

**Remarks for Helen Clark, UNDP Administrator for the  
Africa-China Poverty Reduction and Development Conference  
Addis Ababa, Ethiopia, 1 November 2010**

**Prime Minister Meles Zenawi,**

**Vice Minister Zheng Wenkai,**

**Your Excellencies and distinguished guests,**

I would like first to express UNDP's thanks to Prime Minister Meles Zenawi and the Government of Ethiopia, and Vice Minister Zheng Wenkai and the International Poverty Reduction Centre of China for co-hosting this important conference with us. We appreciate your considerable efforts to make this event possible.

UNDP enjoys strong ongoing partnerships with both co-hosts. We have longstanding programmes in Ethiopia, and working jointly with the

Government of the People's Republic of China, we played a role in establishing the International Poverty Reduction Centre in Beijing. The Centre is a platform for knowledge sharing and collaboration on efforts to reduce poverty and advance development worldwide, and it brings its expertise to this conference.

There are now so many intellectual, financial, and other contributions to development generated from across the government, institutions, and private sectors of the global South. Africa's growth and development is benefiting from that. Intensified South-South co-operation brings new opportunities for exchange and learning, financing, investment, and trade. China is a major contributor in all these spheres and its support for this conference is greatly appreciated.

It is also a pleasure to welcome our many other distinguished speakers, panellists and participants. Your attendance is in itself evidence of the importance of poverty reduction as a top development priority.

This conference brings us together to discuss the transformation and potential of Africa, and how the continent can draw on its own successes and those of China and elsewhere to advance human development and accelerate progress towards the Millennium Development Goals. The focus will be on what works and on what can be adapted to benefit African development.

We are all drawn to an exchange of ideas with China because of the magnitude of its success in reducing poverty over the past three decades. In 1981, 84 per cent of China's people were living in extreme poverty. By 2005, that had reduced to sixteen per cent, with more than 550 million people lifted out of poverty in that period. In Sub-Saharan

Africa, however, the numbers of people living in extreme poverty were growing between 1981 and the late 1990s.

Yet, in the 21<sup>st</sup> century, Africa has reversed that trend. The extreme poverty rate peaked in sub-Saharan Africa in the late 1990s at more than 58 per cent. Since then, rapid growth contributed to reducing the extreme poverty rate to approximately fifty per cent by 2005.

Africa is now well positioned for development breakthroughs. In driving forward, it will be vital to draw on the evidence of what has actually worked to transform development prospects already in Africa and elsewhere.

A very great deal of inspiration is found in Africa itself. For example, Botswana has been one of the fastest growing economies since the early

1970s, with growth rates not dissimilar to those of the emerging economies of Asia. Ghana has reduced extreme poverty from over fifty per cent in 1992 to thirty per cent in 2006. Ethiopia has been successful in both sustaining one of the highest growth rates in Africa and in rapidly reducing poverty.

In preparation for the MDG Summit held in New York in September, UNDP was able to draw on around fifty up to date national MDG progress reports to compile an international assessment of what it would take to reach the Goals.

The key findings in our assessment are well reflected in the Summit's Outcome Document, as is our conviction that with leadership, smart strategies, capacity, and strong partnerships, the MDGs are achievable.

The purpose of this Conference is to look at how to build on the evidence of what works to transform development prospects, in order to achieve the MDGs and other internationally and nationally agreed goals. In that endeavour, the experiences of China and of other countries which have made tremendous advances in the fight against poverty are instructive.

Alongside China, Brazil, and Vietnam are among those with remarkable stories to tell. The extreme poverty rate in Vietnam dropped by 42 percent between 1993 and 2006. In Brazil, seventeen per cent of the population lived in extreme poverty in 1981, already much lower than in most developing countries. That figure dropped to thirteen per cent in 1993 and to eight per cent in 2005. The infant mortality rate dropped from more than 72 deaths per 1,000 live births in 1981 to 22 by 2005.

While drawing lessons and inspiration from such successes, it is important to note that there is no single blueprint for success. Experience and common sense both caution us against the wholesale adoption of policy packages which have been developed without due consideration for local needs, priorities, and circumstances.

That holds for all the development lessons to be explored at this meeting. Rather than seek a set of policy prescriptions, we should aim to understand the general principles and approaches which can be tailored to individual country circumstances.

