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**KEY DEVELOPMENTS AND ACTIVITIES AT THE REGIONAL LEVEL:
MANAGING GLOBALIZATION**

(Item 3 (b) of the provisional agenda)

KEY ISSUES RELATING TO MANAGING GLOBALIZATION

Note by the secretariat

SUMMARY

The present document provides the Commission with a brief account of the latest developments in addressing the globalization challenges. It outlines three intersectoral projects being implemented by the secretariat to manage globalization effectively.

The document also takes stock of the regional activities undertaken or planned by the secretariat within the focused subprogramme areas of international trade and investment, transport and facilitation and tourism, environment and sustainable development and information, communications and space technology. All these efforts aim to help member States to manage globalization efficiently by formulating and implementing effective policies to seize the opportunities while minimizing the inevitable costs.

The document raises the time-bound issues to the Commission for its early attention as well as other issues for consideration.

The Commission is invited to review and consider the key developments, endorse the time-bound issues and provide further guidance on future actions by the secretariat.

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INTRODUCTION

1. In broad terms, globalization describes a process of increasing interdependence or the building of networks between individuals, firms, countries or regions. The emergence of these networks is evident in the economic field through the increased movement of goods, services, knowledge, ideas, finance and people; in the political field, through various State-sponsored forms of integration; and in the cultural field, through increased communications and opportunities to travel.
2. The principal driving forces behind this current phase of globalization are lower barriers to trade and investment, lower transport costs, lower information technology costs and the increasingly important role of the Internet.
3. In general, those countries and regions within countries that have adopted outward-looking trade and investment policies, improved their transport and communication networks and developed their institutional and human capital have benefited from the process through higher economic growth rates. Those that have not embraced such measures or, for reasons of geography, topography, finance, or capacity, have found difficulty in implementing such measures, have not benefited to the same extent and are facing the possibility of being bypassed or marginalized.
4. Concomitant with the increasing economic growth associated with globalization, there are various issues arising that need to be dealt with at the sectoral level, including those related to environmental degradation, the accelerated depletion of non-renewable resources, industrial and road safety, security, health and human trafficking, and issues in Internet governance. One of the challenges for the region is how to continue its economic growth without jeopardizing the environmental sustainability of the region. A shift towards environmentally sustainable economic growth, or “Green Growth”, that harmonizes environmental sustainability and economic growth is urgently needed.
5. Consequently, the thrust of the work of the secretariat in support of the Committee on Managing Globalization, as mandated by the Commission, focuses on supporting members and associate members in expanding market access for their products and services with a focus on the realization of a universal, open, equitable, non-discriminatory, rule-based, predictable multilateral trading system as administered by the World Trade Organization (WTO); building supply-side capacity to benefit from market access, including trade facilitation, investment promotion and facilitation; developing the capacity and competitiveness of enterprises, especially small and medium-sized enterprises (SMEs); improving market access through the development of transport, information and communications networks and supply chain systems; and adhering to product standards and processes and production methods in export markets. At the same time, the secretariat seeks to ensure that development proceeds in a sustainable way by addressing issues such as the environment, safety, health, and Internet-related contents and regulations that become more visible or increase in intensity with more rapid economic growth.

6. While there is widespread recognition that sector-specific issues are best dealt with through sector-specific policies and instruments, there is a need to coordinate and integrate sector-specific interventions and network development in order to manage globalization effectively. For example, countries will not be able to realize the full benefits of implementation of a trade regime as envisaged under WTO if the appropriate trade, transport and communications infrastructure, facilitation and services are not in place. Similarly, widespread participation in the globalization process will not be realized if SMEs lack the capacity, competitiveness or ability to adhere to processes and production methods in export markets.

7. Taking advantage of its multidisciplinary expertise, the secretariat is implementing a number of intersectoral projects designed to encourage and assist members and associate members in coordinating their approaches to the management of globalization.

8. Section I begins by outlining three intersectoral projects being implemented by the secretariat. Section II focuses on sector-specific activities designed to assist in the management of globalization or the promotion of regional cooperation. Section III draws to the attention of the Commission issues of a time-bound nature arising from the subcommittees that need a decision by the Commission, as well as other issues for consideration.

I. MANAGING GLOBALIZATION: ADDRESSING CROSS-CUTTING ISSUES

A. Coordinating trade facilitation, transport facilitation and ICT interventions

9. International trade and transport play a vital role in the economic development of landlocked and transit countries in the environment of globalization. However, international trade and transport are hindered by complicated, lengthy and frequently changed procedures and documentation, different requirements in different countries, duplicated inspections, high charges, the lack of effective inter-agency coordination and cooperation among ministries and agencies involved in trade and transport facilitation, overlapping and conflicting conventions for trade and transport facilitation and the absence of effective information and communication technology (ICT) applications for trade and transport facilitation. These situations create high costs in trade transactions and delays in the cross-border movement of goods and services.

