



Economic and Social Council

Distr.: Limited
27 April 2013

Original: English

Economic and Social Commission for Asia and the Pacific

Sixty-ninth session

Bangkok, 25 April-1 May 2013

Agenda item 3 (a)

Review of issues pertinent to the subsidiary structure of the Commission, including the work of the regional institutions: Macroeconomic policy, poverty reduction and inclusive development

Draft report

Macroeconomic policy, poverty reduction and inclusive development (including the Centre for the Alleviation of Poverty through Sustainable Agriculture)

1. In addition to the common documents being considered under agenda item 3, the Commission had before it the report of the Governing Council of the Centre for Alleviation of Poverty through Sustainable Agriculture on its ninth session (E/ESCAP/69/5).
2. Representatives of the following countries made statements: Bangladesh; China; Fiji; India; Malaysia; Myanmar; Nepal; Pakistan; Russian Federation; and Thailand. In addition, the representative of Development Alternatives with Women for a New Era (DAWN) delivered a statement.
3. The Commission was briefed on the macroeconomic performance, progress in achieving the Millennium Development Goals and development strategies of member countries. The delegation of Myanmar informed the Commission of the recent political and economic reforms in the country, which had led to increased engagement with international donors, thereby helping Myanmar to achieve its development goals.
4. The Commission noted the challenges facing growth in the region that were emanating from the prolonged uncertain global environment and were due particularly to continued pressures on growth in the developed economies. It was observed that economic growth in the region had remained subdued owing to external factors, and there was a need to create new drivers of growth through inclusive and sustainable development.
5. The Commission underlined the importance of increasing intraregional cooperation to arrive at joint solutions to reinvigorate economic growth in the region. It noted that the ESCAP secretariat played a key role in coordinating a regional response to global challenges.
6. The Commission noted the implementation of macroeconomic policies to stimulate domestic demand in the face of a sluggish global

economy. Monetary policy had been relaxed in some economies, through, for example, lowering policy interest rates and statutory reserve ratios. On the fiscal side, income tax rates had been reduced and foreign investment restrictions eased to stimulate consumer spending and foreign investment. The Commission also took note of efforts to maintain fiscal stability in order to strengthen national ability to cope with external demand shocks through measures such as tax reforms.

7. The Commission noted the importance of forward-looking macroeconomic policies to promote sustained, inclusive and equitable economic growth. It called for a rethinking to balance the costs incurred during the current generation with the benefits to be accrued to future generations. It also noted the urgent need for conservation and regeneration of ecosystems and the natural resources for sustainable economic growth.

8. The Commission underlined the need for reorienting the development paradigm to address extreme poverty through people-centred and environment-friendly policies. It noted that several countries in the region had made tremendous progress in reducing poverty, stating that stronger social protection and improved quality of growth could alleviate extreme poverty and reduce income inequality and social marginalization. The Commission emphasized the importance of mainstreaming gender issues into development.

9. The Commission also emphasized the need to orient macroeconomic policies to accelerate the achievement of the Millennium Development Goals. It was observed that regarding the development agenda beyond 2015 lessons should be drawn from the experience with the Millennium Development Goals. The Commission noted the key role of ESCAP in facilitating consultations to ensure integration of national and regional priorities in ongoing regional and global processes towards formulation of the development agenda beyond 2015.

10. The Commission observed that development gains in several least developed countries, landlocked developing countries and small island developing States in the region had been undermined by internal and external shocks. It was noted that the vulnerabilities of small island developing States were exacerbated by their geographical size, location, lack of access to global markets, inability to influence global prices and heavy reliance on imported food and fuel. In particular, the Commission observed that climate change impacts had increased over time due to changing weather patterns and rising sea levels, which were adversely affecting livelihoods and economic growth. The Commission also observed that several least developed countries in the region were preparing strategies to graduate out of their current status. Several such countries had received financial support from development partners, but additional financial support would be needed to enable them to graduate out of least developed countries status by 2020, as agreed in the Programme of Action for the Least Developed Countries for the Decade 2011-2020 (Istanbul Programme of Action). The Commission noted with appreciation the increased international development assistance of about \$500 million that had been provided by the Russian Federation in 2011.

11. The Commission stressed the importance of participation by all members and associate members in regional meetings on development of least developed countries, landlocked developing countries and small island developing States.

12. The Commission stressed that the agricultural sector continued to play a major role for many economies in the region, yet it faced many challenges, including a high incidence of poverty, inadequate attention to the needs of women farmers, climate change and concerns over environmental sustainability. The Commission emphasized the need for providing continued support for sustainable agriculture. The Commission commended the work of the Centre for Alleviation of Poverty through Sustainable Agriculture (CAPSA) and expressed appreciation to the Executive Secretary for strengthening the Centre by providing it with human resources and other support.

13. The Commission requested continued facilitation by CAPSA of South-South cooperation in the areas of research, capacity-building and sharing of best practices for sustainable agriculture to boost agricultural productivity for food and nutritional security. The delegation of Thailand announced that it would co-organize training with CAPSA on policy analysis for sustainable agriculture in 2013 and would sponsor participation by other member States.

14. One delegation expressed concern over limited and stagnant support for the Centre, which had greatly limited expansion of its work; it recommended collaboration to increase funding for the Centre. The delegation urged ESCAP to consider seriously the CAPSA Governing Council's recommendation for creating a trust fund that could supply seed money to the Centre. The same delegation also suggested that the Centre should reach out to a larger number of donors for support.

15. The Commission generally endorsed the report of the Governing Council of the Centre for Alleviation of Poverty through Sustainable Agriculture on its ninth session (E/ESCAP/69/5).
