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Item 6 of the provisional agenda

Dates, venue and theme topic for the sixty-eighth session of the Commission (2012)

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Note by the secretariat

Summary

The present document contains information on the possible dates and venue of the sixty-eighth session of the Commission, to be held in 2012, and proposals for the theme topic for that session. The Commission may wish to make a decision on these matters.

* The late submission of this document is due to the need for consultations with the Advisory Committee of Permanent Representatives and Other Representatives Designated by Members of the Commission at its 335th and 336th meetings, held on 20 January 2011 and 24 March 2011, respectively.

I. Introduction

1. The present document contains suggestions made by the secretariat for the consideration of the Commission at its sixty-seventh session. The Commission may wish to consider the dates, venue and theme topic for its sixty-eighth session, to be held in 2012, and to provide the secretariat with guidance in this regard.

A. Dates and venue

2. Rule 1 of the rules of procedure of the Commission requires it to recommend the date and venue for its next session, subject to the approval of the Economic and Social Council and in consultation with the Secretary-General. In accordance with established practice, at each session, the Commission recommends the convening of the next session in April or May of the following year. The actual dates and venue are then determined by the Executive Secretary in consultation with the members and the Chairperson of the Commission.

3. In addition, rule 1 of the rules of procedure states that sessions of the Commission shall ordinarily be held at the office of the United Nations in Asia and the Pacific, unless the Commission recommends otherwise.

B. Theme topic

4. The secretariat submits the following two topics for the consideration of the Commission:

(a) Addressing the challenge of urbanization: towards inclusive and sustainable urban development;

(b) Enhancing regional economic integration in Asia and the Pacific.

5. The Advisory Committee of Permanent Representatives and Other Representatives Designated by Members of the Commission (ACPR), at its 335th and 336th sessions, discussed the above two theme topics, and the suggestions made have been incorporated in the outline below. It may be noted that most ACPR members expressed support for the second topic.

6. For reference, a list of the theme topics of previous Commission sessions is contained in the annex to the present document. Brief notes on the proposed theme topics are enumerated below.

1. Addressing the challenge of urbanization: towards inclusive and sustainable urban development

(a) Demographic transformation

7. The Asian and Pacific region is urbanizing at an unprecedented scale and pace. By 2030, a majority of the region's population is projected to be living in urban areas, with the population projected to reach 2.3 billion people, an increase of about 700 million in just 15 years. This is equivalent to adding a city the size of Singapore roughly every month for the next 15 years. This challenge is complicated by the emergence of often unplanned

mega-urban regions along transport corridors, which often cross the jurisdictional boundaries of local and subnational governments.

(b) Economic growth and social progress

8. There is a direct linkage between economic development and urbanization. Producing over 80 per cent of the region's gross domestic product (GDP), cities have been at the forefront of the region's economic growth and development. The per capita GDP of Ho Chi Minh City, Viet Nam, for example, is almost three times higher than the per capita GDP of Viet Nam as a whole. Mumbai, India, Singapore and Shanghai, China, are centres of international trade and commerce and hubs for regional and international connectivity.

9. Rapid urbanization has also led to major social changes. Economic growth and urbanization have provided opportunities for social mobility and weakened the traditional roles of women and men. They have also resulted in the creation of a large middle class that is information savvy, globally connected and, in most instances, oriented towards consumerism. This has led to an increase in the domestic markets, which has somewhat shielded the larger economies from major downturns in the global economy.

(c) Externalizing social and environmental costs

10. The rapid economic development that has fuelled urbanization, however, has come with great environmental and social costs, which have often been externalized. As a result, the ecological footprints of some cities in the region are three to five times higher than the global per capita average. Cities account for 67 per cent of total energy use and 71 per cent of total greenhouse gas emissions, and generate 300 million tons of solid waste per year. Many urban areas suffer from congested roads, power cuts and water shortages. Urban waterways in some cities are so polluted as to be unable to support life.

11. Being globally connected also has major downsides. Cities have become ever more vulnerable to the impact of global financial and energy shocks. Globalization has also led to an increase in disparities. For the most part, only people with access to information and capital have benefited from globalization. About 35-40 per cent of the urban residents of the Asia-Pacific region live in slums, and these slums manifest these growing disparities. While absolute poverty in urban areas remains a problem in some countries, disparities among population groups and between regions in income and in access to services and opportunities are increasingly becoming a key problem. These disparities have, in some cases, resulted in violence and social unrest and, if they are not addressed, they may lead to more problems in the future.