10. The Government of the Netherlands has recently approved a project on institutional capacity-building for the facilitation of international trade and transport in landlocked and transit countries. This project is being implemented jointly by the trade, transport and information, communication and space technology divisions of ESCAP. Its activities include the establishment or enhancement of national trade and transport facilitation committees; training workshops on the ESCAP Trade Facilitation Framework and time/cost-distance model; compilation and analysis of subregional, multilateral and bilateral agreements dealing with facilitation of international trade and transport; the online database on trade and transport facilitation conditions; guidelines on the use of ICT in border-

crossing transport; and regional meetings to share experiences and review the above-mentioned activities.

B. Increasing market access and enhancing environmental sustainability

11. As the trade in goods and services in the Asian and Pacific region continues to expand, there is a need to ensure coherent environment and trade policies to enable increased market access while ensuring environmental sustainability. However, the following constraints have been identified: (a) limited understanding about the linkage between trade and environment; (b) limited policy analysis capacity and resources; and (c) inadequate policy coordination.

12. The United Nations Development Account project on capacity-building in trade and environment aims to enhance the capacity of developing member States to formulate coherent trade and environment policies that promote trade competitiveness and address issues related to the environment in an effective manner.

13. Working within the framework provided by the Doha Ministerial Declaration, the project will equip decision makers with the tools necessary to build the policy coherence needed to maximize the economic benefit and minimize the environmental pressure arising from trade expansion and liberalization, and manage the pressure on environmental sustainability arising from the import of unsustainable consumption products into developing countries. The enhanced environmental sustainability will contribute towards achieving “Green Growth”.

C. E-commerce and enterprise development

14. In the area of trade facilitation and enterprise development, it is noted that developing countries are facing three main difficulties, namely, limited understanding of and use by Governments and business, especially SMEs, of trade facilitation and ICT tools and techniques, limited capacity for policy analysis, and inadequate policy instruments for implementation and inadequate policy coordination for negotiation in trade facilitation.

15. In order to address these issues, ESCAP is implementing a United Nations Development Account project jointly with the four other United Nations regional commissions, on interregional partnerships for promoting trade as an engine of growth through knowledge management and information and communication technologies. The project focuses on capacity-building in the area of trade facilitation and aims at strengthening the international competitiveness and negotiating capacity of developing countries by sharing tools and best practices on trade facilitation, enhancing the participation of SMEs in global supply chains, designing and implementing trade facilitation policies at the national and regional levels and utilizing knowledge management and ICT in supply chain management. ESCAP will organize a series of capacity-building workshops over the next three years.

16. The secretariat is also implementing a project, supported by the United Nations Development Programme (UNDP) and the Government of Japan, on the development of e-business development services for SMEs in selected members of the Association of Southeast Asian Nations (ASEAN) and southern China. The project is to assist SMEs in embracing digital opportunities, increase awareness of e-business among various stakeholders, including decision makers, and develop e-business development strategies. Another project on the promotion of e-business that will be implemented with the support of the Republic of Korea is the development of e-business, on a pilot basis, for women entrepreneurs through community e-centres at cooperatives. The project aims to develop entrepreneurship and ICT skills for women.

II. MANAGING GLOBALIZATION: ADDRESSING SECTOR-SPECIFIC ISSUES

A. Trade and investment

17. While ESCAP members and associate members recognize the importance of the multilateral trading system, it can be observed that only 24 out of the 46 developing members are also WTO members and that negotiations under the Doha Development Agenda are progressing slowly. As a result, the secretariat is assisting members in enhancing their negotiating capacity under the Agenda, accession to WTO, and promoting regional trade agreements in conformity with the principles and objectives of the multilateral trading system.

18. The WTO/ESCAP Technical Assistance Programme, designed to increase and deepen the understanding of mid- and high-level government officials on WTO issues, continues to receive wide recognition and acclaim in the region. In order to advance the multilateral trade negotiations under the Doha Development Agenda and accession of countries in the region to WTO, the secretariat will seek, in collaboration with the United Nations Conference on Trade and Development (UNCTAD), WTO and other global and regional partners, to accelerate its technical assistance and capacity-building activities related to WTO and the Agenda. Special attention will be paid to issues related to WTO accession and the implementation of WTO agreements and their implications for the development strategies of various groups of disadvantaged countries, including landlocked countries, island developing countries, least developed countries and countries with economies in transition. In this regard, the secretariat is entering into partnership with the European Commission on technical assistance for landlocked least developed countries, specifically Bhutan, on WTO accession issues.

