

Reducing poverty in South Asia



Kabul street, Afghanistan – James Hole/DPIID

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DFID in South Asia (2007/08)



The boundaries shown on this map do not imply official endorsement by DFID

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“Asia is clearly a region where development works. People in developing Asia no longer just aspire to development – they expect it.”

Haruhiko Kuroda, President, Asian Development Bank (ADB)

Highlights

- DFID’s contribution to the **Afghanistan Reconstruction Trust Fund** has helped ensure that 5.4 million Afghan children are now gaining an education, over a third of them girls: up from an estimated one million children (almost all boys) in school in 2001.
- When Cyclone Sidr struck southern **Bangladesh** in November 2007, DFID helped to provide clean, safe water to 263,000 families, and food and other essential items such as blankets to 70,000 families.
- In **Nepal** sustained DFID support to the health sector over the past decade has helped reduce under-five mortality by half, cut maternal mortality and achieved the gradual abolition of user fees for basic health care.
- In **Pakistan**, support for national priority health & population welfare programmes during 2007 has helped save about 60,000 children’s lives, contributed to 4,400 fewer maternal deaths and helped prevent 300,000 children from becoming malnourished.
- In **India**, DFID’s support to the Government of India’s universal elementary education programme, helped increase enrolment to 96% in 2006 (27 million more children since 2003), including millions of girls and socially excluded children

3.1 South Asia is growing, generally at high rates and steadily, which has helped to reduce the percentage of people living on less than \$1 per day from 41% to 32%.¹ So the region is on track to halve income poverty by 2015 – although that still means about 273 million people living on less than \$1 per day in 2015.² There are also a number of threats to this positive outlook. Growth has often not benefited the poorest. Social exclusion, buttressed by gender, caste, class, ethnicity and religious divides, has been a very persistent problem in South Asia. Insecurity has increased throughout the region. Climate change is also increasingly affecting the region, and impacting on huge numbers of people.

1 World Development Indicators 2007

2 Global Economic Prospects Report 2007 (World Bank)

- 3.2** South Asia Division was formed in January 2007 and manages our programmes in **Afghanistan**, **Bangladesh**, **India**, **Nepal** and **Pakistan**; with a small team based in the British High Commission in **Sri Lanka**; and the London based South Asia Strategy and Operations team (SASO).
- 3.3** This Chapter reviews progress towards the MDGs in the region and considers how effective UK support has been in contributing to the achievement of the MDGs. In addition, it assesses the progress DFID is making towards the specific targets we set for the period 2005 to 2008 (through our Public Service Agreement), and covers what we are doing to meet the challenge in areas where progress is off track.

Box 3.1: Supporting growth in South Asia

We support sustainable growth in the region and try to ensure that it benefits the poorest.

- The new **Afghanistan Growth Fund** will help to remove key businesses constraints and build Afghan markets by streamlining government regulations and investing in improvements to expand access to key assets like finance and business training.
- In **Bangladesh**, growth is promoted through private sector development, rural infrastructure and extreme poverty programmes with the objective of creating jobs and increasing incomes for poor people. Through these programmes we have allocated about £200m to work on growth and private sector development over the next four years, and a further £250m to work directly with extremely poor people in vulnerable areas.
- DFID microfinance and rural livelihoods programmes in **Pakistan** have helped 300,000 poor women to access microfinance services in the past five years. We plan to scale up and operate at a more strategic level through a proposed sector wide programme which will enable expansion of microfinance services to three million poor households in Pakistan by 2010.
- DFID **Nepal** supports rural roads programmes and large livelihoods programmes that are resilient to civil war and post-conflict environments.
- In **India**, DFID supports rural livelihoods programmes which have lifted more than one million people above the poverty line, and expansion of sustainable microfinance services. Over nine million poor people have benefited from micro-credit through the latter initiative with SIDBI (Small Industries Development Bank of India), which provides support to over 100 microfinance agencies across India.

Progress towards the Millennium Development Goals (MDGs)

- 3.4** The region is on track to reduce **extreme poverty** by half. The World Bank predicts that the reduction in the proportion of people living in poverty will accelerate, down to 16% by 2015.³ There has also been good progress on achieving **universal primary education** (although DFID is not on track to achieve our Public Service Agreement target on education – see paragraph 3.15 below).

