

# United Nations Development Programme Project Document 2009-2013

Project Title	International Policy Center for Inclusive Growth (IPC-IG)
Expected SP Outcome(s):	1.1 Capacities of national and local institutions enhanced to scale up proven MDG acceleration interventions and to plan, monitor, report and evaluate the MDG progress in the context of related national development priorities
	1.2 Inclusive growth and social equity promoted through pro-poor macroeconomic and fiscal policies that support income, employment and social protection of youth, women and vulnerable groups in a sustainable way.
	1.3 Strengthened national capacities to integrate into the global economic system and to negotiate and manage traditional and emerging development finance for inclusive development.
Global Programme IV Expected Output(s):	MDG-based national development strategies promote growth and employment, and reduce economic, gender and social inequalities     Strengthened national capacities to mainstream environment and energy concerns into national development plans and implementation systems
	Strengthened capacity of developing countries to mainstream climate change adaptation policies into national development plans
Executing Entity:	United Nations Development Programme (BDP Poverty Practice)
Implementing Agencies:	United Nations Development Programme (BDP Poverty Practice)

# **Brief Description**

The Project Document (63540) provides the rationale for IPC-IG's focus on various dimensions of inclusive growth and the relevant operational arrangements for the period 2009-11. To the extent IPC-IG is a joint venture its concrete work-plan is responsive to the priorities of both partners and to the agreements reached in IPC's board (executive council) meetings. IPC-IG's priorities and outputs for 2012 are informed by UNDP's annual business plan (ABP) and discussion with Brazilian counterparts. The addendum outlines the priorities and project outputs for 2012. The broad areas of work will continue for 2013 but will need to be streamlined in the context of discussions on the medium-term framework. Among the proposed priorities for the immediate-term, IPC will be producing two major products in 2012:

- A flagship report focusing on the intersections between social protection, employment and inclusive growth and a
  consideration of its macroeconomic dimensions. This is funded by a contribution from AusAid and will be
  brought out in May 2012.
- A Green Guide Development Policy Tool for Parliamentarians which will contribute to both an improved framework for social inclusion dimensions of green growth as well as provide inputs into sub-products which respond to an improved understanding of a global green economy.

Programme Period:	2009-2013
SP Key Result Area	Poverty Reduction &
	MDG Achievement
Atlas Award ID:	00051146
Start date:	January 1, 2009
End Date	December 31, 2013
PAC Meeting Date	October 30, 2008
Mgmt. Arrangements	UNDP DIM

 Total resources required (09-13)
 \$ 11,637,000

 Total allocated resources (09-13)
 \$ 6,896,143

 Unfunded budget (12-13)
 \$ 2,400,000

 Total resources needed 2012
 \$ 2,437,000

 Total allocated resources 2012
 \$ 1,237,000

 O Regular (GCF IV)
 \$800,000

 Other (Cost Sharing)
 \$437,000

Unfunded budget 2012 \$1,200,000 (incoming)

Agreed by:

Olav Kjorven, Assistant Administrator and Director, BDP, UNDP

448-510

photin Inter

uns esad es



# International Policy Centre for Inclusive Growth (IPC-IG) Addendum (2012-13)

### BACKGROUND

The International Policy Centre for Inclusive Growth (IPC-IG), formerly known as the International Poverty Centre (IPC), was established in 2004 by UNDP and the Government of Brazil as a thematic facility on poverty reduction. While building on the good work of IPC in the past, the agreement signed in 2009 between UNDP and the Government of Brazil put the partnership on a new footing. There was an expansion in the scope of work to be undertaken and a strengthening of the organizational structure required to deliver on the new vision for the centre, which was also renamed as the International Policy Centre for Inclusive Growth.