19. A technical background paper has been prepared on Millennium Development Goal 8, “Develop a global partnership for development”. The paper considers the elements of an enhanced global partnership for development in trade that would have a poverty-reducing impact and enable the region to emerge as the world’s growth pole by 2015. In that regard, the Doha Round should make substantial progress in removing global distortions on products that were labour-intensive. Enhanced access to overseas markets in these products would generate new employment opportunities that would allow developing countries of the region to trade their way out of poverty. At the same time,

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the service economy represented a key sector with potential as a source of wealth creation. Continued liberalization in that sector would result in economy-wide efficiency and increases in export competitiveness. A number of countries in the region had already made tremendous strides in shifting from resource-based to knowledge-intensive economies, and now stood at the vanguard of the world economy. The prospects looked good that the region would become the world's key building block towards an enhanced global partnership by 2015.

20. One area of particular concern to some of the least developed countries in the region is the implications of the phase-out of textile and garment quotas. The secretariat will work towards strengthening domestic research and policy analysis for enhanced policy decision-making.

21. Among the various developments at the regional level, an achievement of note is the conclusion of the third round of tariff concessions under the Bangkok Agreement, for which ESCAP serves as the secretariat. While member countries are consolidating the third round and second round concession lists, a preliminary assessment by the secretariat shows that the number of items for general concession has increased from 1,721 to 4,279 (from 112 to 609 in the case of special concessions to least developed countries), and that the average margin of preference on the covered items has risen by 5.2 percentage points (26.6 percentage points in the case of special concessions to least developed countries). The first session of the Ministerial Council of the Agreement is tentatively scheduled for September or October 2005.

22. With regard to Central Asian and Caucasian countries, the United Nations Development Account project on capacity-building of ESCAP member States for managing globalization will come to an end in 2005. Among the outstanding activities under the project, the high-level International Conference on Strengthening Regional Cooperation for Managing Globalization is scheduled to be held in Moscow in September 2005 to discuss issues of a cross-cutting nature, including policies and strategies for macroeconomic management, trade policy and facilitation, and investment promotion and facilitation in the context of managing globalization for concerned countries.

23. As tariff levels continue to decrease, the importance of addressing trade facilitation issues, including trade finance, e-commerce and the harmonization of trade procedures, in a holistic manner, increases. The ESCAP Trade Facilitation Framework was developed to serve as a priority assessment tool already tested in selected Central Asian countries in 2004. In addition, ESCAP has developed training material on trade finance infrastructure. This material was developed in cooperation with the International Trade Centre UNCTAD/WTO and is targeted at least developed countries and countries with economies in transition.

24. To promote legal frameworks for electronic transactions, which are seen as a significant barrier to the full growth of e-commerce and e-business, the secretariat developed a regional capacity-building plan in 2004 for the harmonized development of e-commerce legal systems in the region,

which has received strong support from and endorsement by a large number of experts and government officials.

25. A noteworthy development is the launch of the Asia-Pacific Research and Training Network on Trade (ARTNeT) in October 2004, which is making an important contribution to strengthening the domestic and regional trade research capacity of countries of the region. ARTNeT will strengthen trade policy formulation by providing a sound economic basis for decision-making. In 2005, ARTNeT's regional research effort will focus on the identification and measurement of costs associated with selected trade facilitation measures related to articles V, VIII, and X of the General Agreement on Tariffs and Trade. The ARTNeT research programme also features a regional study on agricultural trade liberalization, as well as research studies on Mode 4 of the General Agreement on Trade in Services trade liberalization and other issues of relevance in the ongoing Doha-mandated WTO negotiations.¹

26. As globalization steadily proceeds, there is a widely acknowledged need in the region for better trade and investment information dissemination, networking and knowledge management to stimulate grass-roots development and poverty alleviation. In this context, frequent and detailed consultations between private and public sector entities on the issues at stake in trade negotiations will benefit both parties by fostering more enabling trade and business environments. Particular attention should be paid to the views of the business sector on its specific interests and concerns both prior to and during negotiations. ESCAP plays a fundamental role in fostering such dialogue through appropriate information dissemination and knowledge management.

