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ADDRESSING THREATS TO DEVELOPMENT: KEY CHALLENGES TO INCLUSIVE AND SUSTAINABLE ECONOMIC AND SOCIAL DEVELOPMENT IN THE ASIA-PACIFIC REGION: ACHIEVING THE MILLENNIUM DEVELOPMENT GOALS IN THE ESCAP REGION

(Item 9 (b) of the provisional agenda)

PROGRESS AND CHALLENGES IN ACHIEVING THE MILLENNIUM DEVELOPMENT GOALS IN ASIA AND THE PACIFIC

Note by the secretariat

SUMMARY

The present document provides an overview of the activities undertaken by the secretariat of the Economic and Social Commission for Asia and the Pacific (ESCAP) to contribute to the achievement of the Millennium Development Goals (MDGs) in the region through the implementation of resolutions 64/6 and 64/7, adopted on 30 April 2008 by the Commission at its sixty-fourth session. It also contains a brief assessment of the region’s progress towards the MDGs prior to the onset of the global economic crisis and draws attention to the possible impact of the crisis on the achievement of the Goals.

The document notes that the global economic crisis has been the latest in a series of crises that seriously threaten MDG achievements in the region. It stresses, however, that, despite the challenges presented by the crises, there is a real opportunity for sustaining progress towards the MDGs as countries develop and implement stimulus packages to combat the global economic crisis, and advocates for explicitly including MDG-based development strategies in both short- and longer-term policies.

The document also notes that, more than ever, there is an urgent need to improve the availability of timely and reliable data for addressing the impact of the global economic crisis on progress towards the MDGs.

The Commission is invited to consider the present document and to provide the secretariat with guidance on urgent regional actions required to ensure continued progress towards achieving the MDGs in the Asian and Pacific region.

* The late submission of the present document is due to the need to incorporate additional inputs from various contributors.

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Introduction

1. The present document provides a report on the implementation of Commission resolutions 64/6 entitled “Achieving the Millennium Development Goals in the ESCAP region” and 64/7 entitled “Financing for the achievement of the Millennium Development Goals by 2015 in the ESCAP region”. The report has been prepared pursuant to those resolutions, and is submitted to the Commission at its sixty-fifth session under the sub-item entitled “Achieving the Millennium Development Goals in the ESCAP region”.

2. The report provides an overview of the activities undertaken by the secretariat pursuant to resolutions 64/6 and 64/7 to assist countries in further advocating for the MDGs and making progress in specific MDG goal areas. It also updates the Commission on the initiatives to strengthen the regional MDG partnership and establish a regional resource facility.

3. In addition, the report highlights the region’s remarkable progress towards the MDGs over the past two decades, while drawing attention to the impact of the recent global crises, particularly the unfolding global economic crisis, which threatens to reverse the progress achieved so far.

4. The report recognizes that, despite the daunting challenges, there exists a real opportunity for achieving the MDGs if Governments could proactively include an explicit MDG focus in their policy responses to the crises. It calls for scaling up efforts to improve the availability of timely and reliable statistics, including short-term indicators and disaggregated data, for urgently assessing the impact of the
ongoing crisis on MDG achievements. The report concludes by highlighting some of the initiatives pursued by the secretariat to improve the capacity of countries to monitor short-term changes in economic and social outcomes.

1. RESOLUTION 64/6 ON ACHIEVING THE MDGS IN THE ESCAP REGION

5. In its resolution 64/6, the Commission requested that the Executive Secretary continue, inter alia, (a) to reinforce regional partnerships on the Millennium Development Goals; (b) to assess progress towards achieving all Goals and targets in the ESCAP region and to transmit a progress assessment to the Economic and Social Council, in particular to its annual ministerial review, for its consideration; (c) to assist countries in the region in achieving the Goals, in particular the least developed countries, landlocked developing countries and Pacific island developing countries; and (d) to make further efforts to advocate the Goals in order to focus the attention of policymakers and other stakeholders.

A. Strengthening regional partnerships

6. The secretariat has continued its efforts to expand and deepen regional partnerships on the Millennium Development Goals. As a member of the Regional Coordination Mechanism, it has actively pursued opportunities for developing partnerships on the MDGs, in particular through its participation in various thematic working groups that deal with MDG-related issues.