3 Global Economic Prospects Report 2007 (World Bank)

- 3.5** The MDG target to achieve equal girls' enrolment in primary school is also on track, although progress on **promoting equality and empowering women** more generally is less strong. There are 646 million women and girls in South Asia (10% of the world's population) and despite much progress, gender inequality remains a serious constraint to sustainable growth and progress towards the MDGs. Promoting gender equality in the region is a key priority for DFID.
- 3.6** Although **child mortality** in the region remains a challenge, all countries have made progress in reducing child mortality rates since 2000, with Nepal and India showing the strongest progress. Some progress has also been made on **combating HIV & AIDS**. DFID is supporting national AIDS programmes in several countries across the region to ensure people in high-risk and vulnerable groups have access to information and services to prevent HIV and care for those with HIV & AIDS.
- 3.7** Improving **maternal health** and **improving environmental sustainability** remain a particular challenge for the region. Although the proportion of births assisted by skilled birth attendants is increasing across the region, still far less than a third of births are attended in Afghanistan, Bangladesh and Nepal. The MDG target to increase the proportion of people with access to safe drinking water has been met and the region is on track to achieve significant improvement in the lives of slum dwellers. Despite this, progress has been poor on other aspects of environmental sustainability; MDG targets on reversing the loss of forests and improving sanitation are unlikely to be met.

Box 3.2: Gender and rural water supply and sanitation

Most of the 17.5 million people living in North West Frontier Province (NWFP), Pakistan, do not have access to clean water and sanitation facilities. A DFID project is providing £7.3 million to the Government of NWFP to improve water supply and sanitation in the rural areas where most people live. So far the project has completed over 6,000 low-cost water and sanitation schemes, benefiting over 1.1 million people living in rural communities in some of the poorest areas of NWFP.

The project has a strong focus on improving the lives of women. It has supported the development and introduction of a province-wide gender policy to ensure greater participation of women. This has led to stronger involvement of women in local decision making, including at least two women councillors sitting on each of the project's 54 local Water and Sanitation Committees. These committees are responsible for approving new water and sanitation schemes and providing oversight to ensure continued access and operation of existing and completed schemes.



Project Technical Assistance team/DFID

Health promotion activities within the project have led to better health and hygiene practices. The project has employed 84 women to work within local communities to advise on health and hygiene within the home and introduce improved water supply and sanitation facilities to households.

- 3.8** Table 3.1 below shows there has been mixed progress towards the Millennium Development Goals (MDGs) in South Asia.

Table 3.1: Progress towards the MDGs in South Asia

Assessment of progress towards target based on data from UN Statistics Division, World Development Indicator database and local data Dark Green = target met. Light Green = almost met/on target. Orange = some/negligible progress, insufficient to meet target. Red = no change or negative progress.		Southern Asia
MDG 1: Eradicate extreme poverty and hunger	Reduce extreme poverty by half	LG
	Reduce hunger by half	O
MDG 2: Achieve universal primary education	Universal primary schooling	LG
MDG 3: Promote gender equality	Equal girls' enrolment in primary school	LG
	Women's share of paid employment	O
	Women's equal representation in national parliaments	O
MDG 4: Reduce child mortality	Reduce mortality of under-5 year-olds by two thirds	O
	Measles immunisation	O
MDG 5: Improve maternal health	Reduce maternal mortality by three quarters	R
MDG 6: Combat HIV & AIDS, malaria and other diseases	Halt and reverse the spread of HIV & AIDS	O
	Halt and reverse the spread of malaria	O
	Halt and reverse the spread of tuberculosis	O
MDG 7: Ensure environmental sustainability	Reverse the loss of forests	R
	Halve proportion without improved drinking water	DG
	Halve proportion without sanitation	R
	Improve the lives of slum dwellers	LG

Box 3.3: Climate change

Bangladesh is one of the countries most vulnerable to climate change. It is a predominantly low-lying country with a high population density and is already vulnerable to natural disasters such as flood, drought, seasonal storms and cyclones. DFID is helping the Government of Bangladesh (GoB) to



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develop its national climate change strategy and action plan, and to prepare a position paper for the 2007 post Kyoto summit in Bali. DFID support through United Nations Development Programme (UNDP) provides technical assistance to the GoB Climate Change Cell, which builds capacity across government and civil society, and supports research on climate change.