27. Apart from trade facilitation and information, investment and enterprise development are fundamental aspects of building supply-side capacity for countries to benefit from globalization. ESCAP's work in investment and enterprise development focuses primarily on developing human resources capacity for enterprise development, institutional capacity-building, export promotion and the attraction, promotion and facilitation of foreign direct investment, and networking of investment and enterprise development institutions. In this context, public/private partnerships (PPPs), including all stakeholders, can contribute to removing administrative barriers and facilitating trade and investment at the national, regional and global levels. Through the Asia-Pacific Business Forum, ESCAP promotes public-private sector dialogue and partnership in the region, with the aim of achieving some of the internationally agreed goals stipulated in the Monterrey Consensus of the International Conference on Financing for Development and the Millennium Development Goals. The Forum includes dialogue on corporate social responsibility and promotion of the principles of the Global Compact in the region.

28. In its enterprise development activities, ESCAP pays particular attention to the development of SMEs, as they are least prepared to grasp the opportunities provided by globalization but form the

¹ For further information, see <<http://www.unescap.org/tid/artnet.asp>>.

backbone of any economy and are therefore fundamental to the development process. In this context, forging linkages between small and large enterprises is an efficient way of integrating SMEs into global supply chains and increasing their competitiveness. With the support of the Government of Japan, ESCAP has initiated the implementation of a project to support the capacity development of SMEs in the Greater Mekong Subregion. The project focuses on strengthening SME support services agencies and establishing SME business linkages centres and programmes.

29. For the purpose of strengthening regional economic cooperation in the areas of trade policy, trade facilitation, trade and investment information and research, and enterprise development, ESCAP has developed the Comprehensive Trade and Investment Cooperation Framework, which was endorsed by the Subcommittee on International Trade and Investment at its first session. Under the Framework, it is intended, *inter alia*, to develop a set of common and cohesive principles, practices and operational procedures for regional economic integration consistent with WTO principles, with a focus on particular thematic issues, such as rules of origin, while at the same time undertaking work to strengthen trade facilitation, particularly with respect to improved customs administration and standard setting. The Framework would work towards consolidating, coalescing and harmonizing the multitude of regional and bilateral trade agreements and economic partnerships with the aim of streamlining and strengthening the regional economic integration process, which could include trade, investment, finance and other areas of economic cooperation, including financial and monetary cooperation.²

B. Transport and tourism

30. In order to promote international road transport, stimulate economic development and facilitate cultural exchanges among the people of the region as well as to assist in providing basic rail links between Asia, Europe and West Asia, ESCAP initiated the Asian Highway and Trans-Asian Railway projects. At its forty-eighth session in 1992, the Commission endorsed the integrated project on Asian land transport infrastructure development. Subsequently, the project has been strongly supported by the Commission and is making significant progress. The Intergovernmental Agreement on the Asian Highway Network is on the verge of entering into force and the secretariat has convened two subregional meetings on identifying investment needs and priorities for the development of the Asian Highway network and related intermodal connections (see E/ESCAP/1336, para. 32). In order to continue the work, the Government of Japan has recently approved a project on promotion and development of the Asian Highway: capacity-building for the implementation of the Intergovernmental Agreement. This project supports the convening of the Working Group on the Asian Highway, a review of road safety and compilation of best practices for private sector participation in the development and upgrading of Asian Highway routes.

² For further details, see "Multilateralism free trade areas in Asia and the Pacific: progress, challenges and prospects" (E/ESCAP/SCITI/1).

31. Following the adoption of the Intergovernmental Agreement on the Asian Highway, the Commission, at its sixtieth session, endorsed the development of a similar agreement for the Trans-Asian Railway. The process for considering this agreement is outlined in section III below.

32. In order to identify physical and non-physical bottlenecks impeding efficient cross-border movements by rail on the Trans-Asian Railway Northern Corridor, the secretariat has organized a number of demonstration runs of container block trains. To date these have included the following:

- (1) Port of Tianjin, China, to Ulaanbaatar, 8 to 11 November 2003
- (2) Port of Lyanyungang, China, to Almaty, 22 to 29 April 2004
- (3) Brest, Belarus, to Ulaanbaatar, 15 to 24 June 2004
- (4) Port of Vostochny (Russian Federation) to Malszewicze, Poland, 6 to 18 July 2004

33. It is envisaged that further runs will be organized on a number of corridors, including the Korean Peninsula to Central Asia, the North-South Corridor (Russian Federation-Islamic Republic of Iran-India) and between Bandar Abbas and Almaty (in conjunction with the opening of the Bafq-Mashad railway line, Islamic Republic of Iran, in the first half of 2005).

34. In addition to the above-mentioned projects, the secretariat is undertaking a number of projects that address the concerns of landlocked and transit countries, as mandated by the International Ministerial Conference on Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation, held in Almaty, Kazakhstan, in August 2003. These include the Euro-Asian transport linkage component of the United Nations Development Account project on capacity-building in developing land and land-cum-sea transport linkages (see E/ESCAP/1336, para. 18), and support provided to the Project Working Group on Transport and Border Crossing Facilitation of the Special Programme for the Economies of Central Asia.

