

## UNITED NATIONS DEVELOPMENT PROGRAMME

## DEVELOPMENT PLANNING AND INCLUSIVE SUSTAINABLE GROWTH

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Ours is the last generation which can head off the worst effects of climate change and the first generation with the wealth and knowledge to eradicate poverty. For this, fearless leadership from all of us is needed.

- Helen Clark, United Nations Development Programme Administrator.

#### Introduction

The United Nations Development Programme's (UNDP) goal is to strengthen capabilities and enhance opportunities to reduce poverty and marginalization, while focusing on the most vulnerable and therefore excluded groups, in ways that are sustainable from economic, social and environmental standpoints. Promoting an integrated approach, the UNDP is targeting multidimensional poverty, inequality and exclusion, and sustainability by enhancing knowledge, skills, and production technologies to reduce risk and sustain development gains. Working with its international, regional, national, and civil society partners, the UNDP looks towards achieving sustainable development which likes policy with planning and programming for promoting results-based management, instating quality safeguards, monitoring and evaluating impact, while learning from both failures and successes. "Economic growth won't reduce poverty, improve equality, generate jobs and secure livelihoods unless it is inclusive and sustainable." All groups must contribute towards creating opportunities, sharing the benefits and participating in decision-making.<sup>4</sup>

On 25 September 2015, more than 150 world leaders adopted the new 2030 Agenda for Sustainable Development at the United Nations Sustainable Development Summit. The 2030 Agenda for Sustainable Development included 17 new Sustainable Development Goals (SDGs), also known as the Global Goals. These build upon the Millennial Development Goals (MDGs), which will there was great progress made towards achieving these goals, were not achieved. With a more aggressive and grandiose plan to eliminate poverty, rather than just reduce it, the

<sup>&</sup>lt;sup>1</sup> Sustainable development, UNDP, 2016

<sup>&</sup>lt;sup>2</sup> Development impact, UNDP, 2016

<sup>&</sup>lt;sup>3</sup> Development planning and inclusive sustainable growth, UNDP, 2016

<sup>&</sup>lt;sup>4</sup> Development planning and inclusive sustainable growth, UNDP, 2016

Global Goals include more goals regarding health, education and gender equality.<sup>5</sup>

## **Scale of the Problem**

During and immediately after the 2008-09 global economic recession, poverty in the world reached an all-time high, particularly when measured in terms of sheer numbers. With about 3.5 billion people, half the world population, living in urban areas<sup>6</sup>, the need for development planning and inclusive sustainable growth has never been greater. According to UN projections, the urban share of the population could reach 60% by 2030 and 67% by 2050. Most of that growth is expected to take place in developing countries where the urban population is expected to double from 2.6 billion in 2010 to 5.2 billion in 2050. By implementing inclusive and sustainable development in these areas, many opportunities may arise including: broader economic development and competitiveness; improved urban functions (i.e. transportation, circulation, accessibility, safety from and resilience to natural disasters, urban ecology); increased social inclusivity; and reduction of abject poverty and wealth gaps.<sup>7</sup> Over 600 million additional jobs are urgently needed over the next decade in order to merely sustain growth and maintain social cohesion.<sup>8</sup>

## Combating Inequality & Achieving the Global Goals

There was much progress made towards achieving the Millennium Development Goals (MDGs), but more work remains to achieve the Sustainable Development Goals (SDGs)/Global Goals. Worldwide, more than 800 million people are still living on less than \$1.25USD a day. Many of these people lack access to sufficient food, clean drinking water and sanitation. In 2013, the number of people living in extreme poverty was up to greater than 1.2 billion. As the global economy recovers from the long-lasting impacts of the economic crisis of 2008-2009, there has been slower growth, widening inequalities and employment not expanding quickly enough to keep up with the growing labour force. According to the International Labor Organization (ILO), more than 204 million people were unemployed in 2015. Inequalities have been worsening for some time, however, and is not just a result of the global economic crisis of the late 2000s. Income inequality increased by 11% in developing countries between 1990-2010. Income inequality increased by 11% in developing countries between

Achieving the Sustainable Development Goals (SDGs) will require far more accurate reporting and analyses of relevant development statistics, particularly at the local level. Many

