



Economic and Social Council

Distr.: Limited
30 April 2013

Original: English

Economic and Social Commission for Asia and the Pacific

Sixty-ninth session

Bangkok, 25 April-1 May 2013

Agenda item 8 (b)

Policy issues for the Asia-Pacific region:

Economic and Social Survey of Asia and the Pacific 2013

Draft report

Economic and Social Survey of Asia and the Pacific 2013

1. The Commission had before it the summary of the Economic and Social Survey of Asia and the Pacific 2013 (E/ESCAP/69/22) and the summary of the theme study for the sixty-ninth session of the Commission, entitled “Opportunities to build resilience to natural disasters and major economic crisis” (E/ESCAP/69/23).
2. Representatives of the following members and associate members made statements: Armenia; Afghanistan; Australia; Bangladesh; Brunei Darussalam; Bhutan; Cambodia; China; Democratic People’s Republic of Korea; Fiji; India; Indonesia; Iran (Islamic Republic of); Japan; Kazakhstan; Lao People’s Democratic Republic; Malaysia; Mongolia; Myanmar; Nauru; Nepal; Pakistan; Papua New Guinea; Philippines; Republic of Korea; Russian Federation; Singapore; Solomon Islands; Sri Lanka; Thailand; Turkey; Turkmenistan; Vanuatu; Viet Nam; and Hong Kong, China.
3. The Commission noted that the region, as analysed in the *Survey*, had remained adversely affected by the slow recovery in the developed world and associated policy uncertainties.
4. The Commission also noted that the external economic challenges had destabilized growth performance in the region and achievement of key development goals, with a number of people having been forced into vulnerable employment and with women and youth having been affected the most. Economic recovery was too slow to create adequate jobs. There was a need for economic transformation, by strengthening macroeconomic policy coordination, adjusting economic structures and improving the quality and efficiency of development. There was also a need to maintain fiscal space. The Commission noted that various macroeconomic policies had been implemented to mitigate the impact of the global economic slowdown, including enhancing the role of domestic demand as an alternative source of economic growth. Sound macroeconomic fundamentals remained critical in achieving inclusive and sustainable development in the Asia-Pacific region.

5. The Commission called for stronger regional cooperation and integration in building resilience to economic uncertainty and shocks, and expressed appreciation for the support of ESCAP in promoting regional cooperation for that purpose. The Commission emphasized the need for a financial safety net and encouraged ESCAP to explore financial cooperation to leverage resources through development partnerships. The Commission recognized the importance of enhanced global governance and institutions for sustainable development. It emphasized the need for a greater voice for developing countries in the Group of 20, noting that it was important that G20 members remained committed to consulting non-G20 members. The Commission welcomed the fourth consultation on the G20 agenda.

6. The Commission expressed concern over the growing incidence of overlapping natural disasters and economic shocks in the Asian and Pacific region. It noted that each shock reduced the coping capacity of countries and communities to respond. It also noted that poor governance, weak institutions, lack of resources, lack of leadership and environmental degradation were some of the underlying factors that exacerbated that vulnerability; therefore, policy responses were needed to build resilience into development strategies. The Commission expressed concern over the increased frequency and intensity of natural disasters due to climate change.

7. The Commission noted with concern that vulnerable groups, such as the poor, women and children, were usually the first to suffer the brunt of disasters and economic crises, yet adequate attention had not been paid to addressing their vulnerability. It highlighted the importance of building community resilience to multiple shocks by enhancing social inclusion, strengthening social safety nets and involving communities in decision-making. One delegation underscored risk reduction for persons with disabilities as an important area for cooperation with ESCAP.

8. In recalling the outcome document of the United Nations Conference on Sustainable Development, entitled “The future we want”, the Commission noted the need for addressing disaster risk reduction and building resilience with a sense of urgency. In that regard, several member States shared their progress in developing policy frameworks and institutions that were integrated into development planning. Several delegations recommended that disaster risk reduction be reflected in the development agenda beyond 2015 and in sustainable development goals.