35. The General Assembly, in its resolution 58/289 of 14 April 2004 on improving global road safety, requested the Secretary-General, in submitting his report to the General Assembly at its sixtieth session in accordance with the resolution, to draw upon the expertise of the United Nations regional commissions, as well as the World Health Organization and the World Bank. In adopting the resolution, the General Assembly noted the recommendation that it call on the United Nations regional commissions to add to their respective work programmes activities that would (i) promote regional best practices regarding matters related to road safety, (ii) assist Member States in drawing up road safety standards appropriate to their setting, (iii) support human and technical capacity-building programmes pertaining to road safety, (iv) develop and implement sustainable transport policies that incorporate road safety, (v) adopt multisectoral approaches to road safety with clear targets and appropriate management structures, and (vi) develop short- and medium-term strategies to

address road safety priorities. Those activities should be supported by the assignment of additional financial resources.³

36. In respect of road safety, the secretariat is undertaking a number of activities, including: updating of the ESCAP Asia-Pacific Road Accident Database and implementing a project in the countries members of Bangladesh, India, Myanmar, Sri Lanka and Thailand Economic Cooperation, the Bay of Bengal initiative for multisector technical and economic cooperation. The ESCAP *Guidelines on Road Safety Action Plans and Programmes*⁴ have also been used in the Islamic Republic of Iran as a basis for developing road accident reduction modalities. In addition, a project profile that focuses on the exchange of good practices and resources, including media content for road safety campaigns, between countries for appropriate localization and reuse through a regional sharing mechanism, has been prepared for potential donor funding.

37. Recent estimate⁵ of new investment and maintenance needs, excluding upgrading and rehabilitation, in infrastructure, energy, telecommunications, transport and water, for developing countries in East, South and Central Asia, and Europe suggest a figure of around US\$ 340 billion per annum between 2005 and 2010. The same study found that developing countries globally would require around 21 per cent of their total investments in roads and railways. There is, however, a considerable gap between investment requirements and funding available from official development assistance, government budgets and domestic financial institutions. As a result, Governments are turning towards the private sector to develop, build, finance and operate infrastructure using various forms of PPPs.

38. In the area of infrastructure financing, the secretariat has been working on PPPs and promoting “road funds”. As part of its activities under the secretariat’s interdivisional project on providing basic services to the poor through public-private partnerships: ESCAP follow-up to the World Summit on Sustainable Development, PPP readiness indicators have been developed and training material prepared from both the financial and legal perspectives of the PPPs. ESCAP, in collaboration with the World Bank, organized a regional seminar in Bangkok in 1996 and 10 country-level workshops on the **management and financing of road maintenance**. As a result, a number of countries in the Asian and Pacific region have established road funds to achieve long-term sustainable road management and financing. Bangladesh, India, the Lao People’s Democratic Republic, Nepal, Pakistan and Viet Nam have initiated reforms to mobilize additional resources for road maintenance. It is envisaged that a second round of activities in this area will be undertaken within the project on promotion and development of the Asian Highway: capacity-building for implementation of the Intergovernmental Agreement, for which funding has been secured from the Government of Japan.

³ “Global road safety crisis”, report of the Secretary-General (A/58/228), para. 44 (k).

⁴ United Nations publication, Sales No. E.00.II.F.5.

⁵ M. Fay and T. Yepes, “Investing in infrastructure: what is needed from 2000 to 2010”, World Bank Policy Research Working Paper 3102 (Washington DC, World Bank, 2003).

39. In recognition of the importance of tourism, the Commission, at its fifty-fifth session in 1999, adopted the Plan of Action for Sustainable Tourism Development in the Asian and Pacific Region (1999-2005). The Plan provides a framework for strengthening national capabilities and encouraging regional cooperation, sets general requirements for sustainable tourism development and proposes action at the national and regional levels. The six theme areas of the Plan are (a) human resources development in the tourism sector; (b) the economic impact of tourism; (c) environmental management of tourism; (d) infrastructure development and investment for the tourism sector; (e) facilitation of travel; and (f) regional and subregional cooperation in tourism development.

40. In accordance with a decision by the Commission at its sixtieth session, held in Shanghai, China, in 2004, an intergovernmental meeting on sustainable tourism development in the Asian and Pacific region is to be hosted by the Government of Indonesia for three days in November 2005.