7. ESCAP launched the regional road map for the achievement of the MDGs in Asia and the Pacific region during the sixty-fourth session of the Commission in 2008. The road map was developed in consultation with some 23 Bangkok-based United Nations organizations, funds and programmes, the Asian Development Bank (ADB) and the World Bank.

8. In tripartite partnership with ADB and the United Nations Development Programme (UNDP), the secretariat is currently developing the third phase of the joint MDG programme, which is expected to be implemented in cooperation with a number of partners at the regional, subregional and national levels, in particular the Regional Coordination Mechanism, subregional organizations (the Association of Southeast Asian Nations (ASEAN), the Economic Cooperation Organization, the South Asian Association for Regional Cooperation and the Secretariat of the Pacific Community), United Nations country teams and ADB subregional and country offices.

B. Assessing regional progress

9. The secretariat, under its tripartite partnership with ADB and UNDP, has been tracking regional progress towards achieving the MDGs regularly. Its recent progress assessments are based on data available up to 2007, as contained in the global MDG database.

1. Regional achievements

10. Over the past two and a half decades, the Asia-Pacific region has made some dramatic progress towards achieving the MDGs. A major area of success has been progress towards halving the number of people living in extreme poverty by 2015.

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1 ESCAP, Delivering as One: Asia-Pacific Regional MDG Road Map 2008-2015 (United Nations publication, Sales No. E.08.II.F.15).
2 http://mdgs.un.org/unsd/mdg/.
According to the latest poverty estimates released by the World Bank in 2008, using a new poverty line of $1.25 a day, the region had already reached the target of reducing the rate of extreme poverty by half in 2005, with a drop from 48 per cent to 24 per cent between 1990 and 2005. This assessment of a steady trend does not, however, include the impact of recent crises, including the current global economic crisis.

11. Poverty reduction in the region has been led by the spectacular achievements in China. Based on the revised estimates, the extreme poverty rate decreased in China by almost three quarters – from 60 per cent in 1990 to 16 per cent in 2005. South-East Asia as a whole has also achieved the poverty target.

12. The poverty rate also decreased for many countries in South and South-West Asia between 1990 and 2005, but progress in this subregion as a whole has not been sufficient to meet the target of halving poverty by 2015. In North and Central Asia, achievements in poverty reduction have been mixed. While some countries in the subregion have already seen their poverty rate reduced by half, the subregion as a whole has seen an increase in extreme poverty between 1990 and 2005, and as such will not meet the 2015 target.

13. Progress towards other MDG targets has been mixed in the region. On the positive side, with 94 per cent of children in Asia and the Pacific enrolled in primary education, the region is likely to achieve the goal of universal primary education by 2015. Even in South Asia – the subregion that lags behind the others – enrolment in primary education reached 90 per cent in 2006.

14. Progress towards achieving gender parity in school enrolment has also been a success in the region. Between 2000 and 2006, the enrolment of girls in primary school increased faster than the enrolment of boys.

2. Slow or uneven progress

15. However, no country in the region is expected to achieve all of the 2015 targets. The region particularly needs to focus greater efforts on targets such as reducing child malnutrition, child mortality, maternal mortality, improving access to basic sanitation and access to safe water in urban areas and reducing carbon dioxide emissions.

16. Nearly 50 per cent of countries in the region are off-track for achieving the targets for reducing the proportion of children who are underweight. Over a quarter of the children in the region under the age of 5 years are underweight. In South Asia almost half of all children under 5 are malnourished, a rate twice as high as in sub-Saharan Africa.

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3 The new poverty estimates constitute a major revision to the MDG data. While the revision results in a higher estimated number of people living in extreme poverty, it has had little or no impact on the estimated trends since 1990. The re-calibration of the international poverty line is based on the 2005 round of the International Comparison Programme (ICP) and the national poverty lines of the 15 poorest countries in terms of per capita consumption. The 2005 ICP, including both China and India for the first time, provided a more complete assessment of the variation in costs of living across countries than the previous round held in 1993.

4 A fully revised assessment using the latest MDG data will be included in the 2009 regional MDG report.

5 This assessment is based on the analysis presented in ESCAP, The Millennium Development Goals: Progress in Asia and the Pacific 2007 (United Nations publication, Sales No. E.07.II.F.31). Preliminary analyses of the latest MDG data indicate that this is still the case.
17. Within the region, 35 per cent of countries will not reach the target for child mortality. There has also been a lack of progress in improving access to water and sanitation. Also, 30 per cent of countries in the region are off-track for meeting the target of access to safe drinking water in urban areas and over 53 per cent will not meet the target of access to basic sanitation in rural areas.