<sup>&</sup>lt;sup>5</sup> Anjali Kwatra, Wynne Boelt, World leaders adopt Sustainable Development Goals, UNDP, 25 September 2015

<sup>&</sup>lt;sup>6</sup> Eric S. Belsky, Nicholas DuBroff, Daniel McCue, Christina Harris, Shelagh McCartney, Jennifer Molinsky, Advancing Inclusive and Sustainable Urban Development: Correcting Planning Failures and Connecting Communities to Capital, November 2013

<sup>&</sup>lt;sup>7</sup> Eric S. Belsky, Nicholas DuBroff, Daniel McCue, Christina Harris, Shelagh McCartney, Jennifer Molinsky, Advancing Inclusive and Sustainable Urban Development: Correcting Planning Failures and Connecting Communities to Capital, November 2013

<sup>&</sup>lt;sup>8</sup> Livelihood and jobs, UNDP, 2016

<sup>&</sup>lt;sup>9</sup> Goal 1: No poverty, UNDP, 2016

<sup>&</sup>lt;sup>10</sup> Poverty Reduction | Humanity Divided: Confronting Inequality in Developing Countries, UNDP, 2013

<sup>&</sup>lt;sup>11</sup> Goal 8: Decent work and economic growth, UNDP, 2016

<sup>&</sup>lt;sup>12</sup> Poverty Reduction | Humanity Divided: Confronting Inequality in Developing Countries, UNDP, 2013

developing countries report development statistics sporadically; improving the timeliness of this reporting is one critical step towards ensuring accurate and relevant data collection and analysis to better inform policy-makers and related development partners. While increasing the frequency of these reports is essential, data collection and analysis must reflect not merely the national statistics but also examine the particularities of local communities. The United Nations Development Programme (UNDP) and related UN agencies must work closely with national and local governments, academic institutions, and nongovernmental organizations (NGOs) and civil society partners to compile and analyze these vital local statistics. To fundamentally reorient development policy to assist these local communities, these statistics need to be directly integrated into national poverty reduction strategies.

Empowering local communities must become more than a convenient political mantra. National governments, regardless of the political rhetoric espoused during campaigns, are typically loath to relinquish control of public finances, although they often appear willing to devolve responsibilities to local communities. As the Netherlands Development Organization (SNV) and the UNDP note, "inadequate transfer of financial resources from the national to local governments can undermine local governments' capacity and legitimacy and, as a consequence, make citizens reluctant to pay local taxes....In the absence of appropriate fiscal transfers, and with limited opportunities for mobilizing funds locally, effectively implementing the MDGs [Millennium Development Goals – recently replaced by the Sustainable Development Goals] at the local level remains a challenge."11 National governments, international development agencies, nongovernmental organizations (NGOs), and related civil society partners must not only be willing to direct financial resources to local communities but also improve the absorptive capacities of those local communities such that these financial resources fund sustainable development without causing rapid inflation.

"High inequality undermines development by hindering economic progress, weakening democratic life, and threatening social cohesion." Its harmful reaches expand further as growth and poverty reduction are affected, in addition to the quality of relations in the public and political spheres of life and individual's sense of fulfillment and self-worth. The increases in inequality that have been witnessed over the last two decades were mainly due to trade and financial globalization processes that weakened the bargaining position of relatively immobile labour versus mobile capital. Additionally, skill-based technical change, skill premiums, monetary policies that emphasized price stability over growth, labour market policies that weakened the bargaining position of labour versus employers, and fiscal policies that prioritized fiscal consolidation at the expense of social expenditure and pressure taxation all had a hand in contributing towards income inequality. While income inequality is certainly a major factor of inequality as a whole, other drivers such as governance, social spending, and social norms matter as well. 14

## **Development Planning & Inclusive Sustainable Growth Case Studies**

"The complexity and multi-dimensionality of the drivers of inequality call for a complex

<sup>&</sup>lt;sup>13</sup> Poverty Reduction | Humanity Divided: Confronting Inequality in Developing Countries, UNDP, 2013