(d) Climate change

12. In addition to struggling to cope with the existing challenges of rapid urban growth, cities are increasingly facing the effects of climate change. Over 50 per cent of urban residents in Asia and the Pacific live in low-lying coastal zones or flood plains, and are at risk from extreme weather-related occurrences, such as floods and typhoons, which can wipe out years of development and poverty eradication in a matter of days. The frequency and intensity of these and other climate-related disasters are expected to

increase. While natural disasters affect both the rich and the poor, it is the poor who suffer the most because they often live in vulnerable housing and settlements. The increasing number of natural disasters may become a new driver of poverty in urban areas. Anecdotal evidence suggests that about 20-30 per cent of refugees who move to cities in the aftermath of a natural disaster do not return home as they tend to be the poorest inhabitants of rural areas and do not have land or viable economic prospects.

(e) Transforming institutions

13. Thus, while cities serve as engines of economic growth and social progress, they also face challenges related to sustainability, social inclusion and disparities, and they are increasingly vulnerable to natural disasters and other shocks. Efforts to meet these challenges and move towards inclusive and sustainable development would require a transformation of the institutional structures that govern at the local level and movement away from sectoral, piecemeal planning and management to more integrated, adaptive and inclusive governance mechanisms and systems.

14. To tackle the challenges posed by rapid urbanization, policymakers need to address the gaps in institutional capacity and the investment gap in developing urban infrastructure. At present, institutions and governance structures are divided both vertically—among the national, subnational and local levels—and horizontally—among agencies and departments at the local level. In many countries, governments, particularly at the local level, lack the capacity to take advantage of the opportunities and meet the challenges posed by rapid urbanization and globalization, while, in some instances, interaction between the government and civil society is limited and the voices of the poor and marginalized are not included in the decision-making process. All of this results in institutions that are often unable to quickly respond to unforeseen changes and shocks, and that lack the capacity to learn from their own experiences or from the experiences of other countries facing similar issues.

15. It is becoming increasingly urgent to recognize the “city” as a system and to strengthen urban governance. This requires decentralizing and devolving functions as well as executive and fiscal authority to the local level, based on the principle of subsidiarity. It also requires capacity-building for local governments so that they can utilize their powers properly and the existence of a vibrant civil society that can interact effectively with the government and hold it accountable. Some countries, such as India, Indonesia and the Philippines, have recognized this and have moved towards decentralization and devolution to the local level. Their experiences should be examined, and the lessons learned need to be shared and further built upon.

(f) Value addition of ESCAP

16. Many studies have focused on urbanization and cities, but little attention has been paid to addressing the need for institutional transformation. The available literature has not comprehensively examined how issues related to the economy, the environment, social inclusion and resilience are interlinked and how the gaps could be closed to make governance systems more integrated, adaptive and inclusive. The multisectoral character of ESCAP makes it well suited to carry out a study in this area and assist countries in closing the institutional gaps. Other

organizations within and outside the United Nations system, such as the Asian Development Bank, the Asian Institute of Technology, the International Labour Organization, the Regional Network of Local Authorities for the Management of Human Settlements, the Rockefeller Foundation, the United Nations Development Programme, the United Nations Environment Programme and the United Nations Human Settlements Programme would be invited to contribute to the preparation of such a study.

2. Enhancing regional economic integration in Asia and the Pacific

17. In the aftermath of the global financial crisis, a key discussion topic has centred on rebalancing the region's economies in favour of greater domestic and regional demand, as the Western world unwinds the global imbalances by restraining debt-fuelled consumption. In this context, regional economic integration has assumed a critical role in sustaining the dynamism of the region in the post-crisis world. Furthermore, regional economic integration stands to help achieve balanced regional development as the lagging economies may reap benefits by becoming a part of the larger connected regional market driven by the dynamism of the region's economic powerhouses, such as China, India and Japan. Regional economic integration has been adopted as a strategy for balanced regional development in Africa, Europe, Latin America and North America. The Asia-Pacific region, on the other hand, has been rather slow in exploiting the potential of regional economic integration, due to its focus on Western export markets. Consequently, the region is better connected to Western markets and their related transport links than to those within the region. Initiatives promoting regional economic integration have been limited to subregional groupings, such as the Asia-Pacific Trade Agreement, the Association of Southeast Asian Nations (ASEAN), the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation, the Economic Cooperation Organization and the South Asian Association for Regional Cooperation (SAARC), and numerous bilateral free trade arrangements linking the region's economies. Because of the conflicting rules, scope and coverage of these initiatives, a seamless market does not exist. The region, in general, is becoming more aware of the potential for broader regional economic integration as a number of leaders, including those of Australia, India, Japan and the Philippines, have in recent years articulated visions of broader pan-Asian economic communities. The time has come for the Asia-Pacific region to strengthen the process of regional economic integration as a stepping stone towards achieving the vision of pan-Asian economic integration as the region emerges as the centre of gravity of the world economy.