18. Even in areas for which the region as a whole is on track, some countries are lagging behind or are even regressing. For example, the primary enrolment ratios of some other countries are actually regressing and large gender gaps still exist in primary enrolment in some countries.

19. The region also shows large disparities in achievements within countries, particularly between urban and rural areas. Although not all countries have data available for within-country comparisons, analysis suggests that progress at the national level does not always translate into progress for all subgroups. For example, the 2007 regional MDG report showed that even in countries that were on track for indicators such as child mortality, progress may be falling behind in rural areas and for the poorest in the population.

C. Supporting country efforts

20. The secretariat has continued to assist countries in the region in achieving the Millennium Development Goals, in particular the least developed countries, landlocked developing countries and Pacific island developing countries. It has successfully mainstreamed the MDGs in its work programme and has undertaken a number of MDG-related activities, including advocacy work, and has organized workshops and seminars on poverty reduction, empowering women, health-related MDGs, social protection, Green Growth and energy security, and development cooperation in areas such as trade, investment and private sector development.

21. The secretariat has published background analysis on issues related to the overall achievement of the MDGs. Apart from technical background and policy papers related to the MDGs, the secretariat produces regional reports in this area. In collaboration with UNDP and ADB, the secretariat is currently preparing a regional MDG report to be launched in late 2009. A secretariat report published in January 2009 reflects on the achievements of ASEAN and on the challenges it faces as it develops into a more collective, rules-based body. The report also includes an analysis of variations in the performance of ASEAN countries towards achieving the MDGs and examines prospects for further cooperation between ASEAN and each of the United Nations agencies on a wide range of issues such as trade, migration, transport, disaster preparedness and early warning, environmental sustainability and climate change, gender equality, food security, health systems, HIV/AIDS, education, statistics, and human rights and governance.

22. Another secretariat publication related to the MDGs is the *Asia-Pacific Population Journal*, in which leading population experts share opinions and action-oriented research findings and provide clear policy recommendations regarding population and development issues in the region. In print since 1986, this peer-reviewed publication was revamped in 2005; it reaches a broad audience of decision and policy makers, programme planners and programme administrators, as well as researchers in over 75 countries worldwide. In 2008, two regular issues of the Journal were published, in April and in August, and an additional issue funded through

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6 Resolution 64/6 calls for support to country advocacy efforts. The present section reports on the activities undertaken by the secretariat with respect to advocacy in the context of different areas of work.

7 ESCAP, *Striving Together: ASEAN & the UN* (United Nations publication, Sales No. E.09.II.F.3).
extrabudgetary resources. The two regular issues contained unique research articles on topics relevant to the pursuit of the MDGs, in particular Goals 3 to 6. One article in the August 2008 issue specifically tackled the critical question of whether or not the Goals are within reach by 2015.

23. The secretariat is also committed to improving the statistical capacity of countries to assess progress towards the MDGs. In 2008, it conducted an assessment of the extent of, and reasons for, discrepancies between national and international MDG data, focusing on four selected countries: Mongolia, Nepal, Sri Lanka and Viet Nam. The report was based on desk research and inputs from national consultants in each of the four project countries.

24. A regional workshop on MDG monitoring was held in collaboration with the United Nations Statistics Division in Bangkok from 14 to 16 January 2009. The workshop reviewed reporting mechanisms for MDG data, established strategies to reduce and reconcile data discrepancies between national and international databases and provided participants with skills for improving subnational MDG data, whether compiled from surveys, censuses or administrative records. The workshop brought together statisticians from the national statistical offices of 30 countries and representatives from international agencies responsible for the compilation of MDG data, including ADB, UNDP, the United Nations Children’s Fund (UNICEF), the World Health Organization (WHO) and the World Bank.

25. Apart from activities related to overall MDG issues, the secretariat has undertaken various activities designed to assist countries in making progress in specific areas.

1. Reducing extreme poverty and hunger

26. With respect to eradicating extreme poverty and hunger (Goal 1), the secretariat organized the Expert Group Meeting to Assess the Progress in the Implementation of the Plan of Action on Population and Poverty Adopted at the Fifth Asian and Pacific Population Conference, in Bangkok from 3 to 5 February 2009. The meeting provided renewed impetus for the full implementation of the Plan of Action, (E/ESCAP/1271, annex I) as a crucial means to achieving the MDGs, thereby further fostering the integration of population concerns into development planning and strategies, and also recommended priority actions for the way forward in further implementing the Plan of Action.

