



OVERVIEW

A FUTURE WITHIN REACH 2008



Regional Partnerships for the Millennium Development Goals
in Asia and the Pacific



ECONOMIC AND SOCIAL COMMISSION FOR ASIA AND THE PACIFIC

Overview

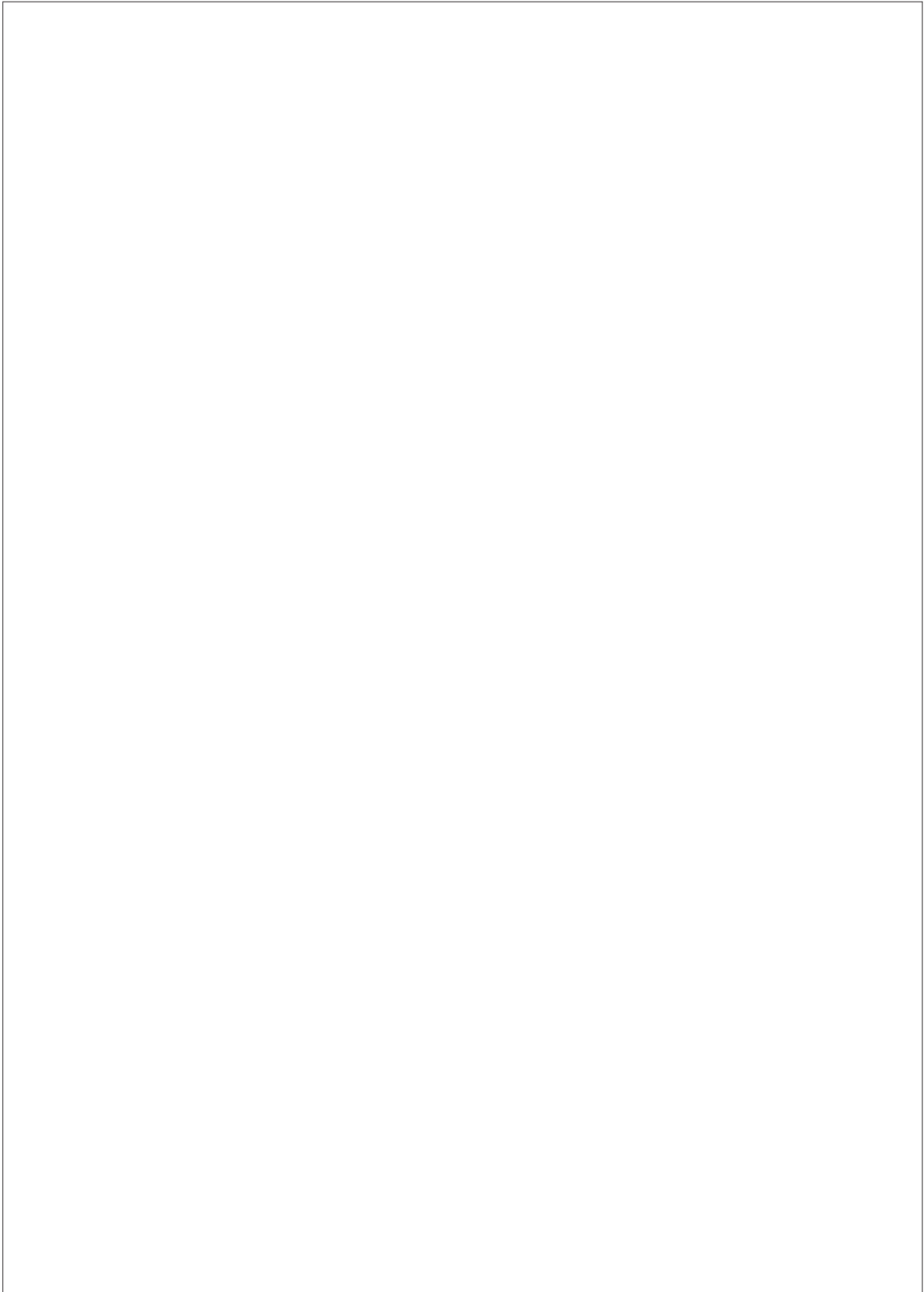
A Future Within Reach 2008

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Asia and the Pacific



United Nations
New York, 2008





Foreword

A regional picture of progress toward the Millennium Development Goals must inevitably be painted with broad strokes. While each country prepares its own progress reports, regional overviews are constrained by the shortage of capacity and information, and by disaggregated data.