<sup>&</sup>lt;sup>14</sup> Poverty Reduction | Humanity Divided: Confronting Inequality in Developing Countries, UNDP, 2013

and multi-dimensional response."<sup>15</sup> One of many methods used to reduce and or alleviate the impacts of poverty and people's vulnerability to it is social protection. While the best social protection will vary by country, there are a number of general guidelines that can and should be followed in developing an overall social protection policy and strategy: (a) connects with and benefit poor people first and the less poor later, (b) should be linked positively to the mottos of pro-poor growth, (c) should be as internally coherent as possible, with its various components adding up to more than a sum of its parts and do not work against each other, creating a mutually supporting system, and (d) implementation requires careful planning including which institutions should be involved, whether it is self-targeting and/or conditional, and which complementary services may be provided along with the core ones. Additionally, economic and social policies must produce a good rate and pattern of economic growth to reduce poverty directly; a well-designed system of social protection to defend those still left in poverty, despite growth achieved; and internal consistency between 2 broad categories of policy involved, such that neither cancels out the positive effects of the other.<sup>16</sup>

The UNDP partners with many groups, organizations and projects working towards an inclusive and multi-dimensional approach towards sustainable growth. "Inclusive growth is a development progress sustained over several years which is environmentally sound and shared across all individuals, regardless of circumstances." Therefore projects such as these are essential in order to get that development and growth started in the right direction.

In Uganda, the Palaro Owalo Growers Cooperative is a UNDP funded project which develops access to markets and trade for small scale farmers. The agricultural development organization, Kilimo Trust, is implementing this project jointly with the government of Uganda. Together a study was conducted of the top 5 commodities in the country. Coffee, rice, honey, beans and cassava were chosen for their market potential, inclusiveness of poor communities, and division of labor among development partners. The project is implemented by local partners with the government in order to help small scale farmers access international markets and improve products. This is done so by improving the products through proper training techniques in good farming practices, including post-harvesting techniques to ensure high yields and a fair prices for those high yields. With 253 members, the US\$2.6 million project has helped to shift agricultural production from subsistence farming to commercialized, creating income generating activities for the poor. It has also improved the competitiveness in markets by working for greater integration of producers, retailers, and consumers in value chain. As a result, 20 fully functional business links have been created giving at least 200 small to medium enterprises access to productive assets like finance, market information, extension services, and technologies. Production has gone up and prices for products have gone up by about 300%. 18 Projects such as these are essential for growth of a country as a whole.

In addition to agriculture and goods, businesses need help and guidance for growth. The Dynamic Business Programme, funded by the European Union EU) and supported by UNDP's

<sup>&</sup>lt;sup>15</sup> Poverty Reduction | Humanity Divided: Confronting Inequality in Developing Countries, UNDP, 2013

<sup>&</sup>lt;sup>16</sup> Jairo Acuña, After conflict functioning governments are key for peaceful and inclusive societies, UNDP, 20 January 2016

<sup>&</sup>lt;sup>17</sup> Inclusive growth: Addressing inequality and social exclusion, UNDP, 2016

<sup>&</sup>lt;sup>18</sup> Value chains: Supporting inclusive markets in agriculture and trade in Uganda, UNDP, 2016

ART Initiative in Bolivia and local partners, works for just that. Supporting micro, small, and medium enterprises (SMEs), the programme assists all people to launch businesses and develop innovative products and services. It has trained more than 400 businesses, entrepreneurs and enterprises on better business practices such as budget development, good presentation skills, and product branding. By doing so, the programme has guided business, increasing awareness around their brands, and therefore driving up their respective profits by as much as 200%. More work needs to be done, however, in order to ensure continued growth. The growth potential of 72 enterprises has been assessed with 117 businessmen and entrepreneurs who were chosen to determine efficiency, enterprise potential, and allow for better collaboration among them. The global ART Initiative, having started in 2005, is now active in 22 countries, and is tailored to the local needs and priorities in each country. For Bolivia, those needs include multi-level governance and coordination across regions and groups, in addition to identifying economic potential of territories and supporting public policies for development. However, these needs can and do vary from country to country. <sup>19</sup>