2. Achieving gender equality

27. In the area of empowering women and achieving gender equality (Goal 3), the secretariat has provided assistance through a range of activities, for example, the project on “Social Protection – Gender-Responsive Health and Social Security for the Elderly”. In follow-up to a regional workshop held in Seoul in 2006, two national workshops were organized in Hanoi from 12 to 14 March 2008, in collaboration with the Viet Nam Women’s Union, and in Ulaanbaatar from 9 to 11 April 2008, in collaboration with the Ministry of Social Welfare and Labour of Mongolia. Policymakers and other stakeholders reviewed pension schemes, health-care services and infrastructure and discussed issues of financing, public-private partnerships and ways to reach marginalized groups of women. Both workshops devised country-specific recommendations to assist in developing gender-responsive health policies and programmes on ageing.
28. As part of a Development Account-funded project to strengthen social inclusion, gender equality and health promotion in working towards the Millennium Development Goals, the secretariat facilitated the creation of a regional knowledge network on the MDGs called the Asia-Pacific Community of Practice on Social Inclusion, Gender Equality and Health in the MDGs (AP-MDG-Social). AP-MDG-Social conducted an e-discussion on the feminization of poverty in the latter half of 2008. The results of this discussion, including policy recommendations, were included in an AP-MDG-Social knowledge product document and shared during the fifty-third session of the Commission on the Status of Women, held in New York from 2 to 13 March 2009. As part of the project component on developing supplementary MDG indicators that measure gender equality and inequality, a publication entitled “Promoting Gender Equality and Women’s Empowerment in the Asia-Pacific: Linking the Millennium Development Goals with the CEDAW and Beijing Indicators” was also issued electronically.8

29. The secretariat also convened the Expert Group Meeting on Gender Statistics and the Use of Violence against Women Indicators in Support of the CEDAW and Beijing Platform for Action in Bangkok from 1 to 3 October 2008. The meeting, co-organized by the Gender and Development Section of the Social Development Division and the Statistics Division of ESCAP, aimed to promote collaboration between national statistical offices and national women’s machineries for developing and using statistics for appropriate policymaking, and for reducing gaps in the implementation of both the Convention on the Elimination of All Forms of Discrimination against Women9 and the Beijing Platform for Action.10

30. For over a decade, the secretariat has been working to combat commercial sexual exploitation of children. On 18 and 19 August 2008, the East Asia and Pacific Regional Preparatory Meeting for the Third World Congress against Sexual Exploitation of Children and Adolescents was held in Bangkok with participants from 20 countries, including participants from least developed countries and the Pacific. The meeting, co-organized by ESCAP, UNICEF and ECPAT International, assessed progress and reviewed emerging trends in order to refine conceptual and practical tools for combating commercial sexual exploitation of children at the national, regional and global levels. Two publications were produced, one based on the results of the meeting and another analyzing various dimensions of the issue of commercial sexual exploitation of children in the Pacific.

31. In preparation for the fifteenth anniversary of the adoption of the Beijing Platform for Action in 2010, ESCAP and the other regional commissions, in collaboration with the Division for the Advancement of Women of the Department of Economic and Social Affairs of the United Nations Secretariat, is conducting a survey on the review and appraisal of progress in the promotion of gender equality and women’s empowerment over the five-year period from 2004 to 2009. The survey questionnaire requests feedback from member and associate member Governments on implementation of the Beijing Declaration11 and Platform for Action and the outcome of the twenty-third special session of the General Assembly in 2000.12 It is expected that compilation and analysis of the results of this survey will be completed by mid-2009.

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10 Report of the Fourth World Conference on Women, Beijing, 4-15 September 1995 (United Nations publication, Sales No. E.96.IV.13), chap. I, resolution 1, annex II.
11 Ibid., annex I.
12 General Assembly resolution S-23/2, annex, and resolution S-23/3, annex.
3. Improving maternal health

32. With respect to improving maternal health (Goal 5), the secretariat, in collaboration with the Health Bureau of Anhui Province in China organized a subregional workshop under a project funded by the Government of China on “Addressing Multisectoral Determinants of Maternal Mortality in the ESCAP region” at Hefei, China, from 20 to 22 October 2008. The workshop focused on four target countries: Bangladesh, China (Anhui Province), Nepal and Viet Nam. The main objective of the workshop was to discuss the findings of the national-level studies in order to share experiences and develop country-level action plans to reduce maternal mortality. The workshop adopted policy recommendations to address medical and non-medical factors affecting maternal mortality.