The project document (# 63540) for the period 2009-11, titled 'International Policy Centre for Inclusive Growth (IPC-IG),' outlined the terms of UNDP's support and vision for the centre and also described the new partnership arrangements. For UNDP, the work the centre was in keeping with and aligned to the priorities identified by its Strategic Plan (2008-2011) wherein inclusive growth is viewed as a major policy instrument for overcoming poverty and inequality. Operational arrangements included: a 50:50 arrangement for financial contributions with UNDP's core contribution coming from the Global Programme IV and covering salaries for UNDP staff while the contribution from the Government of Brazil was to be used for programmatic purposes. The Government of Brazil was also expected to provide the space for the centre, cover selected operational costs and provide in-kind contributions (e.g. seconding researchers). Both the Government of Brazil and UNDP are represented equally in the Advisory Board (now referred to as its Executive Council) and its decision-making process.

### RATIONALE FOR THIS ADDENDUM

The Project Document (63540) provides the rationale for IPC-IG's focus on various dimensions of inclusive growth and the relevant operational arrangements for the period 2009-11. To the extent IPC-IG is a joint venture its concrete work-plan is responsive to the priorities of both partners and to the agreements reached in IPC's board (executive council) meetings.<sup>2</sup>

As such, this addendum is intended to respond to the following developments:

- Agreements reached in IPC's board as regards joint priorities as regards specific priority areas within the context of the overall chapeau of inclusive growth;
- The timeframes for UNDP's Strategic Plan and Global Programme IV have now been extended as follows: UNDP Strategic Plan (2008-13) and Global Programme IV (2009-13). The addendum makes a quick assessment of the situational context since the last programme period.
- The imperative to deliver on selected priorities for the first Annual Business Plan (2012) while putting in place the building blocks for the programmatic priorities identified in the roadmap for new Strategic Plan (2014-2017).

# SITUATION ANALYSIS

1. Inclusive Growth: domestic and global imperatives and the case for

The rise of the emerging economies such as Brazil, India, China, and South Africa (amongst others) was a critical dimension of the conjuncture that informed the partnership with the Government of Brazil in 2009 as well as the refocusing of the centre's work from poverty reduction to inclusive growth. The emerging economies have much to share by way of mostly home-grown innovations in the areas of social and economic policy and the centre was expected to play a key role in South-South cooperation in these new areas, particularly in terms of facilitating a sharing of policy development and programme implementation experiences.

For the most part, the situational analysis for IPC has not changed dramatically since the 2009-11 period covered by the original project document. If anything, many of the developments and trends characterizing the conjuncture have only acquired greater significance. The rationale for continued partnership and engagement with forward-looking leadership in the South remains as strong as ever. More specifically the following issues should be noted:

Inclusive growth continues to be a policy imperative for both domestic and more global political economy reasons. The economic crisis and the slow pace of recovery post 2009 in the advanced economies have shifted attention to growth poles in the South. Many countries in the South were able to mitigate the impacts of the crisis as a result of large scale safety net and social protection programmes that were in place prior to the crisis and their fundamentals have remained stronger than expected, although severely tested. Witness the redirection of financial resources and search for market opportunities to take advantage of the growth of the so-called new middle classes in these countries. These inflows are not only creating opportunities but also bringing a host of macroeconomic policy challenges in their wake. For the economies where trade flows are relatively concentrated in terms of products and markets, reconfiguring such patterns, not easy under the best of circumstances, is even more challenging in the current economic context. [see UNCTAD LDC Report 2011, and UNDP 2011. There is a case to made for much more focused attention to exploring the synergies between strategies for sustainable and inclusive economic integration and inclusive growth strategies

Many of these economies have historically been highly unequal. Growth processes themselves can be spatially and sectorally disequalizing domestically depending upon the patterns of accumulation, the nature of backward and forward linkages, and locations of new growth sectors and poles. Countries have, thus, not only to deal with the weight of past but also the rise of the relative poverty and potentially new sources of inequalities. Even as there has been significant progress on poverty reduction, evidence suggests that for complex political economy and historical reasons, 72 per cent of the poor, or the 'new bottom billion' are now to be found within the boundaries of middle income countries (Sumner, et al 2011) themselves. In addition to the chronic poor and conventionally more vulnerable groups there are also new vulnerable including members of the lower middle classes that have emerged in many of these economies. The latter are not eligible for benefits made available to the poor. Depending upon the structural nature of their new economic opportunities they may also not be able to access protections available to those above them in the formal sectors of the economy or such protections may not carry the same weight given their recent entry into the formal labour market. In light of the structural and spatial inequalities referred to above, these constituencies face the threat of falling back into poverty if the quality of jobs and public services (particularly health and education) do not provide pathways to sustain their economic progress or facilitate adequate investment in human capital that could enable them and their children to move up in a reasonable timeframe. In many emerging economies, youth unemployment is emerging as a very serious concern.

