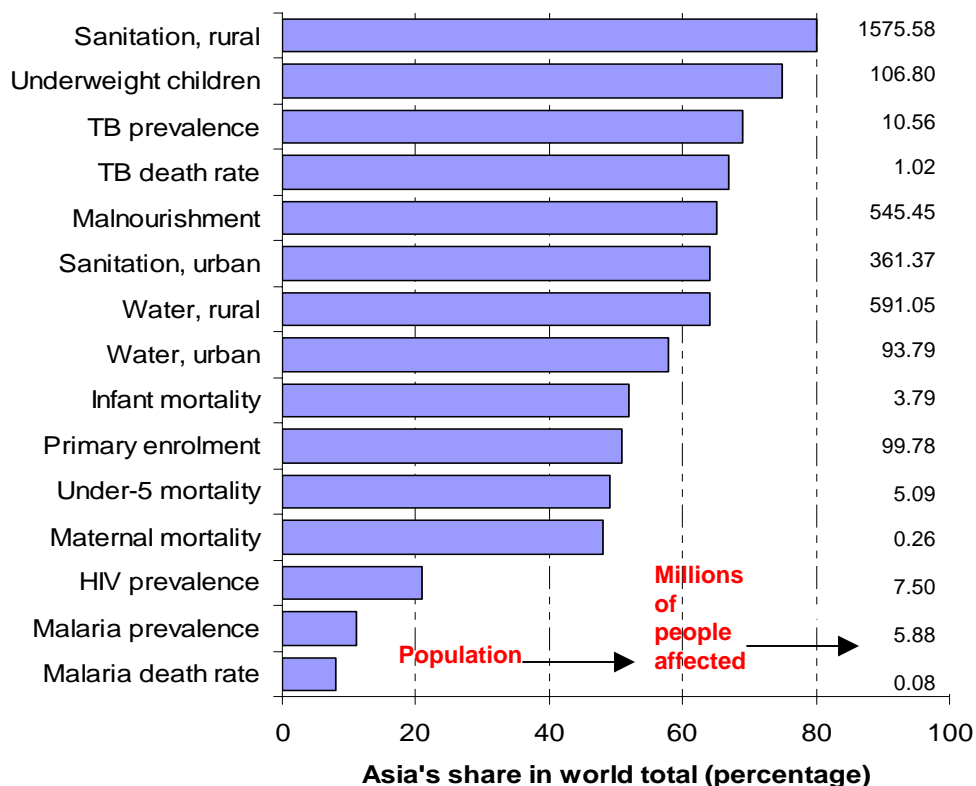
Source: ADB Key Indicators 2005



Poverty in Asia-Pacific

Progress on MDGs and non-income poverty slow

People living in social and economic poverty in Asia, latest value



- By absolute numbers of the deprived, Asia-Pacific clearly faces the biggest challenge amongst developing regions of the world

Source: Achieving the MDGs in Asia: A case for more aid?, UNESCAP, 2006



ADB's Poverty Reduction Strategy

Three Pillars

- Pro-poor sustainable economic growth
- Inclusive social development
- Good Governance



Pro-poor Sustainable Economic Growth

- Pro-poor economic growth
- Private sector participation
- Regional and subregional cooperation
- Environment and natural resources management



Inclusive Social Development

- Human capital development
- Social capital development
- Gender and development
- Social protection



Good Governance

- Improved public sector performance
- Anticorruption
- Participation of stakeholders



ADB's Poverty Reduction Strategy

Changes in Strategy under Enhanced PRS

- **Thematic Priorities**
- **Stronger Country Focus**
- **Improved Institutional Capacity**
- **Improved Monitoring and Evaluation**



Thematic Priorities

- Gender equality
- Environmental sustainability
- Private sector development
- Regional cooperation
- Capacity development



Strong Country Focus

- **Country-related priorities**
- **ADB efforts integrated around National Poverty Reduction Strategies**
- **Strengthening partnerships for PRS**



Improved Capacity to Deliver PRS

- **Financial Capacity**
 - Financial and concessional resources
 - Modalities and instruments
- **Organizational Capacity**
 - HRD, skills mix and incentives
 - Expanding knowledge base
 - Strengthening resident mission capacity



Improved Monitoring and Evaluation

- Institutional performance assessed through a results-based monitoring and evaluation system
 - Project
 - Country
 - Sector and thematic
 - Institutional
- In line with new Managing for Development Results Framework



Main Challenges

- **Improved functioning of staff and organization**
- **External Risks**
 - Economic uncertainty and political instability
 - reforms to withstand shocks
 - Effective global partnership (MDG 8)

POVERTY REDUCTION



ADB's Overarching Goal

Thank You

schatterjee@adb.org

<http://adb.org/Poverty/default.asp>

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