4. Combating major diseases

33. With respect to assisting countries in combating major diseases (Goal 6), the work of the secretariat is based on the recognition of linkages between economic development, strong health systems and the achievement of the health-related MDGs. To contribute to strengthening health financing mechanisms and health systems of the countries in the region, the secretariat implemented two projects in six pilot countries – Cambodia, China, the Lao People’s Democratic Republic, Mongolia, Myanmar and Viet Nam – with the objective of establishing multisectoral dialogue on sustainable health financing. Situational reviews and national workshops were conducted in each pilot country. A regional meeting for the two projects, on “Promoting Sustainable Social Protection Strategies to Improve Access to Health Care”, was held in Bangkok from 23 to 25 July 2008 and was attended by representatives from the six pilot countries as well as several others. Countries were invited to share experiences in health financing, especially risk-pooling schemes. To achieve a multisectoral dialogue, the participating countries were requested to send representatives from their ministries of health, as well as representatives from ministries with responsibility for non-health sectors, such as finance, economics, planning or social welfare. Representatives of other United Nations agencies, including country and regional offices of WHO, the International Labour Organization, the World Bank and development agencies also participated in the meeting, which produced a series of recommendations.

34. As part of its efforts at combating communicable diseases, especially HIV and AIDS, the secretariat organized an expert group meeting on “Progress on International Commitments to Combat HIV/AIDS in the Asian and Pacific Region” in Bangkok on 12 and 13 May 2008, in collaboration with UNAIDS. The meeting sought to identify common challenges in the Asia-Pacific region and to produce concrete recommendations in preparation for the United Nations high-level meeting on AIDS, held in New York on 10 and 11 June 2008. Participants came from various sectors, including national Governments, United Nations agencies, academia and civil society. They produced detailed policy recommendations and discussed the progress made with regard to universal access and achievement of the commitments made under General Assembly resolutions S-26/2 of 27 June 2001 on the Declaration of Commitment on HIV/AIDS and 60/262 of 2 June 2006 on the Political Declaration on HIV/AIDS.13

35. With special attention to the prevention of HIV/AIDS, the secretariat implemented two projects, the first focusing on community-based rehabilitation for drug users in China, the Lao People’s Democratic Republic, Thailand and Viet Nam,  

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13 Also Commission resolution 59/1 of 4 September 2003 on regional action in follow-up to the Declaration of Commitment on HIV/AIDS.
and the second on developing community-based life-skill training for youth to empower for appropriate health behaviors, including the prevention of substance use and infection of HIV in four pilot countries: Cambodia, China, the Philippines and Sri Lanka.

5. Promoting sustainable development

36. In the area of promoting sustainable development (Goal 7), the Green Growth Programme of the secretariat emphasizes the Sustainable Livelihoods approach, a rights-based approach that recognizes the poor as a key stakeholder in the development process. The secretariat’s capacity development programme in promoting Green Growth is designed to educate participants about the most innovative, cost-effective approaches to Green Growth. To this end, Green Growth encourages the use of participatory assessments designed to include the concerns of vulnerable women and men in the policy planning and implementation cycle. Structured around a series of interactive training modules, the curriculum encourages participants to actively reflect on the ways in which a Green Growth strategy can be adapted to their home country. The main areas of the training programme focus on identifying the key paths to Green Growth, namely sustainable consumption and production, green business, sustainable infrastructure, supported by green tax and budget reform. The programme is designed with a subregional focus on Central Asia with Kazakhstan in the lead, the Greater Mekong Subregion with Cambodia as the pilot country, and the Pacific Islands. The programme is being developed in partnership with the Regional Help Desk on Sustainable Consumption and Production in Asia and the Pacific, where a Training of Trainers facility has been established. Training seminars will be conducted in partnership with the United Nations Environment Programme, the Department of Economic and Social Affairs of the United Nations Secretariat and representatives of research institutions from the region. The first Training of Trainers seminar will be conducted at the end of May 2009 for senior decision makers from Cambodia, China, India, Indonesia, Kazakhstan and the Philippines. National Training of Trainers and advocacy seminars are also planned for Bhutan, India, Indonesia and Kazakhstan.