9. The Commission recognized the importance of early warning systems, and several countries shared their activities in developing such systems. In that regard, the Commission expressed its appreciation for the role that ESCAP had played in promoting regional coordination through the ESCAP Multi-Donor Trust Fund for Tsunami, Disaster and Climate Preparedness in Indian Ocean and Southeast Asian Countries. The Commission also noted the advances that had been made in improving early warning systems. Several countries expressed the hope that ESCAP would continue to promote the Trust Fund as a tool to further strengthen regional early warning capacity.

10. One country noted the activities of the Asian and Pacific Training Centre for Information and Communication Technology (APCICT) and its efforts in bridging information and communications technology gaps in the Asia-Pacific region, and expected APCICT to continue to provide support for the development needs of the region. Some countries also noted that such technology was a valuable resource available to policymakers for building resilience, and was vital for ensuring the smooth, secure and timely flow of information and communications during natural disasters or periods of major

economic shocks. In that regard, the Commission requested that there should be greater cooperation with ESCAP member States in coping with natural disasters through an early warning system based on information and communications technology.

11. The Commission further acknowledged the unique and important role that ESCAP had played in promoting regional cooperation. It noted that regional cooperation for addressing disaster risks and increasing resilience to economic and other shocks was essential. In that regard, the Commission expressed appreciation for the support that had been furnished by the secretariat in the area of space technology applications for disaster risk reduction, including the provision of timely access to near-real-time satellite images through the secretariat's regional cooperation platforms. Moreover, the Commission also expressed its appreciation to the secretariat for technical assistance and capacity-building in disaster risk reduction, including mainstreaming disaster risk reduction into development plans.

12. One delegation called for an international mechanism to address loss and damage to help rebuild after disaster had struck, as well as to cope with slow onset impacts, such as sea level rise and ocean acidification. Another delegation recommended opportunities for enhancement of regional financial institutions, for development of regional institutions, for public-private partnerships and for making efforts to reduce risks in investment and economic activities, as well as for the development and enhancement of disaster information. Another delegation encouraged ESCAP to explore the creation of a joint insurance programme that could rapidly mobilize funds when a disaster struck while further relief was awaited.

13. The Commission noted that, despite high economic growth rates, the Asia-Pacific region still faced chronic problems of poverty, hunger, unemployment and inequality, as well as inequality and environmental degradation. Poverty was highly concentrated in rural areas, among some social and ethnic groups, older persons, persons with disabilities, single mothers and vulnerable children, as well as in specific geographic areas. The Commission highlighted the need for balancing the stabilization and development role of macroeconomic policies, which required a paradigm shift to forward-looking, sound and prudent macroeconomic policy in order to integrate the three pillars of sustainable development, as had been committed at the United Nations Conference on Sustainable Development.

14. The representative of Pakistan welcomed the preparation of cost estimates in the *Survey*; they had been created for an illustrative package of six policies involving a universal job guarantee; universal pension; disability benefits; universal access to education, to health services and to electricity. In that regard, the representative requested that the secretariat extend its analysis to more countries. Moreover, the analysis should also be carried out on how to mobilize domestic resources for those purposes.

15. The Commission noted with satisfaction that many least developed countries, landlocked developing countries and small island developing States had continued to grow robustly despite global economic and financial challenges; however, it expressed concern that the growth was driven largely by natural resource-seeking investments and concentrated in a few areas with a narrow export base. In some countries, the development pattern focused too much on resource extraction with limited job opportunities, a situation that was contributing to rising inequalities.

16. The Commission was informed of the special needs of the least developed countries, landlocked developing countries and small island developing States. It noted that those countries were affected greatly by poverty, income disparity, high unemployment and underemployment, social and spatial exclusion, rising energy prices, volatility in food and commodity prices, climate change consequences, debt crisis and the sluggish economic recovery of North America and Europe, which posed serious challenges for them. Frequent economic crises and shocks had had significant impacts on private sector investment and public sector investment in social services in small island countries. The Commission emphasized that those countries must continue to be given special priority by the international community so that they could close their development gaps.