Yet there is value in these regional MDG reports. For all their diversity, many Asian and Pacific countries, particularly neighbours in subregions, share significant cultural ties and similar social and economic challenges in implementing their MDG plans. A regional report can highlight opportunities for joint and cooperative action, encouraging countries to build partnerships for greater progress. It can also demonstrate the large challenges that remain, requiring the continued assistance of international organizations, such as the United Nations agencies and funds, the regional development banks and bilateral donors.

This third MDG report for Asia and the Pacific attempts to shed light on questions that are difficult to answer. How many of the region's people are living in extreme poverty? How many children are going to school? How many women are dying at childbirth? As importantly, the report attempts to peer into the future: what will be the situation in 2015 – the target date for all of the MDG?

Building on previous editions, *A Future Within Reach 2008* takes stock of the significant achievements to date across Asia and the Pacific, and highlights the main gaps that remain. On the positive side, the region has an unparalleled singular record of freeing more than 350 million people from extreme poverty between 1990 and 2004. But the task of reducing and ultimately eliminating human, or non-income poverty is immense. The report therefore also includes recommendations for strengthening growth and implementation efforts, adopting suitable policies, and garnering the additional resources needed to fill the remaining gaps. Action is clearly required at the national level, but this will need to be supplemented with the information, advisory services and human and financial resources of international bodies. It is essential that development partners contribute according to their unique characteristics and strengths, yet uphold the spirit, principle and practice of uniting to 'deliver as one'.

This report is a tripartite initiative of the United Nations Economic Commission for Asia and the Pacific (UNESCAP), the United Nations Development Programme (UNDP) and the Asian Development Bank (ADB). We are grateful for the active support of a number of other United Nations agencies. We hope that the report will serve as a useful source of information and ideas, and a stimulus for innovation, investment, and regional cooperation as countries strive to achieve the MDGs and build a brighter future for all.




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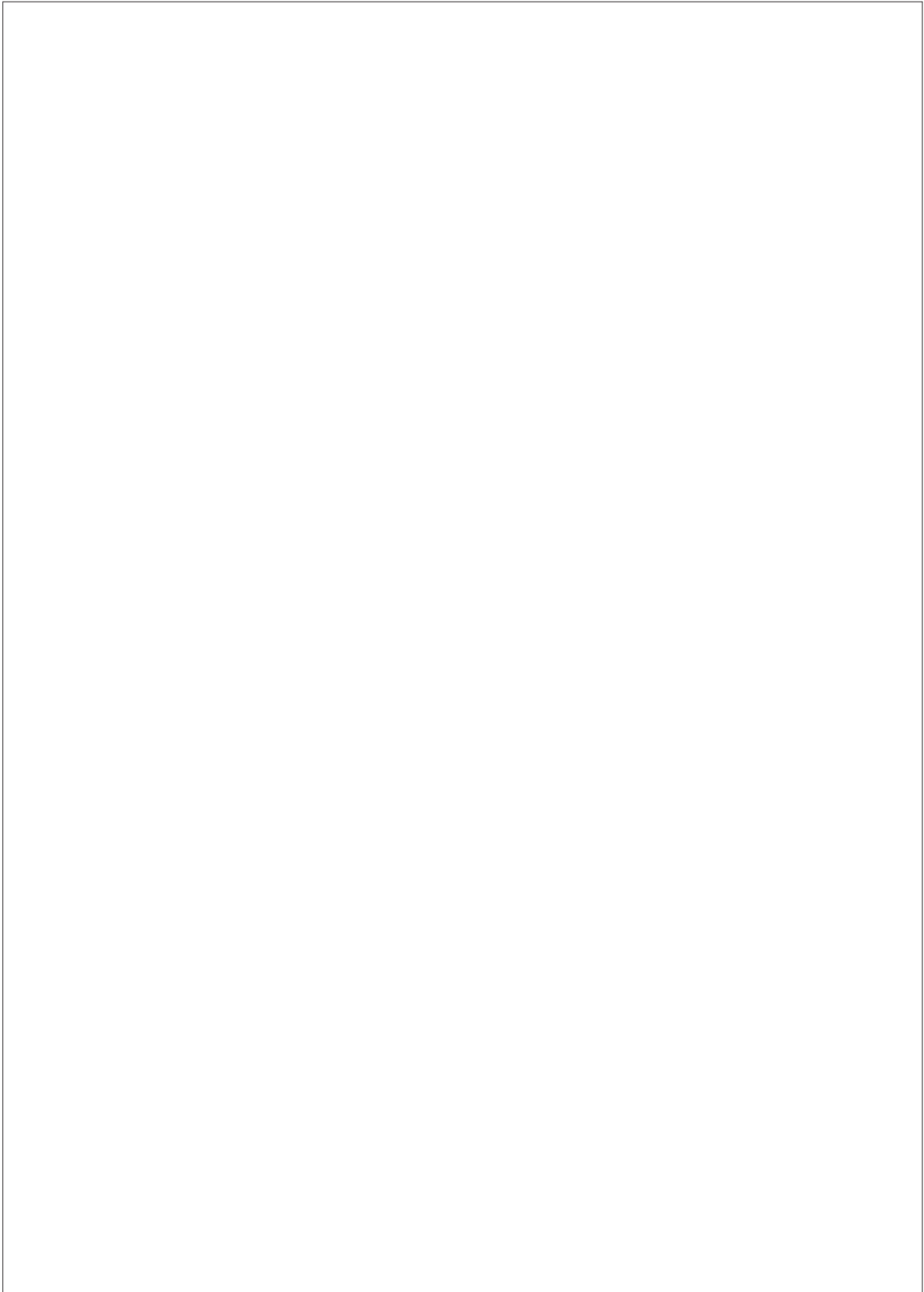
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Overview