37. With respect to improving access to water and sanitation, the secretariat supported Cambodia and the Lao People’s Democratic Republic in improving their capacity to implement participatory rural development initiatives with a particular focus on infrastructure development at the village level. The secretariat also supported Indonesia, the Philippines and selected Pacific island countries through capacity-building activities, in particular in the formulation of town-wide strategies for pro-poor water and waste water.

38. In order to make a significant improvement in the lives of 100 million slum dwellers, the secretariat assisted Cambodia, Mongolia, Nepal and Timor-Leste in improving living conditions in slum settlements by undertaking demonstration projects, South-South study visits and advisory services and training workshops. In order to promote sustainable development and reduce income poverty, the secretariat also improved the capacity of Sri Lanka and Vietnam in decentralized, self-financing solid waste management involving the urban poor.

6. Promoting development cooperation

39. In promoting development cooperation (Goal 8), the secretariat worked closely with global and regional organizations, including the United Nations Conference on Trade and Development, the World Trade Organization (WTO) and the European Commission. With funding from the European Commission, technical
support and training activities have been provided to Nepal in implementing its WTO commitments and to Bhutan in helping that country to accede to WTO. A range of capacity-building activities were undertaken in collaboration with regional partners, including the ESCAP-Economic Commission for Europe (ECE) Seminar on Single Window and Data Harmonization in Central Asia, held in Baku from 5 to 7 May 2008; the Regional Expert Group Meeting on Trade and Transport Facilitation for Export Competitiveness, held in Yangzhou, China, on 25 and 26 September 2008; the ECE-ESCAP Seminar on Electronic Trade Documents, held in Bishkek from 3 to 5 November 2008; and the Expert Group Meeting on Strengthening Partnerships for Development through Enhanced Regional Trade, held in Bangkok on 21 and 22 January 2009.

40. In early 2009, ESCAP launched, jointly with ECE, the United Nations Development Account 6th Tranche Project entitled “Enhancing Trade Competitiveness of Least Developed Countries, Countries in Transition and Transit Countries through the Implementation of Single Window Facilities”.

41. The secretariat continues to promote trade and investment in the region through the dissemination of relevant information. Its trade information service plays a catalytic role in the region, offering free and wider access to accurate, relevant and timely trade and investment information and knowledge sources. Currently, the trade information service includes E-TISNET monthly newsletters, Traders’ Manuals, TIS Gateway and the Directory of Trade and Investment-related Organizations of Developing Countries and Areas in Asia and the Pacific.

II. RESOLUTION 64/7 ON FINANCING FOR THE ACHIEVEMENT OF THE MDGS BY 2015 IN THE ESCAP REGION

42. In its resolution 64/7, the Commission requested the Executive Secretary (a) to explore the feasibility of establishing a regional Millennium Development Goal resource facility as referred to in the report entitled “A future within reach: progress towards achieving the Millennium Development Goals in the Asian and Pacific region”, (E/ESCAP/64/37) and (b) to contribute to the possible review of the Economic and Social Council’s existing mechanisms by the Council and take action, where appropriate, to ensure the effective review and implementation of the outcomes of major United Nations conferences and summits in the economic, social and related fields.

A. Regional resource facility

43. ESCAP, in cooperation with its partners ADB and UNDP, has established a regional resource facility for knowledge management and sharing, networking and advocacy on the Millennium Development Goals, operating from the UNDP Regional Centre in Colombo. It has proven to be a valuable platform for e-based discussion on MDG issues and exchanging information on MDG best practices in the region. Parallel to this initiative, the secretariat has initiated a feasibility study on a regional resource facility which would, in particular, examine options for regional cooperation to harness the region’s financial resources for meeting the financing gap that exists in achieving the MDGs.

B. Contribution to the review of the Economic and Social Council

44. ESCAP has continued to take an active part in the work of the Economic and Social Council. It contributed to the assessment of MDG progress and provided regional perspectives on the MDGs during the annual ministerial reviews. It also
actively contributed to the Development Cooperation Forum by organizing, in cooperation with the Department of Economic and Social Affairs of the United Nations Secretariat, a regional workshop on promoting South-South cooperation in financing for development.