In order for there to be inclusive growth, regardless of business within a country, there needs to be peace and a functioning government. The countries that need to meet the SDGs the most are the same countries where implementing them will prove to be the most difficult as the entire system is delicate, emerging after conflict. Core government functions, such as security and justice, public financial management, civil service and government employment, are essential for a functioning government, which is in turn essential for true inclusive growth and sustainable development. Unfortunately, the focus has dwindled in relation to core government functions in recent decades. However, the SDGs are bringing some much needed attention to the issue and the benefits it can provide to states emerging from conflict. Two countries where there is great opportunity for this are South Sudan and Libya, due to their recent peace agreements that were made towards the end of 2015. Despite the vast differences between the two countries, both will have a set of core government functions that determine levels of responsiveness and accountability of the institutional structures. Public administration, for example, is political as well as technical. Support to it is essential for delivering services, negotiating political settlements and forming a government. However, these core functions need to be restored as soon as possible. For a new government to truly have control over the peace and build the state, these functions need to be quickly put in place. Therefore, development partners, donor agencies, and the development community as a whole, need to work together to come to an agreement on the steps needed to assess the core government functions and help governments better respond to their citizens. The support should seek to alleviate tension between political settlements and the administrative process.<sup>20</sup>

## **International and UN System Initiatives**

A significant number of countries achieved considerable progress towards achieving the Millennium Development Goals (MDGs) through a wide variety of initiatives but it is increasingly clear that local participation and leadership combined with national and international targeted investments and technical assistance. As the new Sustainable Development

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<sup>&</sup>lt;sup>19</sup> Gaming the education system in Bolivia, UNDP, 2016

<sup>&</sup>lt;sup>20</sup> Jairo Acuña, After conflict, functioning governments are key for peaceful and inclusive societies, UNDP, 20 January 2016

Goals (SDGs) guide current and future UN System initiatives, it is only natural that many UN agencies and departments have developed, or will develop, specific programs designed to assist countries in achieving the SDGs by 2030. National governments, academic institutions, and non-governmental organizations (NGOs) also contribute critically to achieving the SDGs. Overall, the two most important programs specifically targeted at achieving the MDGs by 2015 were the Millennium Cities Initiative (MCI) and the Millennium Villages Program (MVP); while delegates to the UNDP must focus their efforts on achieving the Sustainable Development Goals, most development efforts to date have focused on the previous Millennium Development Goals and delegates may find important guidance and direction in these previous, and in some cases ongoing, initiatives.

The Millennium Cities Initiative (MCI) is a program run by the Earth Institute at Columbia University that works with 11 sub-Saharan African cities in 8 countries. While the Millennium Cities Initiative (MCI) is specifically directed by the Earth Institute, the program is designed to coordinate directly with the United Nations Development Programme (UNDP) and the Millennium Promise through the Millennium Villages Program (MVP). The MCI was established in 2006 and it partners directly with the UNDP, including the MDG Support Team, and "the MCI's priority is to help create employment, stimulate enterprise development and foster economic growth in the [then] seven [now eleven] cities, especially by attracting FDI [Foreign Direct Investment]." Malawi serves as an excellent example of the bridges being built between these complementary programs, the Millennium Cities Initiative (MCI) and the Millennium Villages Program (MVP).

Malawi remains one of the world's Least Developed Countries (LDCs) and one with approximately 90% of its official labor force still employed in agriculture. In recent years, Malawi has made strides in reducing poverty and food insecurity in specific regions, particularly in the critical economic city of Blantyre and the village of Mwandama. Malawi needs to provide low-cost electricity to its residents and solar lanterns have generated considerable interest among the populations of Blantyre and Mwandama. Through the ongoing partnership of the UNDP, Earth Institute, Millennium Cities Initiative (MCI), and the Millennium Villages Program (MVP), private sector market development is occurring in a manner that provides low-income people with the low-cost electricity that these residents need. "In the Millennium Village of Mwandama in Zomba district, the MVP has successfully established a private sector-led solar lantern project working with the supplier d. Light. A household survey showed that people in the community saved an average of one hundred Malawian Kwacha (MWK) per week and were highly satisfied with their purchases. The study also suggested that the lanterns pay for themselves in less than a year."<sup>22</sup> A further benefit of this solar lantern initiative is that a program like this can be effectively scaled up once demand proves sufficient to induce suppliers to increase production and/or expand to these emerging markets.

