Subprogramme overview: Issues and challenges related to inclusive and sustainable economic and social development in Asia and the Pacific

Note by the secretariat

Summary

Issues and challenges related to inclusive and sustainable economic and social development in Asia and the Pacific are addressed in the present document under eight headings: macroeconomic policy and inclusive development; trade and investment; transport; environment and development; information and communications technology and disaster risk reduction; social development; statistics; and subregional activities for development.

The present document highlights the steps and activities undertaken and planned by the secretariat to support member countries through policy analysis, dialogue and capacity-building so that they will be able to address the challenges they face in those eight areas.

Contents

Page

Introduction ........................................................................................................... 3

Section I. Macroeconomic policy and inclusive development ........................................ 4

A. Introduction ............................................................................................... 4

B. Key issues and challenges ......................................................................... 5

1. Macroeconomic policy issues ................................................................... 5

2. Issues related to poverty and inclusive development policy ............ 5

3. Policy issues related to countries with special needs ....................... 7

4. Poverty alleviation through sustainable agriculture ....................... 9

C. Issues for consideration by the Commission ........................................... 10
Section II. Trade and investment

A. Introduction
B. Key issues and challenges
   1. Expanding intraregional trade
   2. Promoting investment and business for development
   3. Strengthening science, technology and innovation-based sustainable development
   4. Enhancing rural livelihoods and resilience through sustainable agricultural mechanization
C. Issues for consideration by the Commission

Section III. Transport

A. Introduction
B. Key issues and challenges
   1. Developing regional and interregional transport networks
   2. Facilitating operational connectivity and reducing logistics costs
   3. Enhancing the contribution of transport to sustainable economic and social development
C. Issues for consideration by the Commission

Section IV. Environment and development

A. Introduction
B. Key issues and challenges
   1. Integration of environmental sustainability in economic and social development
   2. Enhancing energy security and improving water resources management through regional cooperation
   3. Promoting inclusive and sustainable urban development for equitable and resilient cities
C. Issues for consideration by the Commission

Section V. Information and communications technology and disaster risk reduction

A. Introduction
B. Key issues and challenges
   1. Application of space technology for disaster risk reduction and sustainable development
   2. Addressing the digital divide and building capacity for greater ICT connectivity
   3. Reducing vulnerability and exposure to disasters
C. Issues for consideration by the Commission

Section VI. Social development

A. Introduction
B. Key issues and challenges
   1. The demographic challenge
Introduction

1. Inclusive and sustainable development presents both the most daunting challenges and the most significant opportunities for the Asia-Pacific region. The present document contains an outline of the key development issues in the pursuit of the sustainable development agenda and highlights the approach and achievements of the eight subprogrammes of the Economic and Social Commission for Asia and the Pacific (ESCAP). It also contains a summary of the secretariat’s assistance to member States in terms of strategic analysis, policy options and technical cooperation, and highlights of key results and achievements.

2. The eight subprogrammes are as follows:

   (a) Macroeconomic policy and inclusive development (including the Centre for the Alleviation of Poverty through Sustainable Agriculture (CAPSA));

   (b) Trade and investment (including the Centre for Sustainable Agricultural Mechanization (CSAM)\footnote{Formerly known as the United Nations Asian and Pacific Centre for Agricultural Engineering and Machinery (UNAPCAEM). Its new name became effective on 1 October 2012.} and the Asian and Pacific Centre for Transfer of Technology (APCTT));

   (c) Transport;
(d) Environment and development;

(e) Information and communications technology and disaster risk reduction (including the Asian and Pacific Training Centre for Information and Communication Technology for Development (APCICT));

(f) Social development;

(g) Statistics (including the Statistical Institute for Asia and the Pacific (SIAP));

(h) Subregional activities for development:

   (i) Subregional Office for the Pacific;

   (ii) Subregional Office for East and North-East Asia;

   (iii) Subregional Office for North and Central Asia;

   (iv) Subregional Office for South and South-West Asia.

3. The Commission may wish to provide the secretariat with guidance on the policy options identified and the initiatives being undertaken in support of member countries.