C. Information, communication and space technology

41. As part of regional initiatives for the two-phase World Summit on the Information Society, ESCAP has been organizing a number of regional events, including two regional and four subregional conferences. Their outcomes will be reported to the preparatory process of the second phase of the World Summit, to be held in Tunis in November 2005. The regional activities focused on the implementation of the Geneva Plan of Action and the two outstanding issues of Internet governance and financial mechanisms for ICT for development. Out of six planned activities, five have been completed, the first regional conference and four subregional conferences, held in Bangkok, Bishkek, Suva, Bali and Kathmandu. The conferences in Bali and Kathmandu also addressed the issue of information and communication technology, including space technology (ICST) for knowledge-based disaster management as many of the participating countries have been affected by the recent tsunami. At those two subregional conferences, the member countries strongly requested the United Nations system, including ESCAP, to play a coordinator role in establishing a regional warning system for tsunamis and multi-purpose disaster management.

42. Pursuant to the benchmarks of the Plan of Action of the World Summit, the secretariat has been implementing the ICT policy programme to help member countries in creating enabling policies and regulatory environment for bringing the benefit of ICST to all. The relevant activities are focused on the application of ICT for the promotion of the private sector, establishment of a knowledge-based society, policies for ICT human resources development and the promotion of PPPs.

43. Although the development of ICT and its applications is dynamic and fast-growing in the Asian and Pacific region, a large number of developing countries and communities within the countries have a low level of access to and utilization of ICT. To enhance the use of ICT, the secretariat has carried out activities to build human and institutional capacity in ICT applications, such as e-government, e-business and e-learning, and to promote knowledge management and networking. The secretariat will continue to work on these activities, including analytical studies on appropriate

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technology options and the preparation of guidelines on the implementation of various ICT applications to assist the countries in their use of these applications. In addition, the secretariat is planning to publish policy papers on ICT applications for the knowledge economy from the biennium 2006-2007 that will review the current status and trend of selected ICT applications and provide policy recommendations for their implementation.

44. In support of the Plan of Action of the World Summit, which urges countries to connect all villages through the establishment of community access points to achieve an inclusive information society, the secretariat has focused its thrust on promoting community e-centres through sharing good practices, building the capacity of communities in ICT, the creating awareness among policy makers on the benefits of ICT and implementing demonstration pilot projects. A pilot project, funded by the Asian Development Bank (ADB), to establish sustainable community e-centres for the countries in the region is expected to start in 2005.

45. Following the recommendation of the Commission at its fifty-ninth session, the secretariat has been working with member countries and international organizations on the concept of regional cooperative mechanisms in space technology applications for disaster management, to foster a harmonized environment for the international sharing of resources, and help to overcome national gaps in capabilities to respond to natural disasters. An increasing number of space-capable countries within and outside the region are expressing their intention to support disaster management.

46. The secretariat organized several workshops on ICST-enabled disaster management in 2004, including those on agricultural drought monitoring and assessment, floods and related disaster management, and space information products and services. The workshops recommended networking at the institutional, subregional or regional level to exchange experts and share information products and services. At the national level, there is a need to strengthen inter-agency coordination with clear responsibilities of nodal and supporting agencies as well as supporting policies and resources to participate in and benefit from cooperative mechanisms such as the Charter on Space and Major Disasters.

47. The ICST subprogramme has focused its recent efforts on ensuring equitable access to ICST. The Intergovernmental Consultative Committee on the Regional Space Applications Programme for Sustainable Development at its tenth session held in Bangalore, India, in October 2004, reviewed the achievements made in implementing RESAP in 10 years, and its evolving role in achieving the Millennium Development Goals and the goals of the World Summit on the Information Society and the World Summit on Sustainable Development. A round table with heads of space agencies and national focal points to RESAP was organized to discuss regional issues and common priority areas which space technology could help to address, and the expected role of space agencies and ESCAP in the future in preparation for the Third Ministerial Conference on Space Applications for Sustainable Development in Asia and the Pacific, 2007.

48. To prepare the region for the forthcoming satellite broadband services, fostering PPPs is essential for an affordable and sustainable service mechanism. ESCAP has engaged in a dialogue with satellite communication operators on this issue as well as on providing disaster relief and lifeline communications in disaster situations. A survey on satellite broadband resources to help to establish a forum for developing partnerships between service providers and potential national government user groups has been prepared jointly with the Asia-Pacific Satellite Communications Council and other regional and international organizations such as the International Telecommunication Union and the United Nations Office for Outer Space Affairs.

49. The ICST subprogramme is playing a catalytic role in many international and regional initiatives that promote ICST tools being more available and accessible to the countries. Recent examples are the proposal by the Islamic Republic of Iran to establish an ICST-enabled centre for disaster management, the proposed establishment of an Indian Ocean tsunami warning system and the proposal by China for a satellite constellation for environment and disaster monitoring to provide more timely information contributing to international disaster reduction efforts.

