

# SAARC Plan of Action on Poverty Alleviation

The Plan of Action on Poverty Alleviation was recommended by the Third Meeting of the SAARC Finance/Planning Ministers on Poverty Alleviation (Islamabad, 8-9 April 2002) and was approved by the Twelfth SAARC Summit (Islamabad, 4-6 January)

Recognizing that the problem of poverty in South Asia needs to be tackled from a multi-dimensional aspect and agreeing that a focused and action-oriented plan is the need of the hour, resolved on the following Plan of Action.

The Finance and Planning Ministers of the SAARC countries, united in their determination to reduce poverty, drawing upon the experience of the member countries and committed to achieve the Millennium Development Goals (MDGs), resolve to pursue the following policies of the Plan of Action:

## Internal Policies

- i. recognize that poverty reduction requires good governance through
  - a. improved public sector management and delivery system, particularly in areas that affect the poor (land administration, police and judiciary).
  - b. effective monitoring of public expenditure to prevent leakages.
  - c. transparent and cost effective public procurement practices.
  - d. to take steps to prevent domestic money laundering.
  - e. development of IT.
- ii. Pursue sound macro-economic management policies through
  - a. focus on quality and pattern of growth.
  - b. fiscal discipline, domestic resource mobilization and reduced internal and external borrowing.
  - c. outcome-based spending on poverty reduction programmes.
  - d. economically viable projects in the productive sector.
- iii. Enrich the concept of Human Development through adoption of Bhutan's philosophy of promoting 'Gross National Happiness' through
  - a. equitable socio-economic development.
  - b. preservation of environment.
  - c. promotion of cultural heritage.
  - d. good responsible governance.
- iv. Recognize the importance of combating both rural and urban poverty through
  - a. better targeting of poor in both rural and urban areas.
  - b. appropriate agriculture, livestock and fisheries policies, including pricing, tenure, water and watershed development.
  - c. promoting employment through rural non-farm enterprise.
  - d. access to micro-finance.
  - e. small and medium enterprise development.
  - f. creation of rural infrastructure.
  - g. development of service sector, including tourism.
- v. Promote multi-culturalism, pluralism and mass education through
  - a. removal of social and cultural barriers to the pursuit of human development goals.
  - b. representative and participatory institution building.
  - c. gender equality and empowerment of women.
  - d. extension of coverage of education, improvement of its quality and reduction of dropouts by school feeding programmes and introduction of other incentives.
  - e. vocational and technical training and skill upgradation.
- vi. Expand Social Safety Nets through
  - a. food assistance for vulnerable groups.
  - b. schemes targeting the poorest and the most vulnerable by providing old age benefits, disability and benefits on the death of primary bread earner.

- c. affordable health packages.
  - d. provision of safe drinking water and sanitation.
  - e. incentives to preserve the strength of traditional family structures.
- vii. Invest in human capital and social sectors through
    - a. outcome-driven allocations to social sectors.
    - b. encouragement of private sector investment in education and health.
- viii. Exercise prudence in allocating public resources and strengthen domestic resource mobilization through
    - a. Prioritization of public expenditure.
    - b. increased domestic revenue to reduce the dependence on ODA.
    - c. fewer but well-targeted subsidies.
    - d. coordinated improvement of revenue collection agencies.
- ix. Empower local communities and governments through
    - a. decentralization.
    - b. financial devolution.
    - c. community participation
- x. Strengthening poverty alleviation programmes through
    - a. building up the physical assets of the poor, including grant assistance to the indigent for purchase of small capital assets.
    - b. significant budgetary and credit allocations for (a) and (b).
    - c. supportive policies for social mobilization.
    - d. associating non-governmental and civil society organizations (CSOs).
- xi. Expand intra-regional trade and capital flows as decided by the Eleventh SAARC Summit through
    - a. early completion and full operationalization of SAPTA.
    - b. faster movement towards SAFTA.
    - c. facilitation of intra-regional capital flows.
- xii. Learning from each other's experience through
    - a. exchange of best practices.
    - b. frequent interactions among scholars, practitioners and policy makers at all levels.

## External Policies

- i. Work with developed countries to increase ODA to 0.7% of GNP through
  - a. formulating common positions at relevant international fora.
  - b. frequent consultations among member states on issues of finance and international investment.
- ii. Seek increased market access in developed countries through
  - a. joint positions to address the biases against developing countries in WTO related issues.
  - b. removal of tariff and non-tariff barriers.
  - c. joint positions against creeping protectionism against the exports of developing countries.
  - d. flexibility for developing countries in Intellectual Property Rights.
- iii. Reduce the burden of multi-lateral borrowing and external debt through
  - a. more selective multi-lateral borrowing.
  - b. debt swaps for human development.
  - c. debt relief for poverty reduction.
  - d. debt relief for non-HIPC developing countries.
  - e. increased grant assistance for investment in social sector development.
- iv. Discuss with developed countries ways to unearth past inflows of illegal and tax-evaded money originating from SAARC countries and control them in future through
  - a. instituting mechanisms, wherever required, to prevent corrupt practices in international trade and service transactions.
  - b. disallowance of illegal capital flows into International Banking Systems.

**Resolve** that this Plan of Action would be pursued in the framework of balanced and sustainable development.

**Resolve** further that the Finance and Planning Ministers meet regularly in the future to review policies and programs on poverty alleviation and progress on objectives outlined in the Plan of Action.