17. The Commission noted with satisfaction the progress made by several least developed countries, landlocked developing countries and small island developing States in achieving the Millennium Development Goals, especially in reducing poverty. They also made significant progress or were on track in achieving gender equality, promoting education, and reducing child and maternal mortality, among other Goals. The Commission noted with concern that, despite such notable progress, attainment of the Millennium Development Goals remained a challenge, and many of the least developed countries, landlocked developing countries and small island developing States would not be able to meet all the Goals by 2015. Disparity and inequalities were still visible in the levels of rural and urban poverty; poverty was more pronounced among certain social and ethnic groups and specific geographical areas. The Commission noted with satisfaction that several policies and measures had been taken by several least developed countries and small island developing States to accelerate achievement of the Millennium Development Goals, and to protect the poor, the elderly, the vulnerable children of single mothers, and separated parents. In addition, a social pension scheme would enable all men and women more than 70 years old to qualify for receiving a pension.

18. The Commission noted with appreciation that the delegations of the least developed countries, landlocked developing countries and small island developing States in Asia and the Pacific had participated in a meeting on the United Nations development agenda beyond 2015 for Asia-Pacific least developed countries, landlocked developing countries and small island developing States. That meeting, which was held in Bangkok on 24 April 2013, adopted the Bangkok Declaration on the United Nations Development Agenda for Asia-Pacific Least Developed Countries, Landlocked Developing Countries and Small Island Developing Countries (E/ESCAP/69/L.18). The Commission noted that Asia and the Pacific constituted one of the most progressive and dynamic regions of the world; thus, the region's perspectives would be critical in shaping the global development agenda. It also observed that the lessons learned from efforts to attain the Millennium Development Goals should form the basis for shaping development goals beyond 2015, including the need to develop an agenda that was realistic and achievable. The Commission observed that, given the persistent challenges, the development agenda beyond 2015 must be inclusive and sustainable as well as transformative through job creation, including youth employment, access to basic education, improved health, poverty eradication, gender equality, environment sustainability, climate change impacts and adaptation and mitigation, social inclusion, infrastructure development, sustainable financing, technology transfer, increased productivity, improvement in competitiveness and promotion of sustainable production.

19. The Commission was informed by the delegations of Cambodia and the Lao People's Democratic Republic of the stated goal of the respective

countries to graduate from the least developed country category by 2020. The delegation of Bangladesh noted that the country was planning to graduate from that category to become a middle-income country by 2021. The Commission was also informed of the long-term vision of Nepal, as contained in the country's thirteenth development plan, to graduate from its least developing country status as early as possible. Towards that end, those countries outlined the efforts that they had been undertaking, such as adopting growth-oriented macroeconomic policies, supporting the robust performance of the export sector, harnessing investment potential by removing infrastructure bottlenecks and governance weaknesses, strengthening resource mobilization through financial sector reform and public-private partnerships, enhancing agricultural growth, stabilizing commodity prices and lowering the inflation rate, minimizing both income and human poverty and securing health and education for all. The Commission underlined the need to take vulnerability to economic shocks and natural disasters into account when deciding on the appropriate time to graduate to a more developed economic category. The Commission was informed that the international community must continue to assist least developed countries in formulating strategies and policies towards graduation from the least developed country category.

20. The Commission expressed its appreciation to the Government of the Lao People's Democratic Republic, as Chair of the Group of Landlocked Developing Countries, and the secretariat for having successfully organized the Final Regional Review of the Almaty Programme of Action, which was held in Vientiane from 5 to 7 March 2013, and which had adopted the Vientiane Consensus. It also expressed its appreciation to the Government of Cambodia for hosting the preparatory meeting for the biennial review of the Istanbul Programme of Action for least developed countries. That meeting, which was held in Siem Reap, from 17 to 19 December 2012, had adopted the Siem Reap Outcome Document. Further, the Commission expressed its appreciation to the Government of Turkey for hosting the Fourth United Nations Conference on Least Developed Countries, which was held in Istanbul from 9 to 13 May 2011. The Commission requested the countries of the Asia-Pacific region to endorse the Vientiane Consensus as the regional input for the Global Review of the Almaty Programme of Action, which was scheduled to take place in 2014.