Progress towards Public Service Agreement Objective II: Reduce poverty in Asia

- 3.9** The Public Service Agreement (PSA) sets out milestones by which DFID can measure how well it is doing to reduce poverty and help achieve the MDGs. When the PSA was agreed in 2005, a target for Asia was formulated measuring progress in nine focus PSA countries across the region, selected to give a good representation and coverage of our work. These are **Afghanistan, Bangladesh, Cambodia, China, India, Indonesia, Nepal, Pakistan** and **Vietnam**.
- 3.10** The assessment of progress is measured jointly for the whole of Asia (see Table 3.2 below). However information on individual countries in South Asia is covered in this Chapter while the remaining Asian countries (Cambodia, China, Indonesia and Vietnam) are now the responsibility of Europe, Middle East, Americas, and Central & East Asia Division and therefore covered in Chapter 4.
- 3.11** The overall picture for Asia's nine PSA countries is encouraging, with good progress being made towards seven of the nine sub-targets across the region. We are on track for our income poverty target for South Asia, reflecting improvements in economic and living conditions in the region. We are also ahead on targets for the ratio of girls to boys in primary school and a reduction in under-five mortality rates.
- 3.12** A number of challenges remain: we are currently unlikely to meet our PSA target for increasing primary school enrolment rates by eight percent and progress is also slow on HIV & AIDS. However, we have made a particular effort to aim our resources towards off track and hard to reach targets in South Asia. A detailed report of progress against all the PSA targets, and an explanation of the traffic light assessment system can be found in Annex 4.
- 3.13** Table 3.2 below presents a summary of the progress made against each of the PSA sub-target for Asia.

Table 3.2: PSA progress in Asia (covering the countries listed in paragraph 3.9)

Sub-target	Progress	Current Position	Progress by 2008
1. a reduction in the proportion of people living in poverty of five percentage points in East Asia and the Pacific	Ahead, poverty has fallen five percentage points by the latest available data and it is predicted to fall further	G	G
2. a reduction in the proportion of people living in poverty of eight percentage points in South Asia	On course, the World Bank predicts that that data for 2008 will show a reduction of 10 percentage points	G	G
3. an increase in net primary school enrolment by eight percentage points	Broadly on course, while some countries have made progress, some countries have seen little change and even a decline	A	A
4. an increase in the ratio of girls to boys enrolled in primary school by five percentage points	Ahead, overall the average ratio of girls to boys has increased by 6 percentage points	G	G
5. a reduction in under-5 mortality rates for girls and boys by 24 per 1000 live births	On course, overall the average death rate has fallen by 16 per 1000 live births	G	G
6. an increase of 15 percentage points in the proportion of births assisted by skilled birth attendants	On course, overall on average 53% of births are attended which is an increase of 12% since 2000 and projections indicate further increases	G	G
7. prevalence rates of HIV infection in vulnerable groups being below 5%	Not on course, it is difficult to assess progress due to poor data coverage. Limited data is available suggests figures vary greatly among countries and the target is not on course	R	R
8. a tuberculosis case detection rate above 70%	On course, there has been significant progress in detection rates	G	G
9. a tuberculosis cure treatment rate greater than 85%	Ahead, detection rates have increased dramatically in many countries and the challenge of retaining high rates of cure while covering a wider population continues	G	G

3.14 Good progress has been made in reducing the proportion of people living in **poverty** in the region. In **Bangladesh**, DFID has helped lift nearly 200,000 people out of extreme poverty over the last two years; at least half of them having doubled their income. In addition, we helped over 160,000 people avoid seasonal hunger (*monga*) during September–October 2006, by providing cash-for-work, which ensured they were able to eat two meals a day instead of one. In **Nepal**, DFID’s focus on inclusion is critical to translating economic growth into faster and more equal reduction of poverty. As a result 1.8m of the poorest and excluded (including women) in 39 conflict-affected districts have now been given access to key services and livelihood opportunities.