Section I
Macroeconomic policy and inclusive development

A. Introduction

4. Development in Asia and the Pacific is increasingly being affected by the ongoing “great recession” in the global economy. Growth in the region has slowed down, including in its two major economies: China and India. Policy options aimed at minimizing the adverse impact on countries in the region of continued deterioration in the global environment will continue to be explored under this subprogramme, as will be those aimed at maintaining the growth momentum and macroeconomic stability of countries in a broader sense, in particular those policies focused on the need to create productive and decent employment and to accelerate the achievement of the Millennium Development Goals. At the same time, assistance will continue to be furnished to enhance the knowledge and strengthen the capacity of high-level policymakers so that they can make growth more inclusive and sustainable.

5. The region has been experiencing a high level of economic growth but there is a need to make this growth more inclusive in order to spread the benefits to the wider population. How macroeconomic policies can be enhanced to achieve more inclusive and sustainable development has been the focus of work under this subprogramme. Countries with special needs will remain a priority for work under the subprogramme, especially to help countries, in close collaboration with other United Nations agencies and development partners, to achieve the Millennium Development Goals and implement global and regional mandates.

6. CAPSA will continue to address the concerns of member countries about the role of sustainable agriculture in the fight against food insecurity, poverty and environmental degradation.
B. Key issues and challenges

1. Macroeconomic policy issues

7. Development in Asia and the Pacific is increasingly being affected by the ongoing so-called great recession in the global economy. Growth in the developed world continued to slow in 2012 as the euro zone entered into a “double-dip” contraction in growth, and economic expansion in the United States of America remained anaemic. Falling demand in the developed world has led to a broad-based slowdown in Asia and the Pacific. Economic growth in a number of large economies in the region, most notably China and India, which had proved resilient in the early part of the crisis, recently slowed markedly; consequently, the support that these economies had been providing to other Asian and Pacific economies through intraregional demand has lessened.

8. The slowdown in China and India has been the key new concern for the Asia-Pacific region’s smaller economies, adding to existing difficulties over recent years that stem from the difficulties in the developed world. While the constrained growth performance of both China and India has been partially due to the external channel, particular domestic factors have also played a significant role. The importance of these factors will offer an important role for the respective Governments to play in reviving and rebalancing growth in these economies to ensure sustainability in the medium term.

9. As highlighted in the Economic and Social Survey of Asia and the Pacific 2013, the generalized slowdown points to structural issues, such as rising inequality and energy and infrastructure shortages. These issues are the result of past policy mistakes and inadequate policy responses, which go beyond the impacts emanating from the developed world. The slowdown, even among the economies in the region with a larger domestic market, clearly points to the shortcomings of their development strategies to ensure sustained economic progress. With regard to the export-led economies, the declining contribution of their export sectors has also created the need to alter their development model in order to boost domestic sources of growth. The structural solution to invigorating the domestic drivers of growth for both sets of economies in the region will lie in making their development process more inclusive and sustainable.

10. Economies in the region will have to look increasingly towards undertaking supportive measures, through the use of well-targeted fiscal and monetary policies directed to productive and social sectors of the economy with high employment intensity. Such measures would help prevent external conditions from derailing their development progress and ensure specifically that the jobs and incomes of the poorest and most vulnerable sections of society are protected during this difficult period. They can also contribute to climate change mitigation while advancing developmental aspirations and ensuring food security. Moreover, there is not only a high degree of complementarity among the regional economies, but the region as a whole also has extensive financial reserves. Thus, enhanced regional cooperation offers an avenue for minimizing the effects of adverse external developments as well as for addressing long-term development deficits.

2. Issues related to poverty and inclusive development policy

11. Although economic growth in Asia and the Pacific has resulted in rapid declines in poverty rates, such growth has not been inclusive. For instance, the
Economic and Social Survey of Asia and the Pacific 2012: Pursuing Shared Prosperity in and Era of Turbulence and High Commodity Prices\(^2\) showed that the population-weighted Gini coefficient for the region increased from 32.5 in the 1990s to 37.5 in the latest available year, while studies conducted by the International Labour Organization showed that about 60 per cent of the region’s workers are still in vulnerable employment. In addition, an estimated 676 million people remain without access to electricity. Macroeconomic policies could be instrumental in addressing such challenges. The outcome document\(^3\) of the United Nations Conference on Sustainable Development (Rio+20) recognizes the need for “adopting forward-looking macroeconomic policies that promote sustainable development and lead to sustained, inclusive and equitable economic growth, increase productive employment opportunities and promote agricultural and industrial development”.