18. As a regional arm of the United Nations, ESCAP is in a unique position to promote the cause of broader regional integration in Asia and the Pacific through its analytical work, policy advocacy, ability to set norms and standards, and convening power, which enables it to contribute to consensus. A theme study on this subject may provide the impetus for such a discussion. The theme study would bring together the work of different ESCAP divisions, especially the Information and Communications Technology and Disaster Risk Reduction Division, the Macroeconomic Policy and Development Division, the Social Development Division, the Transport Division and the Trade and Investment Division, as well as the subregional offices.

19. Such a study would review the potential, present status of integration and prospects for development in the principle areas of cooperation, which include the following:

- Market integration
- Strengthened physical connectivity through transport, energy and information and communications technology (ICT) networks
- Regional financial architecture
- Economic cooperation and the narrowing of development gaps for social cohesion
- People-to-people connectivity
- Business-to-business connectivity

(a) Market integration

20. One of the key components of a scheme that promotes economic integration in a region is the creation of a larger integrated market through trade liberalization and trade facilitation. Integrated markets prompt businesses in the region to become more efficient and restructure their operations in order to exploit economies of scale, scope and specialization. This process of efficiency-seeking industrial restructuring, as it is sometimes called, could result in substantial welfare gains for participating countries, as demonstrated by the experiences of other groupings, such as the European Single Market. The benefits of industrial restructuring would be realized only if the measures imposed removed the myriad of procedural barriers to trade, both at the border and behind the border. Furthermore, market integration would obviate the market-sized constraint on the development of smaller and poorer economies as they tend to benefit more from the process. Hence, regional cooperation would lead to a more balanced pattern of development.

(b) Strengthened physical connectivity through transport, energy and information and communications technology networks

21. The integration of markets would not be effective unless the process were accompanied by stronger regional connectivity among various physical and non-physical networks, such as in areas related to transport, energy, ICT, production, trade and finance. The Asian Highway and Trans-Asian Railway networks form the backbone of the regional transport network, and ESCAP is currently developing a regional network of dry ports to complement these networks and further contribute to regional connectivity. While the focus on connectivity in the region has so far has been on the physical connectivity of individual sectors, the benefits could be maximized through the integration of physical and non-physical networks within and among sectors. Such integration includes, for example: interconnection and interoperability between sea and land transport or road and rail transport (through dry ports); ICT and energy infrastructure supporting the physical movement of goods and transport; and ICT infrastructure supporting information flows required in international production networks, trade and transport facilitation, banking, logistics and intelligent transport systems. The complexity of these interrelationships can

only be addressed through intersectoral coordination and inter-agency collaboration.

(c) Regional financial architecture

22. A regional financial architecture supportive of regional cooperation could assist in narrowing development gaps and in strengthening physical connectivity by providing financing for high-priority infrastructure projects in areas lagging in terms of development and missing links in connectivity. The region's central banks have tended to invest their growing savings and foreign exchange reserves in United States Treasury bills owing to the lack of a well-developed regional architecture. The Chiang Mai Initiative Multilateralization Agreement, which strengthens the region's capacity to safeguard against increased risks and challenges in the global economy, is an important step in this direction, but it is limited to the management of liquidity crises. With combined reserves of nearly \$5 trillion, the region now has the ability to develop a more ambitious regional cooperative architecture that could not only help prevent and manage crises but also assist in closing the infrastructure development gaps and unleash the potential aggregate demand in the region's lesser developed areas. The secretariat is in the process of setting up a task force to elaborate the elements of a regional financial architecture that could assist the Asia-Pacific region with increased capital availability for infrastructure development as requested by the Commission in paragraph 4 (d) of its resolution 66/5 on the implementation of the Jakarta Declaration on Public-Private Partnerships for Infrastructure Development in Asia and the Pacific.