21. The Commission noted that the Siem Reap Outcome Document and the Vientiane Consensus both had set a clear vision and priorities for addressing the common problems faced by the least developed countries and landlocked developing countries. Those outcomes contained several priority areas for action by least developed countries and landlocked developing countries, such as productive capacity development, trade, food security, social development, reduction of vulnerability and resource mobilization for development. One country informed the Commission that it had made positive initial progress in the implementation of the Istanbul Programme of Action through pursuing national-level actions in the identified areas. The Commission also took note of the invitations to support resolutions submitted by least developed countries and small island developing States related to sustainable management and use of ocean resources and the final review of the implementation of the Almaty Programme of Action. The Commission also noted with appreciation the organization of the Pacific region preparatory meeting, to be held in Fiji, from 10 to 12 July 2013, for the Third International Conference on Small Island Developing States to be held in 2014, and the offer of the Government of Turkey to host the midterm review of the Istanbul Programme of Action in 2015.

22. The Commission noted that progress had been made in achieving the gender, health and education-related Millennium Development Goals. In that regard, one delegation stressed the need to eliminate violence against women as part of overall social development policies.

23. The Commission highlighted the importance of pursuing inclusive and sustainable development, based on the outcome of the United Nations Conference on Sustainable Development. The delegation of Pakistan highlighted that the Asia-Pacific region could make a substantial contribution in carving out the sustainable development goals, along with the means of implementation. The Commission emphasized that disaster risk reduction needed to be incorporated into the deliberations on the development agenda beyond 2015 and sustainable development goals. The Commission noted that, in order to improve economic resilience, disaster risk reduction strategies, including climate change adaptation initiatives, must be integrated into national macroeconomic frameworks. It also noted that improved governance, as well as institutional and legislative frameworks, were deemed essential to effectively manage the increasing frequency and intensity of natural disasters resulting from climate change. The delegation of Bhutan highlighted the need to rethink the current development paradigm in the context of General Assembly resolution 65/309 on happiness: towards a holistic approach to development.

24. The delegation of the Republic of Korea noted the meaningful contribution that ESCAP had made to sustainable development, particularly with regard to green growth, and reiterated its commitment to cooperate with ESCAP and the Global Green Growth Institute in sharing the vision for green growth with developing countries. The delegation of Kazakhstan highlighted the opportunities for interregional collaboration for green growth through the Green Bridge Partnership Programme 2011-2020, which was welcomed in the outcome statement of the United Nations Conference on Sustainable Development, entitled "The future we want". In that regard, the delegation of Viet Nam informed the Commission that the country had successfully implemented strong measures to restructure the economy, with the objective of improving the quality of economic growth and mitigating impacts of natural disasters in line with its national green growth strategy for the period 2011-2020. The delegation stated that the country had offered to share its success story and lessons learned by hosting an ASEAN regional centre for a green economy in support of the establishment of the ASEAN economic community.

25. Several delegations highlighted their renewed commitment to a green economy in the context of poverty eradication and to actively explore an effective, low-carbon model for a green economy to promote sustainable development and economic recovery at the global and regional levels. The Commission noted the unprecedented rates of depletion of natural resources, loss of biodiversity and climate change, and underscored that responsible management of natural resources, such as land, oceans and seas, water, forests and fisheries, was a prerequisite for an inclusive and sustainable future. Several delegations highlighted in particular the vulnerability of poor rural women and children who were often deprived of access to natural and financial resources and were severely affected during times of crisis.