# 2. Towards Green and Inclusive Growth

Increased vulnerability arising from environmental threats and changes, the opportunities provided by moving to a greener economy as well as the financial and policy implications of addressing mitigation and adaptation actions, were, however, not adequately reflected in the original project document. Environmental changes are proving to be a new source of vulnerability for the poor, for selected regions within and across countries (e.g. SIDS, the horn of Africa, etc. and the threat of growing desertification in various sub regions) and for various sectors (e.g. agriculture and fishery; tourism). The growing frequency, prolonged occurrence and scope of extreme and weather events, erratic weather patterns and rainfall are taking a toll on economies and on the lives of the poor. In some cases, environmental changes have made the lives of some of the existing poor and vulnerable, particularly those living in vulnerable regions still more so. Witness the growing numbers of eco-migrants.

In a number of instances food production has also been significantly and adversely impacted and food prices have retained their volatility and the upward trend that were visible at the start of the programme period for this project. Food security, both for urban populations as well as poor rural producers has emerged as a critical issue and there has been growing interest in understanding how countries such as Brazil were able to made serious dents in addressing huger, malnutrition and the livelihoods of poor rural producers, in particular through the use of policy instruments for social protection and productive inclusion.

While global and national policy imperatives to do business and organize economic processes differently offers opportunities for product and policy innovation to mitigate impacts and facilitate adaptation and the development of new sectors, these imperatives are also proving challenging for the emerging economies to implement given the relative rises in their levels of emissions compared to their own historical trajectories as a result of the changing structures of their economies.

Thus, there is a growing urgency to focus on not just on the inclusivity of growth but also to explore how to ensure its resilience in the face of structural, macroeconomic and social vulnerabilities and its sustainability with regard to resource constraints and environmental policy imperatives. The inclusivity and the character of growth processes have implications for the achievement of the MDGs and is also of concern for the post-2015 agenda.

# 3. Countries in transition: social protection and inclusive growth imperatives

Events in the Arab Region in particular underscore the governance dimensions of inclusive growth as well as the imperative to deliver on productive job opportunities. Of particular interest has been how to significantly scale-up and incentivize job opportunities for youth and how to identify fiscal space for development transformations particularly in the context of the transition.

by UNDP (within the framework of the UNDP regional strategy).  Put in place country strategies for Egypt, Libya, Tunisia and Yemen that combine clarity about UNDP's framework of support with actions to redesign programmes in the areas of democratic governance and sustainable development, with emphasis on boosting internal capacity to deliver quickly and effectively on critical commitments.	Bring together and accelerate/expand actions at global, regional and country levels targeting three key issues at Rio+20: (i) the opportunity created to accelerate poverty reduction at national and subnational level in the context of sustainable development; (ii) securing growth which is inclusive and equitable and remains within planetary boundaries; and (iii) the continued relevance of the UN as the world's go-to platform for global issues.  Provide technical and financial support to programme countries in the build-up to Rio+20 (hosts and selected other countries).  Develop specific capabilities at national and sub-national level in 6-10 countries to access, combine and sequence various sources of environmental finance.
7b.	4 4p.
transitions in the Arab States region focused on governance, job creation and social protection.	Advocacy and actions stepped- up at global, regional and country level targeted at Rio+20 and new environmental finance mechanisms, organised around the nexus between climate change, DRR, poverty reduction and gender equality.
	60al 4, outcome 1 8.3  1. Strengthened national capacities to mainstream environment and energy concerns into national development plans and implementation systems 3. strengthened capacity of developing countries to mainstream climate change adaptation policies into
and Employment	Rural and Sustainable Development