This is the third in a series of regional reports on the Millennium Development Goals in the Asia-Pacific region. It assesses the prospects of reaching the goals and targets, highlighting the potential gaps and indicating how these can be filled. It also looks at the potential for adding value to national initiatives through broader international partnerships in which the United Nations and other international organizations 'deliver as one'.

The Asia-Pacific region is an economic powerhouse, with some of the world's most dynamic economies. But it has been making slower progress with some of the Millennium Development Goals. Its greatest success has been with poverty, for which the region as a whole is likely to meet the 2015 target of halving the proportion of people living in income poverty. But most countries will miss at least some of the other targets and goals, and a number will miss their goal even for poverty.

For each of the MDGs, countries can be classified as 'off-track', 'on-track' or 'early achievers'. The targets for which the largest number of countries are off-track are: CO₂ emissions; rural sanitation coverage; the proportion of children underweight; and rural access to clean water. But the region also needs to do more in a number of other areas. Among the targets and indicators of greatest concern are:

Child mortality – Some four million children in the region die before they reach the age of five. Of the 47 countries for which data are available, 15 are off-track and several have regressed. The pattern is similar for infant mortality.

Maternal mortality – Some 250,000 women in the region die each year during childbirth or from pregnancy-related complications. In 1990, developing Asia's maternal mortality ratio was 395 deaths per 100,000 live births, and by 2000 this had fallen only to 300. The high number of maternal deaths also contributes to a declining sex ratio, which combined with selective abortion or infanticide of girls, means that millions of women are 'missing', an outcome that has been characterized as 'gendercide'.

Climate change and environmental sustainability – Rapid economic growth has had huge environmental costs – including deforestation and the destruction of wetlands and extensive pollution of air and water. Another major problem for the region is CO₂ emissions. Of 48 countries for which data are available, 30 are off-track for meeting the 2015 emissions target. Climate change will have a serious impact on the region – through rising sea levels and changing weather patterns. More positively, however, the region appears to be making significant progress in reducing the consumption of ozone-depleting CFCs.

Water and sanitation – Here the region performs poorly: 18 out of 38 countries investigated are off-track for providing their rural populations with access to safe water, and 17 out of 32 countries are off-track for providing rural areas with access to basic sanitation. Countries across the region seem to have made greater progress in urban areas, but in some cases public service delivery systems are struggling to keep pace with rapidly growing urban populations.

Education – Primary education is one of the region's great successes: almost all countries have net primary enrolment ratios above 90 per cent and for many the ratio is approaching 100 per cent. The region's performance is less impressive, however, when it comes to repetition and completion.

Empowerment of women – One MDG indicator of women's empowerment is their share in non-agricultural wage employment. On this basis, in some countries women are doing well, with more women employed than men. In several Asia-Pacific countries, however, women are some way behind. Moreover, even when women are working they are predominantly employed in labour-intensive, low-value-added manufacturing and service sector jobs. Women are also poorly represented in national parliaments: in many countries the percentage of parliamentary seats held by women is in single digits.