26. The delegation of Papua New Guinea informed the Commission of the role of the country as the Chair of the Coalition of Rainforest Countries in promoting, as an effective measure for reducing greenhouse gases, the set of steps known as Reducing of Emissions from Deforestation and Forest Degradation through the protection of forests vital for keeping the climate system in balance. The delegation of Nauru highlighted the need to establish an

international mechanism to address loss and damage caused by climate impacts and to help in reconstruction when disasters occur. It also highlighted that such a mechanism would require comprehensive understanding of climate risks. The delegation of Fiji introduced some of the initiatives that it had embarked on as a follow-up to the United Nations Conference on Sustainable Development, including the implementation of a national climate policy, which placed emphasis on mitigation, adaptation and best practices for emergency response and rehabilitation. The delegation of the Democratic People's Republic of Korea suggested that ESCAP make further efforts to invigorate environmentally friendly technical cooperation in the fields of economic infrastructure, low-carbon technology development and renewable energy development, which were currently under way in various countries in the region.

27. Several delegations emphasized the importance of energy issues, in particular the need for greater regional connectivity for energy security and access to affordable energy. The delegation of the Russian Federation emphasized that the Asian and Pacific Energy Forum to be held in Vladivostok in May 2013 would create a sound basis for strengthening regional cooperation, while another delegation underscored that the forthcoming EXPO 2017 to be hosted in Astana, would look into the "energy of the future", with a focus on renewable energy sources. The delegations of several Pacific small island States and Mongolia highlighted the importance of strengthening and increasing the share of renewable energy in the overall energy mix at the national and regional levels. In recognizing the impacts of volatile oil prices and finite resources, a number of delegations reiterated the importance of addressing energy security through regional cooperation. The secretariat was encouraged to undertake analytical studies on the role of regional cooperation for enhanced energy security. The delegation of Pakistan requested ESCAP to undertake a study on the role of regional cooperation for enhanced energy security in South and South-West Asia.

28. The delegation of Viet Nam informed the Commission that the country had hosted the Asia-Europe Meeting Seminar on Water and River Basin Management – A Green Growth Approach, which was held in Can Tho City, Viet Nam on 21 and 22 March 2013. The Commission noted that a ceremony to commemorate World Water Day 2013 based on the theme of the International Year of Water Cooperation was organized during the workshop.

29. The Commission noted the need to maintain an open trading regime, promote market integration, and avoid trade protectionism by adhering to open regionalism and the principles of openness, inclusiveness and transparency. The importance of science and technology in promoting industrial creativity and creating jobs was also emphasized. The Commission noted the importance of reliable energy sources and the rule of law for the development of small- and medium-sized enterprises.

30. The Commission was informed of the importance of revitalizing trade and investment for countries to cope with disaster and economic crises. In that context, the private sector was called on to play an important role in disaster risk reduction as part of their corporate social responsibility. It was noted that disasters and economic crises could seriously disrupt supply chains and inflows of FDI and that it was therefore advisable to diversify sources of finance and investment by promoting domestic investment and attracting FDI from various sources and countries.

31. The Commission noted that market integration in the Asia-Pacific region would not only boost exports but could also insulate the economies of

the region from future economic shocks. That would require greater access to markets within the region and the removal of tariff and non-tariff barriers as well as the development of regional connectivity. In that connection, it took the view that greater market access should be accorded to products from developing countries, with duty-free and quota-free market access being granted to least developed countries on a sustained basis.

32. One delegation called on the secretariat to strengthen those of its regional institutions that were involved in the transfer of technology.

33. The Commission noted that a stronger focus on agricultural development, through a higher level of investment, for example, was required for enhanced resilience, especially where the sector accounted for a high share of employment and where the poor were concentrated in rural areas. Several delegations emphasized the need to pay attention to food security in respect of vulnerable population groups, which could be done through the stabilization of commodity prices, targeted food distribution schemes and new food security legislation, among other things. The Commission emphasized the importance of enhancing the resilience of vulnerable population groups through agriculture by supporting agricultural growth, modernizing the agricultural sector, fostering closer interaction between the agricultural and industrial sectors in order to close the rural-urban gap, strengthening the exports of the agricultural sector, and focusing on adaptation to climate change through, among other things, the development of climate-resilient crop varieties.