(d) Economic cooperation and narrowing development gaps for social cohesion

23. An important objective of regional economic integration schemes is to narrow the development gaps and bring about a convergence in the levels of economic development of different participants through the most optimal deployment of the region's resources. Balanced and equitable regional development also creates conditions for more enthusiastic participation by all partners, including those that lack capacity in regional economic integration schemes. Some studies have suggested that increased trade by itself, even if balanced, does not always ensure economic development, which indicates that there is a need for complementary development policies, including investment, especially in infrastructure and other public goods, such as education and research and development, and regional and sectoral programmes to assure balanced growth. Globally, regional trading arrangements (RTAs) are being integrated with balanced regional development and social cohesion policies. The scope of economic cooperation could also cover the sharing of development experiences and capacity-building.

(e) People-to-people connectivity

24. Social integration takes place through enhanced labour mobility and tourism, allowing for the greater movement of people, ideas and cultures across borders. Formal and informal networks and clusters within and between governments, businesses, suppliers, customers, non-governmental organizations, civil society, community-based organizations and educational, cultural and religious institutions assist in social cohesion and

contribute to the development of an integrated community, such as the European Union or ASEAN.

(f) Business-to-business connectivity

25. Businesses throughout the world are increasingly linked through complex global and regional value chains. These chains link foreign direct investment with local suppliers, which often are small and medium-sized enterprises. The dynamics and progression of such business-driven integration processes have implications for policies aimed at strengthening regional economic integration. In essence, it can be argued that businesses are the main drivers of such integration. It is therefore important to understand these processes and forge business-government understandings to ensure appropriate government policies to guide these processes for inclusive and sustainable development.

26. It may be argued that regional integration is an incremental process. Once a vision has been adopted, the deepening of economic integration and institution-building in different spheres takes place in stages.

27. Such a study would review the potential status of integration in each sphere, identify barriers and challenges and formulate an agenda for deepening integration. It would also propose a road map for deepening economic integration in the ESCAP region.

Annex

List of theme topics of Commission sessions

(Fortieth through sixty-seventh)

Session	Year	Theme topic
40	1984	Technology for development
41	1985	Technology for development
42	1986	Human resources development
43	1987	Human resources development
44	1988	Human resources development
45	1989	Restructuring the developing ESCAP economies in the 1990s
46	1990	Restructuring the developing ESCAP economies in the 1990s
47	1991	Industrial restructuring in Asia and the Pacific, in particular with a view to strengthening regional cooperation
48	1992	Regional economic cooperation in the ESCAP region: prospects, priorities and policy options
49	1993	Expansion of investment and intraregional trade as a vehicle for enhancing regional economic cooperation and development
50	1994	Infrastructure development as key to economic growth and regional economic cooperation
51	1995	Strengthening of regional cooperation in human resources development with special reference to the social implications of sustainable economic growth in Asia and the Pacific
52	1996	Sustainable development and poverty alleviation in Asia and the Pacific
53	1997	Asia and the Pacific into the twenty-first century: opportunities and challenges for ESCAP
54	1998	Asia and the Pacific into the twenty-first century: status of and prospects for social development
55	1999	Asia and the Pacific into the twenty-first century: information technology, globalization, economic security and development
56	2000	Development through globalization and partnership in the twenty-first century: an Asia-Pacific perspective for integrating developing countries and economies in transition into the international trading system on a fair and equitable basis
57	2001	Balanced development of urban and rural areas and regions within the countries of Asia and the Pacific
58	2002	Sustainable social development in a period of rapid globalization: challenges, opportunities and policy options
59	2003	Integrating economic and social concerns, especially HIV/AIDS, in meeting the needs of the region
60	2004	Meeting the challenges in an era of globalization by strengthening regional development cooperation
61	2005	Implementing the Monterrey Consensus in the Asian and Pacific region: achieving coherence and consistency

Session	Year	Theme topic
62	2006	Enhancing regional cooperation in infrastructure development, including that related to disaster management
63	2007	Development of health systems in the context of enhancing economic growth towards achieving the Millennium Development Goals in Asia and the Pacific
64	2008	Energy security and sustainable development in Asia and the Pacific
65	2009	Towards sustainable agriculture and food security in the Asia-Pacific region
66	2010	Addressing challenges in the achievement of the Millennium Development Goals: promoting a stable and supportive financial system; and green growth or environmentally sustainable economic growth, including through technology and financing
67	2011	Beyond the crises: long-term perspectives on social protection and development in Asia and the Pacific