Box 3.4: Supporting Women Entrepreneurship

Budhi Maya Sunar has broken the cycle of poverty. Her “dhaka” (Nepali hand made cotton cloth) weaving business is flourishing. From a very humble beginning, she is now employing 13 people to weave dhaka.

Most of the cloth is used for making caps, shawls, blouses or skirts, and is sold in local shops or to dealers and wholesalers. Mrs Sunar was identified by a DFID/UNDP funded Micro Enterprise Development Programme for entrepreneurship training. The programme focuses on identifying ways to increase the incomes of very poor and excluded people, and as a Dalit (low caste) woman, she was in a key target group.

Training and support enabled her to begin dhaka weaving. She got the first loan amounting to Rs 5000 (£39) from a bank, and bought a loom and started weaving dhaka cloth. Seven years later she has been able to build her own house as well as buy some additional land. Her daughter is pursuing studies at class two, and with a good education her chances of a promising future are far better than those her mother had.



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- 3.15** Although good progress has been made overall on universal **primary education** we are currently unlikely to meet our PSA target for increasing primary school enrolment rates by eight percent. As high enrolment rates are achieved across the region, the target of improving enrolment becomes increasingly challenging as the remaining children are more difficult to reach. Nonetheless there has been recent progress which, if maintained, may bring the target back on track.
- 3.16** In 2007/08 DFID provided support worth £55 million to the **Afghanistan** Reconstruction Trust Fund (ARTF), which includes an education component. DFID’s contribution has helped 5.4 million Afghan children gain an education (see Box 3.5). In **Bangladesh**, DFID is contributing £100 million to a Primary Education Development Programme (2004-09). Our support has meant more classrooms being built and better textbooks and teachers, leading to enrolment at primary level going up by 11% in five years.

Box 3.5: Support to the education sector in Afghanistan

A school has been recently constructed in Daud-Zai village, outside Kabul. The teacher who runs the school has taught for 40 years, first under a tree and then under canvas. His teaching was interrupted time and again, first by the Mujahadeen and then by the Taliban. But thanks to an Afghan reconstruction programme supported by the UK, the National Solidarity Programme (NSP), 700 children – girls as well as boys – are now learning in bright new classrooms, and hoping to become teachers and doctors. These are just a few of the 5.4 million children now getting an education in Afghanistan, almost two million of them girls. In 2001, under the Taliban, just 900,000 boys were in school, and girls were not allowed a formal education.

DFID has committed £42 million to support the Afghan government's National Solidarity Programme (NSP), which has approved over 32,000 small scale projects – including building health clinics and schools, and improving water supplies and electricity generation. Projects are chosen by communities according to their own needs.



DFID

- 3.17** We are ahead on our target to help **more girls into primary school**: the overall ratio of girls to boys enrolled has increased by six percentage points. In **India**, DFID has provided £210 million in support of the Government of India's universal elementary education programme. In 2007/08 the programme distributed free textbooks to almost 100 million girls. In **Nepal**, DFID has supported the Government to make education reforms which have helped provide 314,000 targeted school scholarships for girls in 2007.
- 3.18** We are on track to meet the target on **reducing child mortality**: the average death rate has fallen by 16 per 1000 live births. DFID funding to seven national health programmes in **Pakistan** has helped increase the coverage of primary health care services. Through this programme the proportion of one year olds receiving life saving vaccinations increased from 53% in 2001 to 71% in 2005, which helped save the lives of around 40,000 children under five per year. In **Nepal** we have supported child health interventions through the Ministry of Health and district level partners which have helped raise the immunisation rate to 83% – the highest in the South Asia region.
- 3.19** Progress has been made on **reducing maternal mortality**: the proportion of births assisted by skilled birth attendants has increased by 12 percentage points since 2000. Through DFID's funding to the ARTE, the **Afghan** Government's Basic Package of Healthcare Services has expanded from 9% of districts to cover 82 and increased the provision of antenatal care to women in rural Afghanistan from 5% in 2003 to 30% in 2006. Our support to the Government of **Pakistan's** National Maternal and Child Health (NMCH) Strategy has contributed to over 1,500 women starting a new midwifery training course this year. Initiatives under DFID's Maternal and Newborn Health Programme which support the Government's NMCH strategy are expected to save the lives of around 350,000 children and 30,000 pregnant women over the next five years.