In doing that, it is important not to lose sight of the enormous challenges which emerging economies continue to face. More than two hundred million people remain in extreme poverty in China. Significant social and economic inequalities and environmental degradation present

pressing challenges for China and other emerging economies as they seek to sustain and consolidate development progress.

Over the next couple of days, discussions will be structured around the following themes:

- accelerating growth and poverty reduction;
- enhancing food security;
- investing in social protection; and
- harnessing the opportunities for South-South co-operation.

Let me now comment briefly on these themes.

Sustained and inclusive economic growth is important for human development. The evidence, collected by UNDP and others demonstrates that growth and its distributional impact need to reach broadly across countries if higher human development is to be attained.



Many countries with strong growth have not seen it translate into higher human development.

It is important to note that development transformation which has taken place in China was domestically driven and designed to address the particular circumstances of the country. China's reforms, beginning in the late 1970s, led to more economic management and allocation decisions being made at the local level.

China's leadership never assumed that the market on its own would deliver broad based or inclusive development. The authorities invested heavily in infrastructure and in human and institutional capacities.

Development of agriculture was critical in reducing poverty. By some estimates, the agrarian reform which triggered gains in agricultural productivity and rural incomes has been responsible for as much as half of China's poverty reduction in the years since economic reform began. That reform, shifting the responsibility for making decisions about what

to produce from co-operatives to families, was accompanied by big investments in rural infrastructure, roads, health care, and schools and by concerted efforts to develop local markets.

These measures resonate strongly with UNDP's findings of what drives MDG progress. Where large numbers of those living in poverty live on the land, as they do in much of Africa, agricultural and rural sector development are vital for poverty reduction and for expanding food security, as is witnessed in China's experience and in that of Ghana on this continent. By increasing agricultural yields, investing in infrastructure which connects farmers to markets, and expanding agricultural extension services, China attained food security for its very large population, despite the relative scarcity of land suitable for agriculture.

The impact of climate change is bringing big challenges for agriculture and food security. Now and in the future adaptation to that change will need to be factored into development strategies.

Social protection is also critical for sustaining development momentum. Evidence points strongly to the importance of viewing social protection as an investment rather than as residual transfers which put a drag on “more productive” spending.

China invested early in its social capabilities, with large up-front funding for health and education. That underpinned China’s transformation, laying the foundations for rapid growth and mitigating the social costs associated with rapid change. Weaknesses in social safety nets persist, however, and income inequality is on the rise. UNDP is working with China’s policy makers on these issues.

Brazil's experience illustrates the benefits and effectiveness of inclusive social protection programmes. Through innovations including cash transfers for families, its income inequality is now being consistently lowered.

Beyond the immediate income benefits, social protection makes an important contribution to development by strengthening social cohesion. That is critical for sustaining the consensus, engagement, and momentum needed for development transformation.

Central to this conference is the theme of harmonising fully the potential of South-South co-operation. Across the South, countries have much to learn from and offer each other. UNDP sees that potential in its day-to-day work around the world. Through our regional and global networks we strive to connect key players, share evidence, and relay best practice across the South. This conference is part of that work.

Co-operation across the South today involves significant and growing levels of trade and investment. The majority of Africa's trade now takes place not with the 'North', but with other developing countries. The opportunities presented by expanding intra-African trade are enormous.

China's investments in Africa have grown rapidly in the past ten years. They have been an important source of infrastructure development, including for new roads, schools, ports, and hospitals.

In conclusion, China's progress over the last three decades, Africa's progress over the last decade, and the progress of many other countries across the South demonstrates that transformational change is possible.

It involves sustained and inclusive economic growth, underpinned by solid investments in infrastructure, and in institutions and human potential. Going forward it will require much greater attention to environmental sustainability. It must be guided by both vision and pragmatism, and driven by the unwavering commitment of leaders, governments, and peoples to create a better future for all.

A development breakthrough in Africa is within reach. The MDGs can be met. Progress will not be made, however, by simply replicating what others have done. It will require innovation, critical thinking, openness to learning from others, and the flexibility to adapt broad principles and proven policies to ever changing and unique local contexts.

I trust that the discussion here will yield many insights in support of moving Africa ever closer to fulfilling the dreams and aspirations of its people.

I now invite Vice Minister Zheng Wenkai to deliver his opening remarks.