D. Environment and sustainable development

50. To operationalize the paradigm of “Green Growth” and identify challenges and opportunities, it is important to carry out analytical and research work followed by effective and meaningful policy dialogues for the future course of direction. In this regard, the secretariat is developing a project called the “Seoul Initiative for Green Growth” with the support of the Government of the Republic of Korea. The secretariat has also proposed a biennial flagship publication entitled *Green Growth* from the biennium 2006-2007 to disseminate the results of its research and review results on a regular basis for the benefit of policy makers in the Asian and Pacific region. In addition, the secretariat will initiate a project to develop policy options to improve the sustainability of consumption and production patterns for linking culture and traditional lifestyles with the policy options identified.

51. In the energy sector, the secretariat proposes to focus on analytical work to promote an enabling policy framework addressing energy security, pricing, regional and subregional cooperation and trade and investment in support of sustainable energy development. One of the focus areas for 2006-2007 will be on analysing sustainable development indicators of the electric power sector to facilitate more efficient planning, construction and management of electric utilities, including the generation, transmission and distribution as well as demand-side management to address the issues related to the end-use of electricity. In this respect, the secretariat is proposing to redesign its recurrent publication on electric power to focus on these elements, beginning in the next biennium.

52. In cooperation with ADB, ESCAP initiated a technical background paper on water, sanitation and health under the UNDP/ESCAP project on supporting the achievement of the Millennium Development Goals in Asia and the Pacific. The paper aims to outline the relationship between water

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management and poverty reduction, based on a conceptual framework around four dimensions of poverty reduction, securing sustainable livelihoods, improving health, reducing vulnerability and promoting economic growth. The paper will also analyse the progress made towards achieving the water supply and sanitation Goals in Asia and the Pacific, and identify the institutional changes and reforms required in the water sector to meet the Goals in the region. The paper will provide a substantive input into the second report on the Goals being prepared by ESCAP, ADB and UNDP to address Goal 7, "Ensure environmental sustainability".

53. The secretariat, in partnership with the Asian Disaster Preparedness Centre, will be implementing a project to be funded by the European Commission on partnerships for disaster reduction in South-East Asia. The project, covering Cambodia, Indonesia, the Lao People's Democratic Republic, Timor-Leste and Viet Nam, aims to create an improved, enabling environment for community-based disaster risk management through promoting ownership in national programmes and local entities, enhancing the capabilities of practitioners of the management and the expansion of new, and strengthening of existing, partnerships.

54. Noting the emphasis placed by the Commission on Sustainable Development at its eleventh session held in 2003 on the role of the regional commissions in the implementation of the outcomes of the Johannesburg Plan of Implementation, the Economic and Social Commission for Asia and the Pacific, at its fifty-ninth session held in 2003, requested the secretariat to engage actively in the implementation of the Plan in accordance with decisions made by the Commission on Sustainable Development.

55. Following this request, the secretariat is exploring options and modalities for a successful regional preparatory process to the fourteenth and fifteenth sessions of the Commission on Sustainable Development, which would focus on a thematic cluster of issues consisting of (a) energy for sustainable development, (b) industrial development, (c) air pollution/atmosphere, and (d) climate change, as laid out in the work programme of the Commission on Sustainable Development for the period 2004-2017.

56. Considering the scope and variety of the thematic cluster of issues, the secretariat is pursuing an inter-agency, collaborative approach to the regional preparatory process, seeking the collaboration of United Nations and other agencies to ensure a comprehensive and consolidated response that includes the identification of obstacles and constraints, new challenges and opportunities and sharing of lessons learned and best practices from the Asian and Pacific region. It is proposed that the outcome of the review process will be deliberated on at the regional implementation meeting, which is planned for late 2005 or early 2006, depending on the modality.

III. ISSUES FOR CONSIDERATION BY THE COMMISSION

A. Issues of a time-bound nature

57. In November 2004, the secretariat convened an expert group meeting to consider an intergovernmental agreement on the Trans-Asian Railway network. It is planned to hold two subregional meetings to consider the draft agreement in South and Central Asia. "The Subcommittee on Transport Infrastructure and Facilitation and Tourism noted with satisfaction the progress made at a regional meeting held in Bangkok on 22 and 23 November 2004 to initiate the process of negotiating an intergovernmental agreement on the Trans-Asian Railway network. In that regard, the Subcommittee recommended that an intergovernmental meeting be organized in 2005 to finalize the draft agreement. It recommended that the draft agreement be ready for adoption by the Commission at its sixty-second session and a signing ceremony organized during the Ministerial Conference on Transport to be held in November 2006".⁶ As the Committee on Managing Globalization will not be convened until the latter part of 2005, the Commission may wish to consider endorsing this recommendation of the Subcommittee.