Poverty – Between 1990 and 2004, the proportion of people living on less than \$1 (PPP) a day in the Asia and Pacific region, fell from 31 to 17 per cent. Moreover, during the same period, and despite population growth, the absolute number of poor people also fell, from 1,009 million to about 641 million. Data based on national poverty lines also show a decline in poverty. But despite falls in poverty, progress has been unevenly distributed and some countries have experienced sharp increases in inequality.

Hunger and malnutrition – Around 545 million people in Asia and the Pacific are consuming less than the global standard of 2,200 calories per day – constituting 65 per cent of the world's undernourished. There has been some progress, and both the total number and the prevalence of undernourished people have fallen, but not fast enough to keep the region on track for the MDG target of halving the undernourished population by 2015. Even more disturbing, 28 per cent of under-5 children are underweight: the region accounts for around two-thirds of the world's underweight children and is considerably behind its target for 2015.

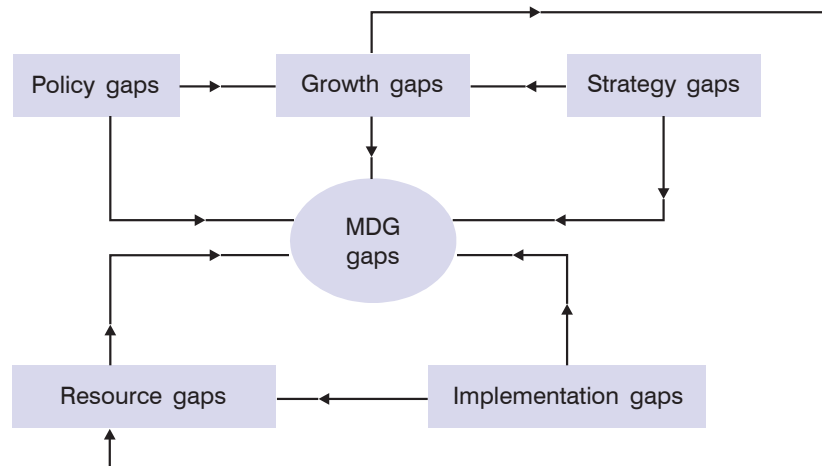
Communicable diseases – Across the region, HIV remains a major concern: 6 million people are infected with the virus. Although the prevalence, at 0.3 per cent, is lower than in some other world regions, it is still some way from meeting the MDG target of halting and reversing the spread of the pandemic by 2015. In addition, large numbers of people are infected by malaria and tuberculosis. The Pacific subregion is hit hard by non communicable diseases which is a major public health problem. Asia-Pacific region also has two of every three people in the world infected with TB.

Global cooperation – The eighth Millennium Development Goal calls for global cooperation through official development assistance (ODA), debt sustainability and international trade. In 2005, only five countries had lived up to the developed country pledge that ODA should constitute at least 0.7 per cent of their gross national income. Nevertheless the volume of aid has increased: between 1990 and 2005, global flows of ODA rose from \$23 billion to \$44 billion. Goal 8 also recognizes the importance of international trade. In 1996, Asia-Pacific LDCs had the same level of duty-free access as sub-Saharan LDCs but by the late 1990s and early 2000s, their share of trade had declined. Goal 8 also calls for decent and productive work for youth, but that task remains largely unfulfilled: youth unemployment is on the rise almost everywhere, including the Pacific subregion.

Another disturbing aspect of the region's uneven MDG progress is the extent of disparities within and between countries. Within countries, the poor and vulnerable groups, particularly those living in rural and remote areas are falling further behind.

The region as a whole is thus likely to fall short in a number of ways – facing critical 'MDG gaps': growth gaps, strategy gaps, policy gaps, implementation gaps, and resource gaps. Figure below illustrates the interplay between these.

Figure – Five interrelated gaps for achieving the MDGS



Filling the MDG gaps

One way of attempting to fill the gaps would be to increase economic growth. An analysis of 25 countries across the region suggests that this would have the most effect on income poverty: if per capita GDP rises by 1 per cent, the headcount poverty ratio tends to fall by 0.86 per cent. Growth has less effect on undernutrition: a 1 per cent increase in per capita GDP is associated with a drop of about half a per cent in undernutrition. Growth also appears to have a smaller effect on infant and under-5 mortality and on maternal mortality. Countries that rely only on economic growth are thus likely to fall short.