	Assist with the formulation and initial implementation of inclusive, green, lowenission and climate-resilient development policies and priorities in 10 countries (assessment, dialogue, training, data collection and analysis, initiation of priority actions - paying attention to the needs and concerns of women).  Develop the knowledge base on ecosystems-based approaches to climate change and demonstrate them operationally in 10 countries.  Support the formulation and adoption of National Action Plans and commitments for achieving Sustainable Energy for All in at least 6 countries.  Take specific steps to build political and public support on Sustainable Energy for All in at least 10 countries.  Support the development of and initiate implementation of policy frameworks to enable public-private partnerships to attract investment in sustainable energy in 10 countries.
	5a. 5d. 5e.
	4. Green, low- emission and climate resilient development priorities and policies integrated in development plans in 10 countries.
national development plans	
	Rural and Sustainable Development

# **PROJECT OUTPUTS**

IPC-IG's priorities and outputs for 2012 are informed by UNDP's annual business plan (ABP) and discussion with Brazilian counterparts. The addendum outlines the priorities and project outputs for 2012. The broad areas of work will continue for 2013 but will need to be streamlined in the context of discussions on the medium-term framework.

Among the proposed priorities for the immediate-term, IPC will be producing two major products in 2012:

- A flagship report focusing on the intersections between social protection, employment and inclusive growth and a consideration of its macroeconomic dimensions. This is funded by a contribution from AusAid and will be brought out in May 2012.
- A Green Guide Development Policy Tool for Parliamentarians which will contribute to both an improved framework for social inclusion dimensions of green growth as well as provide inputs into sub-products which respond to an improved understanding of a global green economy. Specific sub-outputs will target: SIDS, mineral-dependent/rich economies and post-conflict countries.

In addition, IPC-IG will be producing a number of working papers in each of its research areas. With regard to UNDP's Annual Business Plan 2012 IPC aims to contribute outputs towards the following priorities:

- (4) Advocacy and actions stepped-up at global, regional and country level targeted at Rio+20 and new environmental finance mechanisms, organised around the nexus between climate change, DRR, poverty reduction and gender equality;
- (5) Green, low-emission and climate resilient development priorities and policies;
- (7) Contributions made to countries undergoing transitions in the Arab States region focused on governance, job creation and social protection;
- (10) Substantive options for a post-2015 development agenda proposed by UNDP to address inclusion and equity, resilience and sustainability;

The annex provides a list of indicative activities and partnership activities for 2012. The broad areas of work will continue in 2013 but will be finalized by IPC's board.

# I. Knowledge and Outreach

Development communications plays a central role in enabling IPC-IG to serve as a forum for policy dialogue and strategic engagement with partners and sharing knowledge about innovative development policies and practices for inclusive growth taking place in the Global South. IPC-IG has a number of strategic partnerships and collaborations in the area of knowledge networking.

In addition, knowledge sharing, particularly about social protection, has been identified as key for the growth with resilience agenda of the G20 Development Working Group and IPC-IG has been encouraged to contribute as best it can to this work.

# J. Financing and Budgetary Issues:

IPC 's project is funded through core contributions from UNDP and the Government of Brazil and with additional cost sharing resources mobilized from various UN Agencies (UNWomen, UNICEF) and bilaterals (AusAid). Discussions with the Government of Brazil for 2013 and beyond will take place in early 2013. The reduced levels of GP IV allocations for 2012 and 2013 may have implications for IPC-IC's organizational profile and will warrant consideration of various scenarios.

# Annual Business Plan for UNDP with IPC contributions

# PART One: B DP Contribution to the Annual Business Plan and Priorities for 2012

Green, low-emission and climate resilient national and local development strategies that integrate gender dimensions prepared or under development in at least 40 countries (by 2016) and related institutional frameworks functional, to push forward on low carbon growth paths, enable mitigation of and adaptation to climate change and secure sustainable management of natural resources. Medium-Term Strategic Priority:

	Annual Priorities		Major Expected Actions	Responsibilities	Indicators
4.	ions bal, itry	4a.	Bring together and accelerate/expand actions at global, regional and country levels targeting three key issues at Rio+20:	Co-leads (Rio+20): BDP, PB (BERA) Lead (DRR): BCPR Lead (env. finance): BDP	<ul> <li>Major actions undertaken and types and size of target groups reached by UNDP advocacy on Rio+20 (specific data for global, regional, and country action on events, high level contacts,</li> </ul>
	Rio+20 and new environmental finance mechanisms, organised around the		(iv) the opportunity created to accelerate poverty reduction at national and subnational level in the context of sustainable development;	Lead (implementation): RBx Support (partnerships for finance): PB (BERA)	<ul> <li>active advocacy partnerships)</li> <li>Specific benchmarks met on country capacities to access environmental finance (to be defined, in the target countries)</li> </ul>
	nexus between climate change, DRR, poverty reduction and gender	4p.	<ul><li>(v) securing growth which is inclusive and equitable and remains within planetary boundaries; and</li></ul>	BDP: Resources/Source:	<ul> <li>Volume of additional funding from new sources of environmental finance mobilised for country use</li> </ul>
	equality.	4c.	<ul><li>(vi) the continued relevance of the UN as the world's go-to platform for global issues.</li></ul>	8	
			Provide technical and financial support to programme countries in the build-up to Rio+20 (hosts and selected other countries).		
	13:		Develop specific capabilities at national and sub-national level in 6-10 countries to access, combine and sequence various sources of environmental finance.		
4a.	IPC contributions			IPC-IG	Major actions undertaken and types and size of
	Actions (knowledge products, policy dialogues) to opportunities and strategies to accelerate poverty sub-national levels and securing growth which is in	ducts, pogies to a	Actions (knowledge products, policy dialogues) to advocate for policy opportunities and strategies to accelerate poverty reduction at national and sub-national levels and securing growth which is inclusive and equitable and	Resources/Source: (a) DFID supported CDKN Innovation Fund; FFG RCPR DG CDG	target groups reached by UNDP advocacy on Rio+20 (specific data for global, regional, and country action on events, high level contacts, active advocacy partnerships)

			·	
٦	-	-	١	
_			ı	

and climate resilient development		implementation of inclusive, green, low- emission and climate-resilient development	Lead (policy): BDP Lead (implementation):	•	Number of countries or major sub-national tiers making progress towards adoption of green,	10
priorities and policies integrated in		policies and priorities in 10 countries (assessment, dialogue, training, data	RBx Support (TA.		low- emission and climate resilient policy or planning measures (various stages; assessment.	
development plans in 10 countries.	5b.	collection and analysis, initiation of priority actions - paving attention to the needs and	partnerships): BDP, PB		planning, formal adoption, implementation; integration of gender equality principles)	
		concerns of women). Davelon the knowledge base on ecosystems.	BnP.	•	Examples of the application of ecosystems-	
T/1 = 201	5c.	based approaches to climate change and	Resources/ Source:		based approaches to connate change at country level	
		demonstrate them operationally in 10 countries.		•	Number of Sustainable Energy for All Commitments adouted by government narrners	1911
	5d.	Support the formulation and adoption of National Action Plans and commitments for		•	Agreed or operational public-private	20
	2e.	achieving Sustainable Energy for All in at			partite in sustaining on investment in sustainable energy	
-		reast o countries.  Take specific steps to build political and				
		public support on Sustainable Energy for All in at least 10 countries		-5-9010 0010		
		Support the development of and initiate				
-		implementation of policy frameworks to				
		enable public-private partnerships to attract investment in sustainable energy in 10				
-		countries.				
IPC contributions			Resources/ Source:			
ĭ	cts an	Knowledge products and tools to assist with analysis and	(a) DFID supported			
f pc	olicy c	identification of policy options:	including staff time and			
e: A.	lignin	a) Green Guide: Aligning political and social contexts for Green	resources. In			
) e	rowth	and Inclusive Growth in the SADC region; partnership with	partnership with BDP -			
<b>This</b>	initia	SADC-PF. This initiative will contribute a number of key	EEG, DG, CDG, Gender			
f rele	vance	outputs of relevance for sustained inclusive green growth	Team; RBA, COs			
Scru	itiny F	namely: a Scrutiny Review mechanism for parliamentarians	(b) GoB, HIV/Team c)TBC/GoB			
nsiti	ive ap	rocused on this Assessing and Mingarion (including	d) TBC			
I. T.	ogethe	Policy Tool. Together these will support and expand the	(e) PG, EEG and External			
brc	oducts	knowledge products supporting the integration of poverty-	hai aicio: 100 aira circio			
env	ironn	inequality-environmental considerations into development				