III. RESPONDING TO THE GLOBAL ECONOMIC CRISIS

45. Regional progress towards the MDGs remains fragile under the unfolding global economic crisis. Along with food-fuel price volatility and climate change, the global economic crisis is now impacting all economies, including the emerging markets and some of the poorest and most vulnerable countries in the region, and poses serious threats to the ability to sustain progress towards the MDGs. With increased integration into the global economy, many developing countries in the region are heavily dependent upon exports, foreign direct investment, remittances from migrant workers and/or official development assistance – the main channels through which the crisis is leading to sharp deteriorations of their economic outlook. The increase in unemployment, loss of income and lack of social protection are likely to push many people, especially women, children and other vulnerable groups, into poverty, and result in large humanitarian costs, including increased infant and child mortality, reduced school enrolment and worsening gender inequality, as well as social cost and political instability.14

46. Well-targeted policy responses could significantly reduce the duration and magnitude of the impact of the global economic crisis. Governments and development partners need to act swiftly in order to ensure progress towards the MDGs in the face of current threats. In response to the financial crisis and reduced global demand, countries in the region are putting into place fiscal stimulus packages to ensure that employment opportunities are generated quickly and to mitigate other social and economic consequences of the crisis. However, whether or not developing countries can provide the required stimulus packages depends on their fiscal capacity, that is to say, their capacity to generate the necessary funds from financial markets or donor agencies.15

A. Turning short-term stimulus into long-term progress

47. Despite the daunting challenges, the current crisis also presents a real opportunity for the MDGs. In particular, with the drop in external demand for Asian exports, countries must rely on public spending, such as infrastructure, health, education and energy reforms to combat the crisis. These immediate stimulus measures – all are desperately needed in the region – could be directed explicitly to sectors crucial for sustaining and accelerating progress towards many MDGs, and, in turn, define long-term development trends.

48. It is indeed possible to use public expenditures both for the purpose of generating employment and reinvigorating the economy in the short term and for supporting the attainment of the MDGs in the longer term. With a view towards achieving the MDGs related to health, education and market access, stimulus packages could, for example, focus on public infrastructure projects to improve

14 For more detailed discussions on impacts for the region, see, for example, “Recent macroeconomic developments and other issues to be raised at the first session of the Committee on Macroeconomic Policy, Poverty Reduction and Inclusive Development” (E/ESCAP/65/1); “Regional trade and investment: trends, issues and ESCAP responses” (E/ESCAP/65/2); and “Children in times of economic crisis: Past lessons, future policies”, Overseas Development Institute, background note, March 2009.

15 The World Bank provides an assessment of countries’ fiscal space through the Country Policy and Institutional Assessment (CPIA). See, for example, the 2009 World Bank policy note “The Global Economic Crisis: Assessing Vulnerability with a Poverty Lens”.

transport networks and build hospitals and schools, in particular in rural areas. They could also foster public investments in low-carbon technologies as well as in improving access to improved water sources and basic sanitation facilities, areas in which the region as a whole has not been making sufficient progress.

49. In addition, cash transfers are seen as another possible MDG-focused policy response to safeguard vulnerable populations from slipping into extreme poverty. Starting in Mexico in 1997, cash transfers providing resources to families conditional upon certain health-related behaviors (for example, attending clinics for child or antenatal care) had been gaining in popularity until the onset of the current economic crisis. Although whether conditional cash transfers are more effective than unconditional cash transfers under the current circumstance remains to be seen,\textsuperscript{16} there is no doubt that countries in the Asia-Pacific region should aim to establish stronger social protection mechanisms in order to mitigate the impact of future crises, particularly on the most vulnerable and marginalized groups of the population, and to ensure inclusive development for all. The global crisis has hit the world’s poor hardest, two thirds of whom life in the Asia-Pacific region, where only an estimated 30 per cent of older persons receive pensions and 20 per cent of the population has access to health-care assistance.\textsuperscript{17}

B. Managing risks through regional cooperation

50. Combating the current global economic crisis and managing future risks require not only proactive and decisive actions by national Governments, but concerted regional cooperation and coordination. The formation of regional and subregional initiatives had in the past played a critical role in mitigating the impact of crises, demonstrating the huge potential of regional cooperation and coordination.

51. These initiatives include the Chiang Mai Initiative, originally established by ASEAN+3\textsuperscript{18} after the 1997 Asian financial crisis with the aim of creating a network of bilateral swap arrangements among the ASEAN+3 countries to address short-term liquidity difficulties in the region and to supplement the existing international financial arrangements. In February 2009, ASEAN+3 agreed to make the fund worth $120 billion, up from the original level of $80 billion proposed in 2008, to deal with the needs of countries under the current global crisis.