Even in the unlikely event, they boosted their projected per capita GDP growth by 3 percentage points, many countries would remain off-track. To achieve the goals they will need to improve the structure and quality of economic growth and make appropriate changes to national development strategies.

To what extent are they making such changes? To assess current strategies, this report carried out a review of 14 Asia-Pacific countries. This showed that, while all countries had distinctive features they generally took a common approach. All emphasized the importance of stable, broad-based, inclusive and participatory economic growth. They also engaged in a wide range of policies, reforms and programmes – which can be grouped under 9 broad headings:

- Sustaining macroeconomic stability and macro liberalization
- Structural reforms in trade, industry, land, labour and capital markets
- Sectoral priorities for poverty reduction and employment generation
- Development of physical infrastructure and human capital
- Conflict resolution, social development and environmental protection
- Direct poverty alleviation programmes
- Improving legal and institutional frameworks
- External aid coordination and harmonization
- Strengthening systems for measurement, evaluation, monitoring and review

To date, countries have loosely adopted MDGs to fill national budget constraints and priorities. To be effective, however, national MDG strategies should be 'need based', setting out national targets and priorities that are consistent with reaching the MDGs.

Good governance

The effectiveness of all of these activities will also depend critically on the quality of governance. The Millennium Declaration, which gave rise to the Millennium Development Goals, stresses the importance of good governance which while increasing efficiency and transparency generally also involves incorporating the views of minorities, those facing discrimination

and those most vulnerable – empowering them to become agents of their own development. At the national level, this means, for example, cutting through the bureaucratic jungle of laws, and devising more effective forms of service delivery. However, in many cases governments will also need to decentralize power and authority from higher to lower tiers – and broaden the range of service providers to include community organizations, non-governmental organizations and the private sector. Governments will always retain their fundamental responsibility of ensuring that everyone has access to basic services at all times, but in some cases they can concentrate more on creating a suitable environment – encouraging the involvement of a range of providers, while setting standards and carrying out functions of regulation and monitoring.

Macroeconomic policies

Raising standards of governance will also assist countries in their efforts to achieve 'pro-poor' growth. For this they can use four groups of policies:

Economy-wide institutional and policy reforms – The aim is to exploit the country's comparative advantages – increasing exports and attracting foreign capital, especially foreign direct investment. Typically this has implied a standard set of policies: privatization, deregulation, liberalization of trade and the financial sector and capital account convertibility. While these policies have their place, they need to be phased in with care since, in the short to medium term at least, such policies can also harm the poor.

Macroeconomic stabilization policies – Governments pursuing macroeconomic stabilization are generally aiming for low inflation. However, efforts to control inflation through reducing fiscal deficit can easily restrain short- and medium-term growth. Often a better approach is to focus on supply management ensuring sufficient goods at reasonable prices for the poor.

Sectoral policies and interventions – One of the priority sectors for poverty reduction is agriculture and rural development. Interventions needed include investments in rural infrastructure, irrigation networks, farm-to-market roads and rural electrification. Other pro-poor sectors include construction and light manufacturing.

Pro-poor expenditures and revenue policies – To improve the position of the poor, governments will need to change the structure of taxes, correct pro-rich subsidies and allocate public expenditure so as to increase the availability of services.

If these policies to foster growth are accompanied by improvements in both physical and social infrastructure – ‘MDG goods and services’ – they will help achieve the Goals. This should be a self-reinforcing process: expansion in the MDG goods and services sectors can also act as an engine of growth, turning ‘pro-MDG growth’ into ‘pro-growth MDGs’.

To what extent have governments been pursuing pro-MDG growth? An analysis has been carried out for 28 countries, using China and Thailand as benchmarks. The scale of the task facing each country is assessed by considering how far it is from the benchmark. On the basis of this analysis, the areas in need of attention are finance, the macro-economy, education and trade and health. These 5 areas thus represent a menu for any regional assistance strategy.

Filling the implementation gap

Slow progress towards achieving MDGs is often due to a gap between commitment and implementation. First, governments need to back the MDGs fully at national and international levels, estimating the costs, prioritizing public expenditures, setting out achievable targets, establishing clear timelines and devising practical strategies. Second, they will have to break out of the limited sectoral approach, to encompass a more integrated framework of policies. Finally, they should institute systems for continuous results monitoring and evaluation to ensure that implementation remains on track and that some goals are not pursued at the expense of others.

