

**Economic and Social Commission for Asia and the Pacific**Committee on Macroeconomic Policy, Poverty Reduction and
Financing for Development**First session**

Bangkok, 6–8 December 2017

Item 5 of the provisional agenda*

Consideration of the future focus of the subprogramme**Consideration of the future focus of the subprogramme****Note by the secretariat***Summary*

The current document contains proposals to update the terms of reference of the Committee on Macroeconomic Policy, Poverty Reduction and Financing for Development to align them with the post-2015 development agenda, and its defining instruments, such as the 2030 Agenda for Sustainable Development and the Addis Ababa Action Agenda of the Third International Conference on Financing for Development.

The Committee is invited to review the proposed changes and provide guidance to the secretariat.

I. Introduction

1. The Economic and Social Commission for Asia and the Pacific (ESCAP), in its resolution 71/1 of 29 May 2015, reconstituted the Committee on Macroeconomic Policy, Poverty Reduction and Inclusive Development as the Committee on Macroeconomic Policy, Poverty Reduction and Financing for Development. The issues to be addressed by this reconstituted Committee were suggested prior to the adoption of the 2030 Agenda for Sustainable Development¹ and the Addis Ababa Action Agenda of the Third International Conference on Financing for Development,² as well as the regional road map for implementing the 2030 Agenda for Sustainable Development in Asia and the Pacific,³ in which priority areas of regional cooperation on finance were identified. In addition, the references to some issues pertaining to financing for development are not fully reflective of the issues raised in the deliberations of the annual regional high-level consultations held by the secretariat with member States since 2014, which have helped to develop regional perspectives on financing for development.

2. The present document contains proposals to update the terms of reference of the Committee, which are intended to align them with the post-2015 development agenda and the regional road map. Section II sets out the

* E/ESCAP/CMPF(1)/L.1.

¹ General Assembly resolution 70/1.

² General Assembly resolution 69/313, annex.

³ E/ESCAP/73/31, annex II.

current mandate and terms of reference of the Committee, and section III contains the proposed updates and the rationale behind them. The main issues for consideration by the Committee are outlined in section IV.

II. Current mandate and terms of reference of the Committee on Macroeconomic Policy, Poverty Reduction and Financing for Development

3. The reconstitution of the Committee was part of the Commission's broader effort, as set out in resolution 71/1, to revise its conference structure, including the role and functioning of its subsidiary structure, to better reflect the needs of its member States with regard the post-2015 development agenda. The areas of focus of the Committee were established in annex II to resolution 71/1. These areas were established as follows:

(a) Experiences and practices in formulating and implementing macroeconomic policies to reduce poverty and inequalities, as well as to achieve sustainable and inclusive development;

(b) Regional economic development policies and options;

(c) Financing for development, including enhancing domestic fiscal resources, increasing social impact investment by the private sector, and accessing regional financing vehicles, arrangements and funds;

(d) Experiences and practices in developing regulations and institutions to deepen and strengthen the region's capital markets;

(e) Review of pro-poor economic growth policies, particularly in countries with special needs;

(f) Policy options and programmes for reducing rural poverty, including those with a gender dimension, through the development of sustainable agriculture.

III. Suggestions to reorient the Committee's areas of focus

4. With the adoption of the Addis Ababa Action Agenda, the 2030 Agenda and the regional road map for implementing the 2030 Agenda in Asia and the Pacific, it is an opportune time to align the Committee's mandate with the post-2015 development agenda and the Committee's, and thus the Commission's, deliberations with the global as well as regional processes.

5. In 2017, the Commission, in resolution 73/1, decided to conduct a review of its conference structure at its seventy-eighth session, in 2022, with a midpoint review at its seventy-fifth session, in 2019. The latter will be the first opportunity for member States to review the substantive elements of the conference structure and to make adjustments as appropriate.

6. The Committee, at its first session in December 2017, will deliberate on, among other issues, substantive issues related to the programme direction and priorities of the Commission as contained in the strategic framework for the period 2018–2019, as endorsed by the General Assembly in its resolution 71/6.

7. The Committee may recall that, according to programme 16 of the strategic framework for the period 2018–2019,⁴ the strategic direction for the subprogramme on Macroeconomic Policy, Poverty Reduction and Financing

⁴ A/71/6 (Prog. 16).

for Development is provided by the 2030 Agenda, the Addis Ababa Action Agenda, the Programme of Action for the Least Developed Countries for the Decade 2011–2020,⁵ the Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014–2024,⁶ the SIDS Accelerated Modalities of Action (SAMOA) Pathway,⁷ the regional road map for implementing the 2030 Agenda in Asia and the Pacific and the outcome documents of the Ministerial Conferences on Regional Economic Cooperation and Integration in Asia and the Pacific.⁸

8. Taking this into account, the Committee may wish to consider making a recommendation to the Commission on reorienting the Committee's focus areas to be in line with this strategic direction. The proposed updates to the Committee's terms of reference are presented below, and the current terms of reference and the proposed updates are also presented side by side in the annex for ease of comparison:

(a) Experiences and practices in formulating and implementing economic policies that ensure macroeconomic stability and promote sustainable and inclusive development, particularly by reducing poverty and inequalities;

(b) Policy options and strategies on financing for development, including domestic fiscal resources, infrastructure financing and public-private partnerships, and financial market development with a focus on financial inclusion;

(c) Strengthened capacities of countries to formulate and implement inclusive and sustainable economic policies, particularly in countries with special needs;

(d) Effective implementation of global support programmes for least developed countries, landlocked developing countries and small island developing States;

(e) Analysis of policies for strengthening regional cooperation and integration on economic and financial issues.