34. Recognizing that regional connectivity promoted food and energy security in addition to trade and social interaction in the region, several delegations stressed the importance of regional cooperation in realizing intercountry connectivity through investment in highways and railways. In that regard, the Commission noted that a number of member States were investing in transport infrastructure projects, including the development of the Asian Highway network, Trans-Asian Railway network and Euro-Asian transport linkages to enhance connectivity within the region and beyond.

35. In particular, the Commission noted that the Islamic Republic of Iran had completed or upgraded all Asian Highway routes crossing its territory and expected to complete all missing links of the Trans-Asian Railway network within its territory in the succeeding two years. It also noted that some countries were implementing policies for corridor-based development of transport infrastructure in order to enhance connectivity to neighbouring States as well as offering transit for regional and international trade.

36. The Commission acknowledged that the secretariat had performed important work by assisting member States in achieving greater connectivity through the development of the Intergovernmental Agreement on Dry Ports, which would further increase the relevance and efficiency of the region's infrastructure networks, particularly for the benefit of landlocked countries. In that regard, the Commission adopted the Agreement (see E/ESCAP/69/L.9) and welcomed the opening of the Agreement for signature during the second session of the Forum of Asian Ministers of Transport, which would be held in Bangkok on 7 and 8 November 2013. It invited member States to consider signing the Agreement in order to ensure its early implementation.

37. The Commission noted that infrastructure financing remained a major challenge for many member States. It recognized that the private sector could contribute significantly to the region's future infrastructure development and expressed the hope that the use of the public-private partnerships modality in the region would be strengthened through the adoption of the Commission

resolution on the outcome of the third Asia-Pacific Ministerial Conference on Public-Private Partnerships for Infrastructure Development, held in Tehran in November 2012 (see E/ESCAP/69/L.8).

38. The Commission noted the importance of promoting regional and subregional connectivity by accelerating the process of integration into the regional and global economic systems through, among other things, the ASEAN Economic Community and accession to WTO. In that connection, some countries, including landlocked developing countries, informed the Commission of their intention to transform themselves from landlocked to land-linked countries by enhancing integration and connectivity with neighbouring countries through such initiatives as the Greater Mekong Subregion and investments in infrastructure, especially roads and railways that link those countries with the Asian Highway Network, to facilitate trade and investment with neighbouring countries.

39. Several countries expressed continued commitment to supporting the work of the Statistical Institute for Asia and the Pacific.

40. While concurring on the importance of sustainability as a policy focus for the region, one delegation stressed that the issue should be incorporated into the monitoring and assessment framework for the global development agenda beyond 2015. Another delegation suggested that the monitoring framework for the global development agenda beyond 2015 should include goals on market efficiency and improved infrastructure.

41. The Commission took note of the priorities that some member States gave to national statistics development in order to address the gaps in reliable statistical data for strategic planning and decision-making, including the development of a quality statistical system as a central goal of a long-term comprehensive development plan and the formulation of a national statistical development strategy. One delegation informed the Commission that it was sponsoring a draft resolution on civil registration and vital statistics (E/ESCAP/69/L.5) with a view to enhancing national capacity to gather data accurately and systematically.

42. Several delegations reported on the ongoing transition of their countries from conflict situations and the related security concerns and challenges. A successful political transition, the demobilization and integration of former combatants, and the resettlement and improvement of livelihoods of displaced persons from combat-affected areas were cited as examples.

43. The delegation of India expressed satisfaction that the Subregional Office for South and South-West Asia in New Delhi had quickly become active and had already begun capacity-building activities in its first complete year of operation.

44. The delegation of Bhutan extended appreciation to the secretariat for its continued support in regional advisory services.

45. The Commission commended the high analytical quality of the comprehensive documentation prepared by the secretariat pertaining to the challenges facing the region as contained in the *Economic and Social Survey of Asia and the Pacific 2013* and the 2013 theme study, *Opportunities to Build Resilience to Natural Disasters and Major Economic Crises*. The secretariat was requested to take the messages and recommendations of the *Survey* and the theme study to a wider audience across the region.