A critical step in devising MDG policies is making realistic estimates of the costs so that these can be fully incorporated into national budgets. One major effort to measure this at the national level has been undertaken by UNDP: the MDG Needs Assessment (NA). This shows that costs can vary considerably from country to country, from a low of \$45 per capita per year for Nepal to \$321 per capita per year for Mongolia. Based on the costings made thus far, it is possible to make a rough estimate of the MDG resource gap for the group of all least developed countries in Asia and the Pacific. On this basis, the total requirement to 2015 is \$241 per capita per year, or \$66 billion in total. Since currently the available resources are around \$212 per capita per year or \$58 billion, the resource gap is thus \$8 billion per year, or \$29 per person per year.

Following a regional road map

The primary and ultimate responsibility for achieving the MDGs lies with national governments and organizations. But they need not act in isolation. They should also be able to count on the support of international organizations – the agencies and funds of the United Nations, the regional development banks and the bilateral donors. For this assistance to be effective, however, it should be offered in clear and coordinated fashion. For this purpose the outline of a 'regional road map' was presented in May 2007 to the sixty- third session of the ESCAP Commission where it received widespread endorsement.

This road map identifies priority areas where progress towards MDGs is slow or lacking. Then it lays out a strategy with a number of products and services that can be delivered by the regional partnership. Finally, it establishes processes of monitoring and evaluation to allow for 'course corrections'.

The 5 components of the road map are: knowledge and capacity-building, expertise, advocacy, regional public goods and resources. All should add value to national strategies and be developed in consultation with national stakeholders. The framework is designed to be dynamic; as time goes on each component is expected to highlight different priorities and emphases.

Knowledge and capacity-building

With their normative and analytical research capabilities, the regional partners can achieve significant economies of scale in accumulating and organizing knowledge and information. The partners can use this information to identify opportunities for regional and subregional cooperation, and areas and sectors for public-private-donor investments and interventions. This should ensure that policy makers, experts and professionals are well informed and better able to use public and private resources, including development assistance.

The end result could be a regional MDG knowledge hub under which a range of activities, including monitoring progress, examining national plans, assessing resources, and carrying out modelling and costing exercises could be conducted. While these activities are likely to be undertaken by different agencies, their coordination through a regional mechanism could provide a one-stop shop.

Expertise

This would cover, for example, advice on projects involving water and sanitation, transport and communications, tackling HIV/AIDS, delivering child-health services, building micro-credit institutions, developing new services in the financial system for small and medium-sized enterprises, improving trade intelligence and facilitation, disaggregating statistics and implementing gender strategies.

One option for improving the delivery of expertise would be to create a coordinated regional advisory service mechanism. This could serve as a source of experts who could augment local expertise, particularly for complex projects. Advisers could also help build national capacity and disseminate up-to-date knowledge and information, through research studies and papers, online consultations, and by participating in national, regional and international meetings.

Advocacy

There is always the danger that the MDG process will become fragmented and lose momentum. The partnership will therefore need a strong advocacy component. This can be promoted through a series of regional and subregional MDG forums to create opportunities for different kinds of networking, allowing governments, international organizations, NGOs and representatives of community organizations to form new alliances and work together more effectively.

This could include parliamentary forums. With the support of training and orientation programmes, parliamentarians, both men and women, should be better able to formulate the necessary legislation and policy in compliance with international treaties.

Regional public goods

While most public goods are nationally based, a number, such as energy and transport infrastructures, have strong international elements and can be strengthened by regional cooperation. A regional partnership can play a supportive role in all these issues, for example in formulating agreements and treaties on cross-border issues, and promoting cross-country campaigns such as those for green growth.