52. Another example is the ASEAN Integrated Food Security Framework, created by ASEAN member States to address the consequences of the recent increase in international food prices. The Framework focuses on strengthening the existing initiative and measures to reduce the impact of that increase, particularly on the most vulnerable populations, with specific policy responses in four strategic areas: food security arrangements, conducive food markets and trade, integrated food security information system and agricultural innovation.

53. Indeed, as was stated by the Executive Secretary of ESCAP at the launch of the \textit{Economic and Social Survey of Asia and the Pacific 2009}, the costs and risks inherent in market failures have proven too brutal. Developing economies of the Asia-Pacific region are now afforded an opportunity to work in a collaborative manner with each other and with developed countries to institute a shared paradigm


\textsuperscript{17} See ESCAP, \textit{Economic and Social Survey of Asia and the Pacific 2009: Addressing Triple Threats to Development} (United Nations publication, Sales No. E.09.II.F.11).

\textsuperscript{18} Brunei Darussalam, Cambodia, Indonesia, the Lao People’s Democratic Republic, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Viet Nam, plus China, Japan and the Republic of Korea.
of development that is sustainable over time and inclusive at all levels. Developed countries have as much to gain as developing countries.

54. In particular, given the importance of global trade for the region, countries in Asia and the Pacific need to collectively promote more intraregional trade and investment by accelerating the implementation of regional economic cooperation agreements. With demand for exports from developing countries falling, it is even more important to improve market access for developing countries. International commitments towards trade reform will need to be redoubled to conclude the Doha Round of trade negotiations, and refocus on the element that would make it a “development” round. A successful conclusion of the Doha Round in 2009 becomes particularly important in the light of the pressure to implement protectionist measures in response to the current economic downturn. The sooner an agreement can be arrived at in WTO, the faster the world will be able to emerge from the current economic crisis with the benefits of more open markets accruing to both the developed and the developing countries.

C. Improving capacity for assessing impact

55. Despite the urgent need, comprehensive assessments of the impact of the global economic crisis on MDG achievement remain extremely difficult. This is not just because the linkages between a crisis in the financial markets, the real economy and social sectors are complex and vary widely across countries, but is due, more fundamentally, to the lack of timely, reliable and relevant data.

56. On the one hand, most data used in the assessment of regional progress towards the MDGs come with a time lag of at least two years and even then, there are frequently large data gaps for specific indicators for many countries in the region, particularly the least developed countries and small island developing States. On the other hand, assessing the impact of the economic slowdown on poverty and other social outcomes, understanding the coping mechanisms of households, monitoring trends in inequalities and evaluating the effectiveness of public policies require disaggregated statistics and household-level data. Many developing countries in the region often lack the basic statistical capacity and face persistent constraints in producing and disseminating such information.

57. The ongoing global economic crisis highlights the urgency of scaling up efforts to improve national statistical capacity. In response, activities in the following areas have been initiated to support statistics development in the region:

(a) The secretariat, guided by the Committee on Statistics, is developing a regional programme to promote the improvement of economic statistics, including data on short-term indicators and source data for compiling national accounts, which would enable countries to more effectively monitor economic and financial trends;

(b) The secretariat, guided by the Committee on Statistics, is also developing a regional programme to improve the use of vital statistics and other administrative data for monitoring the MDGs which would help to make available more timely and disaggregated data for many MDG indicators in the longer term;

(c) The secretariat, under its tripartite partnership with ADB and UNDP, is developing a statistical capacity-building programme to encourage countries in the region to take advantage of the 2010 round of population and housing censuses to compile and disseminate more disaggregated data, including by sex, and promote more innovative use of census and survey data for studying disparity and inequality issues related to the MDGs;
(d) The secretariat aims to support the community-based monitoring systems in selected countries, which would allow the collection of up-to-date information on the household coping mechanism and on the different dimensions of poverty in local communities. The impact of the crisis at the household and community levels could then be observed and analyzed on a timely basis.

IV. CONSIDERATION BY THE COMMISSION

58. The Commission may wish to consider the present document and provide the secretariat with guidance on the urgent regional actions required to combat the ongoing global economic crisis while ensuring that progress towards achieving the MDGs in the region is sustained and accelerated.