9. These proposed areas of focus are more reflective of recent developments, both at the global and regional level, in terms of new mandates and consultations with member States. Specific reasons for suggesting these updates are detailed in the following paragraphs.

10. The main change in proposed focus area (a) is to replace "macroeconomic policies" with "economic policies" to reflect the fact that other types of policies in addition to typical macroeconomic policies (such as monetary and fiscal policies) may be needed to better support inclusive and sustainable development. These include, but are not limited to, structural reforms in various sectors of the economy, social protection policies and policies that support environmental sustainability. Moreover, this suggested change also captures the emphasis on "economic development policies" of current focus area (b).

⁵ *Report of the Fourth United Nations Conference on the Least Developed Countries, Istanbul, Turkey, 9–13 May 2011 (A/CONF.219/7)*, chap. II.

⁶ General Assembly resolution 69/137, annex II.

⁷ General Assembly resolution 69/15, annex.

⁸ E/ESCAP/MCREI/3.

11. Proposed focus area (b) merges the financing for development issues highlighted in current focus areas (c) and (d). It also captures the essence of the regional high-level consultations of the past four years and the priority areas of regional cooperation on finance identified in the regional road map for implementing the 2030 Agenda.

12. Proposed focus area (c) updates current focus area (e) by replacing “pro-poor economic growth policies” with “inclusive and sustainable economic policies”. This change better reflects the fact that implementing the 2030 Agenda (which emphasizes inclusive and sustainable development) entails much more than just promoting economic growth. Also, “review” has been replaced with “strengthened capacities” to underscore the need for capacity-building in countries with special needs.⁹

13. Proposed focus area (d) makes explicit the need to provide support to effectively implement the global programmes of action for countries with special needs. Explicit reference to these programmes of action¹⁰ was missing before.

14. Similarly, proposed focus area (e) makes explicit the need to support aspects of regional economic cooperation and integration that pertain to economic and financial issues, as captured in the outcomes of the Ministerial Conferences on Regional Economic Cooperation and Integration in Asia and the Pacific.¹¹

15. Starting with the biennium 2018–2019, the work of the Centre for Alleviation of Poverty through Sustainable Agriculture, will be reported under subprogramme 4 instead of subprogramme 1. Hence, reference to the issue of rural poverty and sustainable agriculture has been removed.¹²

IV. Issues for consideration by the Committee

16. The Committee is invited to deliberate on the following issues:

(a) The role and strategic direction of the Committee in supporting member States, especially least developed countries, landlocked developing countries and small island developing States, as they implement the 2030 Agenda, as outlined in the proposed revised terms of reference of the Committee contained in section III of the present document and bearing in mind the midpoint review of the Commission’s conference structure, scheduled for 2019;

(b) How the proposed changes to the terms of reference can be integrated into the planning for the biennial programme of work and priorities for the period 2020–2021, with a view to providing guidance to the secretariat.

⁹ See, for example, Commission resolution 72/6, para. 7 (d).

¹⁰ See, for example, the following, which highlight the role of regional commissions in implementing the global programmes of action: *Report of the Fourth United Nations Conference on the Least Developed Countries, Istanbul, Turkey, 9–13 May 2011* (A/CONF.219/7), chap. II, para. 149; and General Assembly resolutions 69/137, annex II, para. 75, and 69/15, annex, paras. 108 and 122.

¹¹ Building on the First Ministerial Conference on Regional Economic Cooperation and Integration, held in 2013, the outcome document of the second Ministerial Conference, to be held from 21 to 24 November 2017, is also expected to include references to enhancing regional economic cooperation and integration, including economic and financial issues.

¹² A/72/6 (Sect. 19), para. 19.75.

Annex

Current and proposed terms of reference of the Committee on Macroeconomic Policy, Poverty Reduction and Financing for Development

<i>Current terms of reference, as established in resolution 71/1 of the Economic and Social Commission for Asia and the Pacific</i>	<i>Proposed updates to the terms of reference</i>
(a) Experiences and practices in formulating and implementing macroeconomic policies to reduce poverty and inequalities, as well as to achieve sustainable and inclusive development;	(a) Experiences and practices in formulating and implementing economic policies that ensure macroeconomic stability and promote sustainable and inclusive development, particularly by reducing poverty and inequalities;
(b) Regional economic development policies and options;	(b) Policy options and strategies on financing for development, including domestic fiscal resources, infrastructure financing and public-private partnerships, and financial market development with a focus on financial inclusion;
(c) Financing for development, including enhancing domestic fiscal resources; increasing social impact investment by the private sector; and accessing regional financing vehicles, arrangements and funds;	(c) Strengthened capacities of countries to formulate and implement inclusive and sustainable economic policies, particularly in countries with special needs;
(d) Experiences and practices in developing regulations and institutions to deepen and strengthen the region's capital markets;	(d) Effective implementation of global support programmes for least developed countries, landlocked developing countries and small island developing States;
(e) Review of pro-poor economic growth policies, particularly in countries with special needs; and	(e) Analysis of policies for strengthening regional cooperation and integration on economic and financial issues.
(f) Policy options and programmes for reducing rural poverty, including those with a gender dimension, through the development of sustainable agriculture.	