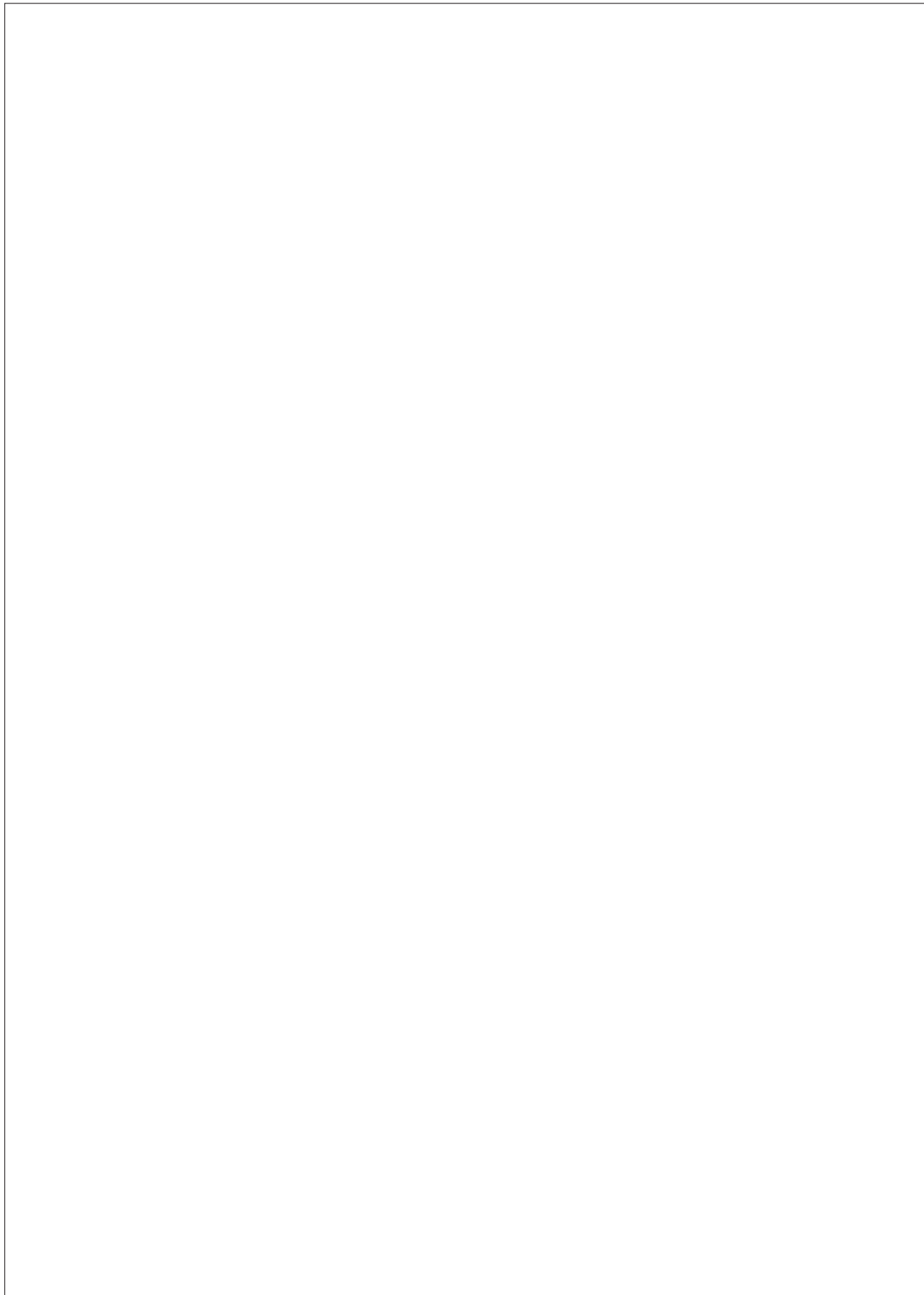
Resources

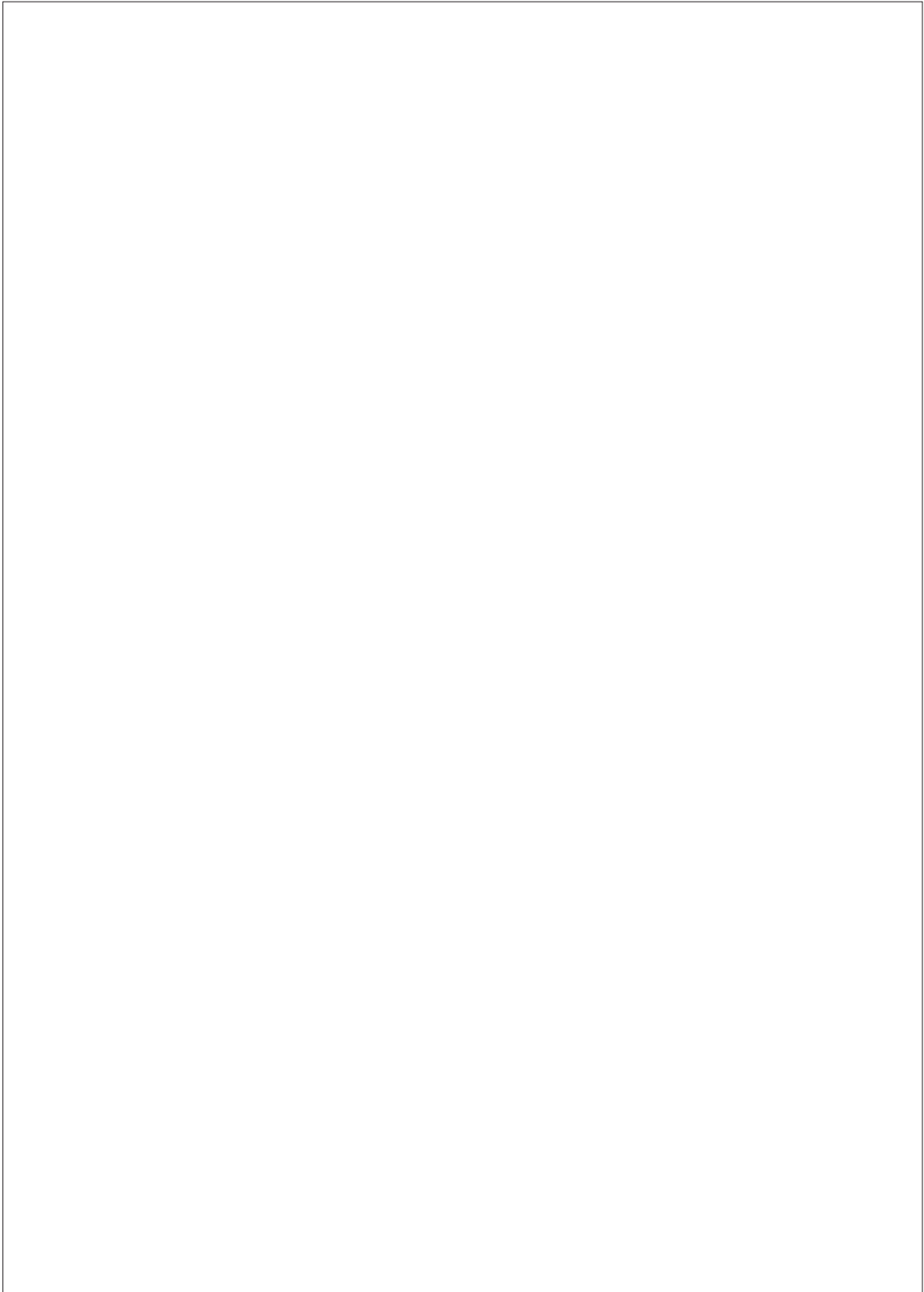
The least developed countries in particular are likely to remain dependent on external aid for the foreseeable future. The proposed regional MDG forums might therefore incorporate regional donor forums to exchange information and data. Beyond development assistance, the developing countries should also be able to benefit from increased trade, so partnerships should also be aiming to ensure easier market access for goods from the LDCs especially agricultural exports.

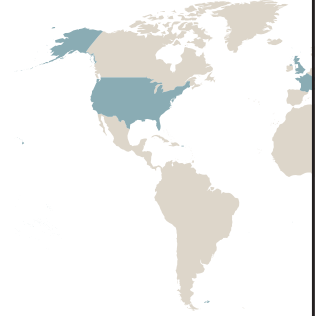
These initiatives will depend on the availability of resources, both internal and external. One significant recent step in this direction has been the creation of the UNDP-Spanish Millennium Development Goal Achievement Fund, but given the scale of the needs further innovations will be required, giving priority to LDC and LLDC 'off-track' countries and to those critical MDGs in which the region or subregions appear to be faltering.

Delivering as one

United Nations and other organizations need to work more closely together across the Asia-Pacific. When offering resources and expertise in support of national efforts to achieve the MDGs they should therefore aim to 'deliver as one'. This not only simplifies the task of overstretched national administrators it also avoids overlap and makes international support more coherent and effective. This type of coordinated activity, for example, through the United Nations Regional Coordination Meeting and the ESCAP Commission, becomes ever more urgent with the approach of the target year of 2015. The Asia-Pacific region still has a lengthy and urgent MDG agenda, and time is running out.







MDGs

"We will spare no effort to free our fellow men, women and children from the abject and dehumanizing conditions of extreme poverty, to which more than a billion of them are currently subjected. We are committed to making the right to development a reality for everyone and to freeing the entire human race from want."

United Nations
Millennium Declaration
September 2000