58. The Subcommittee also considered a number of issues related to the Intergovernmental Meeting on Sustainable Tourism Development in the Asian and Pacific Region, to be held in November 2005, and made a number of proposals and recommendations for consideration by the Committee on Managing Globalization.⁷ As the Committee is unlikely to be convened before the latter part of this year, the Commission may wish to consider the following:

(a) Endorsing the proposal of the Subcommittee that four major issues be included in the draft agenda of the Intergovernmental Meeting: (i) enhancing the role of tourism in socio-economic development and poverty alleviation; (ii) facilitation of travel and development of transport and other tourism-related infrastructures; (iii) sociocultural and environmental management of tourism; and (iv) human resources development in the tourism sector;

(b) Reiterating the strong support of the Subcommittee for a second phase of the Plan of Action for Sustainable Tourism Development in the Asian and Pacific Region (2006-2012);

(c) Endorsing the recommendation of the Subcommittee that the four items on the draft agenda be the focus areas to be addressed in the second phase of the Plan of Action.

⁶ "Report of the Subcommittee on Transport Infrastructure and Facilitation and Tourism on its first session, Bangkok, 24-26 November 2004" (E/ESCAP/STIFT/Rep.), para.10.

⁷ Ibid., paras. 38 and 39.

B. Other issues

59. The Commission may wish to note progress in, and provide guidance on, the implementation of the four subprogrammes of the programme of work, 2004-2005 falling under the purview of the thematic Committee on Managing Globalization.

60. The Commission may wish to consider the following issues.

Trade and investment

(a) With the aim of further stimulating regional cooperation in trade and investment, it is proposed that ESCAP organize a meeting of senior officials in preparation for the Sixth WTO Ministerial Conference which is scheduled to take place in Hong Kong, China, in December 2005. It is proposed that the format of this meeting be an open dialogue between government officials, business sector representatives and policy analysts on areas of mutual concern and interest. The Commission is invited to provide further guidance to the secretariat on the key development concerns that should take centre stage in the discussions at the meeting;

(b) While initial financial support has been provided by the International Development Research Centre for ARTNeT to sustain the network core activities until 2007, additional support is needed to allow the participation of institutions and policy makers from the entire ESCAP region and to strengthen the research capacity-building activities of the network in least developed countries. The Commission is invited to review the development of the network and provide further guidance to the secretariat on its future trade-related research work;

The Commission may also wish to consider the following:

(c) Providing further guidance to the secretariat on the scope of its work in promoting public-private sector dialogue and partnership in the region;

(d) Providing its views on the Comprehensive Trade and Investment Cooperation Framework, which was endorsed by the Subcommittee on International Trade and Investment at its first session;

Transport and tourism

(e) Reiterating its support for activities being undertaken within the transport and tourism subprogramme;

Information, communication and space technology

(f) Assisting countries in the development of e-commerce and e-business applications and the development of a legal framework to facilitate these applications;

(g) Assisting countries in the implementation of the outcome of the World Summit on the Information Society, from both the Geneva and Tunis phases;

(h) Developing community e-centres in rural and/or remote areas to provide the benefits of ICST and to bridge the digital divide;

(i) Strengthening the capacity of countries in the development of ICT policies and the application of ICST for socio-economic development, including disaster management;

(j) Further developing the Regional Space Applications Programme for Sustainable Development and regional cooperative mechanisms to provide equitable access to ICST;

(k) Strengthening public-private partnerships to provide sustainable access to ICST and its services and applications;

Environment and sustainable development

(l) Endorsing the secretariat's proposal to prepare and publish regularly a flagship publication on "Green Growth";

(m) Endorsing redesign of the recurrent publication *Electric Power in Asia and the Pacific* to incorporate the analysis of sustainable development indicators of the electric power sector;

(n) Reviewing the project concepts and initiatives outlined above in the ESCAP/ADB/UNDP technical background paper on supporting the achievement of the Millennium Development Goals in Asia and the Pacific, and the ESCAP/Asian Disaster Preparedness Centre project on disaster reduction in South-East Asia, and advise the secretariat on the implementation modality, as well as provide information on national experience to enable the secretariat to implement these projects effectively;

(o) Supporting the modalities proposed in the present document for regional preparations to the fourteenth and fifteenth sessions of the Commission on Sustainable Development to ensure useful, consolidated and informative regional inputs to the global process. The Economic and Social Commission for Asia and the Pacific may also wish to recommend issues of particular importance to the Asian and Pacific region to be the focus of the regional preparations as well as regional messages to be conveyed at the global level.

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