3.20 It has been difficult to assess progress towards the **HIV** target due to poor data coverage. Available data suggests the target is not on track; but there has been some progress. In India latest estimates show no increase in prevalence since 1998, partly due to increased provision of prevention, care and support programmes for high-risk groups supported by DFID. We will be supporting the third phase of the National Aids Control Programme (2007–2012) including a £102 million contribution from DFID. Prevalence of HIV & AIDS has remained at a low level in **Bangladesh**. DFID funded HIV prevention work has reduced the high risk behaviours of ‘at-risk’ groups, such as sex workers and injection drug users.

Box 3.6: Supporting AIDS control in Pakistan

DFID supports AIDS control in Pakistan through budget support that helps fund the National AIDS Control Programme and through capacity development of civil society providers of HIV prevention services.

Muhammad comes from a poor family in Hyderabad. He is a registered intravenous drug user with a DFID/EC funded project, ‘Tameer’. After losing his job and being thrown out by his family, Mohammad turned to theft to feed his habit. Tameer workers invited Muhammad and fellow drug users to visit their Drop-in Centre. “Initially, we were afraid but due to their friendly behaviour we openly communicated our problems. They informed us about the bad effects of drug injections. The staff informed me about HIV and its transmission. Since I was at risk, I took a test. Fortunately, I was negative. We are also given unused syringes, treatment for any infections and free condoms. I feel a great change in my life. The staff of Tameer helped get me a job at a barber’s shop and my family accepted me again at home. Now I can earn for myself and my family. I am thankful to the Centre staff that provided me information and rehabilitated me. I am now living a healthy life.”

3.21 We are on track to meet the target on tuberculosis (TB) detection and treatment rates. In Pakistan, DFID funding has helped the Government improve its treatment of TB: the case detection rate increased from 51% in 2006 to 67% in 2007 and treatment success is 87%. In India, the national TB programme which DFID supports has treated 6.3 million patients and saved 1.1 million lives since 1997.

3.22 In July 2006, the International Development (Reporting and Transparency) Act 2006 passed into law. Among other things, the Act requires DFID to report on “the effectiveness in pursuing Millennium Development Goals one to seven of bilateral aid provided by the United Kingdom”. Detailed assessments of the effectiveness of UK aid in all our 24 PSA countries are listed in Annex 5.

Progress in non-PSA countries in South Asia

- 3.23** DFID's support to **Sri Lanka** is focused upon efforts to secure peace. Since 2002 there has been one shared British government strategy to achieve this, and the activities of the FCO, DFID and MOD have all been jointly developed, coordinated and implemented within this strategy. The three departments work together through a Joint Section in the British High Commission in Sri Lanka, headed by a DFID officer. Finance is provided through DFID bilateral funds and the Global Conflict Prevention Pool (GCPP).
- 3.24** In the summer of 2007 we announced £1 million for humanitarian programming to Sri Lanka: £200,000 through the UN inter agency Common Humanitarian Action Plan (CHAP); and £800,000 for the International Committee of the Red Cross (ICRC mainly in response to mass displacement in the east of the country). The ICRC provided emergency shelter, health, water and sanitation assistance to the displaced population, rapidly followed by reconstruction and livelihoods recovery programmes during their resettlement. In February 2008 we announced a further £250,000 for the ICRC's 2008 Emergency Appeal for Sri Lanka.
- 3.25** Through funding and personnel support to the Global Conflict Prevention Pool for Sri Lanka, DFID has:
- Helped make 87 interventions to mediate ethnic tensions in conflict-stricken areas
 - Enabled the establishment of a human rights body to examine violations, monitored by an independent international watchdog, and also lobbied successfully for legislation so that victims and witnesses better protected, especially marginalised groups.
 - Improved the business environment via public/private partnerships in 14 sites in Sri Lanka.