	planning.
(q	b) Innovations for Sustainability: Equitable Green Growth and Vulnerable Groups: Adapting Social protection frameworks to respond to and mitigate various forms of risk faced by multiply-affected/deprived individuals. Knowledge product focused on the intersections of gender and HIV. [CROSS PRACTICE w/ HIV/AIDS team]
(C)	c) South-South Exchange and scale-up: Adaptation of Green Guide Development Policy Tool model in other countries (upscaling the GG model to other countries);
(b)	d) Addressing vulnerabilities and enhancing resilience in the SIDS
(e)	e) Sustainable Rural Development – Improving Spatial Equality in Inclusive Growth:
	Agro-ecological opportunities and options for inclusive growth in the rural sector (cross-regional focus)
	Policy Transfers and Options for improving     Sustainable Rural Development
Medium-Ter	Medium-Term Strategic Priority:

An integrated strategy for stabilisation and recovery – combining access to rule of law, justice, security and sustainable livelihoods, whenever possible - being pursued in 30-35 affected countries

	Annual Priorities		Major Expected Actions	Responsibilities		Indicators
∞i	Contributions made to	7a.	7a. Make a sustained push to mobilise political	Lead: RBAS		Number, types and focus of partnerships consolidated
	countries undergoing		and financial support from within and outside	Support: BCPR,		with key actors within and outside the Arab States
	transitions in the		the Arab States region for priority country and   BDP, BOM, PB	BDP, BOM, PB	erate	region to support the transition through UNDP
_	Arab States region		regional interventions proposed by UNDP	(BERA), RBLAC	•	Changes in the programme portfolio and staff
_	focused on governance,		(within the framework of the UNDP regional		100	capacity gaps in targeted countries
_	job creation and social	7b.	strategy).	BDP:		
	protection <sup>3</sup> .		Put in place country strategies for Egypt,	Resources/		

	•	
Source:	IPCIG with BDP, BCPR, RBAS, RSC- Cairo Resources: TBC RSC Cairo, UAE CO (TBC)	
Libya, Tunisia and Yemen that combine clarity about UNDP's framework of support with actions to redesign programmes in the areas of democratic governance and sustainable development, with emphasis on boosting internal capacity to deliver quickly and effectively on critical commitments.	a) Innovative policy options to foster productive inclusion and social protection for youth and women in particular;  b) Cross-regional country studies and policy dialogue to foster an employment rich development transformation with a focus on identification of public policies for development innovation and transformation and identification of green jobs in particular; starting with Tunisia; Egypt; Yemen, Sudan programming options green economy, sustainable use of natural resources and green jobs focus more generally; harnessing solar power and facilitating jobs creation (selected governerates in Iraq, Tunisia and Jordan); food security for local development (Jordan and Yemen) - TBC	knowledge product support to RSC Cairo Fiscal space analyses and options - i.e., social policy in a transition to democracy context and in an environment of shrinking fiscal resources South-south cooperation
	a) Innovative poll protection for b) Cross-regional employment ridentification transformatio starting with 7 green econom jobs focus mo job creation (s food security	knowledge product supports and to democracy context and resources d) South-south cooperation
	7b IPC	

administration reform), fighting corruption, consensus-building, through dialogue, on a new national vision and societal cohesion, constitutional and electoral empowerment of women and youth, support to civil society organisations and political parties, job creation programmes and expansion/deepening of social reform, electoral cycle management, strengthening of the rule of law, justice and security, promotion and protection of human rights, participation and protection measures.

4 Egypt, Libya, Tunisia, and Yemen: approval of new CPDs, where applicable; change in programme resource allocation and expenditure; hard pipeline, signed projects ready for implementation, MoU/letters of exchange finalised with governments or other partners; and key skill gaps closed or persisting