In a second initiative in the village of Mwandama, UNDP and its partners in the Millennium Village Programs (MVP) provided initial loans to purchase needed seeds and fertilizer for all of the households in the village at a cost of \$110,000 USD. In the past five years,

<sup>21</sup> Karl P. Sauvant, "Africa: The FDI Opportunities are Local" *International Trade Forum* 1/2007.

<sup>&</sup>lt;sup>22</sup> Erica Brailey, Raquel Fernandez, Ed Martin & Natalia Sguerra, "MCI and VCC Working Paper Series on Investment in the Millennium Cities: Solar Lanterns in Blantyre, Malawi" No. 11/2010 October 2010.

this initial investment of \$110,000 USD has generated \$155,000, permitting the village's residents to build a village grain bank to provide emergency food relief for families that are struggling to feed themselves, to purchase sugar, salt, and even iron sheets for roofs. Additionally, each farmer provides 2 50 kilogram (kg) bags of corn each year to the school feeding program, thus ensuring that fewer children face malnourishment and/or starvation. These targeted investments at the local level are producing dramatic results for some of the world's poorest peoples and illustrate very clearly that achieving the Millennium Development Goals (MDGs) must be viewed through the prism of local development and not strictly at the national and international levels.

Since the UN System emphasizes comprehensive solutions involving multiple UN agencies, member states, and civil society actors, it is only natural that efforts to achieve the Sustainable Development Goals (SDGs) must involve multiple UN bodies. The United Nations Institute for Training and Research (UNITAR) recently established its Local Development Programme (LDP) which is designed to "respond to emerging needs and challenges facing local actors in the effective implementation of sustainable urban development and provision of basic services for all." UNITAR's Local Development Programme (LDP) works closely with interested civil society partners through its International Training Center for Local Actors (CIFAL) centers to provide international knowledge-sharing platforms for sustainable urban development. UNDP frequently collaborates with the United Nations Environment Programme (UNEP), UN Entity for Gender Equality and the Empowerment of Women (UN Women), the United Nations Children's Fund (UNICEF), the World Health Organization (WHO), and international financial institutions, including the World Bank Group.

#### Conclusion

If the global community collectively is prepared to step up to the challenge of achieving the Sustainable Development Goals, then there's a chance of achieving sustainable development – and with it better prospects for people and our planet.

- Helen Clark, United Nations Development Programme Administrator.

"Only a genuinely holistic approach can fully address the multiple factors that cause inequality and create the condition for a truly inclusive society." With the Global Goals in place, the stage has been set for combating inequality and moving towards a more inclusive society in which poverty and social marginalization can be completely reduced and eradicated. If the global community were to come together, providing support for states, the effects would be grandiose. Between programs and efforts such as those found in Bolivia, Libya, Malawi, South Sudan and Uganda, the international community is moving towards a more inclusive global society.

## **Guiding Questions**

How is development planning currently conducted in your country? Which stakeholders are consistently involved in planning discussions and which stakeholders are underrepresented? Has

<sup>&</sup>lt;sup>23</sup> UNITAR, "What is a CIFAL?" 2010. Found at: <a href="http://www.unitar.org/ldp/what-cifal">http://www.unitar.org/ldp/what-cifal</a>

<sup>&</sup>lt;sup>24</sup> Poverty Reduction | Humanity Divided: Confronting Inequality in Developing Countries, UNDP, 2013

your government undertaken any recent steps to make development planning more inclusive?

How might international organizations, including the agencies and bodies of the UN System, regional organizations, international financial institutions (IFIs), and related civil society partners most effectively ensure that development planning to achieve the Sustainable Development Goals (SDGs) becomes, and remains, a truly inclusive process?

## **Resolutions:**

United Nations General Assembly resolution 72/234 (A/RES/72/234), "Women in development", December 20, 2017.

United Nations General Assembly resolution 72/206 (A/RES/72/206), "Financial Inclusion for Sustainable Development", December 20, 2017.

United Nations General Assembly 72/142 (A/RES/72/142), "Promoting social integration through social inclusion", December 19, 2017.

United Nations General Assembly resolution 71/165 (A/RES/71/165), "Inclusive development for persons with disabilities", December 19, 2016.

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