12. To assist the member States to design and implement such policies, the Economic and Social Survey of Asia and the Pacific 2013 provides illustrative examples of how additional public expenditure for providing job guarantees, ensuring universal access to education and health services, operating an old-age pension system and providing disability benefits and access to clean energy is well within the reach of many countries in the region, requiring less than 8 percentage points of GDP throughout the period to 2030. For example, the cost estimates, which use national poverty lines as a benchmark for wages in an employment-guarantee scheme for 100 days and an old-age pension, show that such programmes would require between 2 and 5 percentage points of GDP in the case of China, India, Indonesia and the Philippines. With low expenditure and tax revenue-to-GDP ratios in the region, greater efforts at mobilizing domestic resources could raise the required financing. Moreover, such programmes could result in higher growth dividends in the long term by contributing to enhanced productivity, which in turn would contribute to macroeconomic stability. For instance, job guarantees and wage subsidies would not only strengthen automatic stabilizers, but also provide a buffer at the time of downturn for those who lose jobs so that they do not lose their skills but remain ready for recruitment when the economy recovers. Similarly, expanded public health services would not only prevent loss of productivity due to adverse health impacts resulting from economic hardships, but also contribute to social and economic equity and a higher propensity of households to save so that they could meet higher investment needs.

13. The instrumental role of macroeconomic policies in supporting inclusive and sustainable development was also highlighted in subregional policy dialogues, including a recent such dialogue for the Pacific.\(^4\) The meeting was targeted at high-level finance, planning, central bank and energy officials from Pacific island developing countries; it was focused on the interlinkages between macroeconomic and energy challenges. Given the high reliance on imported fossil fuels and therefore high vulnerability to international commodity price volatility, these countries had prioritized renewable energy and energy efficiency in their national development agendas. In line with such

\(^2\) United Nations publication, Sales No. E.12.II.F.9.
\(^3\) General Assembly resolution 66/288, annex.
\(^4\) High Level Policy Dialogue: The Role of Macroeconomic Policy and Energy Security in Supporting Sustainable Development in the Pacific, which was held in Nadi, Fiji, on 8 and 9 October 2012. The meeting was organized by ESCAP in collaboration with the Sustainable Development Working Group of the Council of Regional Organizations of the Pacific.
existing efforts, the meeting discussed how sustained and targeted fiscal policies, including tax incentives, subsidies and public investment, could help develop a market for the private sector to invest further in renewable energy and energy efficiency. The role of monetary policies in enhancing access to credit of the renewable energy sector was also highlighted.

14. As in the case of commodity price volatility, sources of vulnerabilities should also be addressed at the international level. In this regard, the Commission requested the secretariat to provide a platform for developing a strong and coordinated regional voice in international forums, including the Group of 20 (G20). At the High-level Consultation on Perspectives from Asia and the Pacific on the G20 Los Cabos Summit, which was held in Bangkok on 23 May 2012 in collaboration with the G20 Presidency, it was stressed that inclusive and sustainable development priorities should not be overlooked but rather be closely integrated into the global macroeconomic, financial and regulatory policy initiatives put forth by G20. In this regard, countries in Asia and the Pacific called for greater efforts to curb speculative activities in commodity markets, as well as greater attention to the disruptive impacts on developing countries of volatile capital flows. This event was followed on 17 September 2012 by a special briefing for ESCAP member States by the G20 Presidency concerning the outcome of the summit.

3. **Policy issues related to countries with special needs**

15. The United Nations attaches high priority to countries with special needs through the implementation of global mandates, including the Istanbul Programme of Action for the Least Developed Countries for the Decade 2011-2020,\(^5\) the Almaty Programme of Action: Addressing the Special Needs of Landlocked Developing Countries within a New Global Framework for Transit Transport Cooperation for Landlocked and Transit Developing Countries\(^6\) and the Mauritius Strategy for the Further Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States.\(^7\) The Rio+20 outcome document, entitled “The future we want”,\(^3\) also reaffirms commitment to the full implementation of these programmes and strategy. ESCAP has been working closely with other United Nations agencies and development partners to assist these countries through the implementation of global and regional mandates.

16. ESCAP contributed to the regional implementation of the Millennium Development Goals and other internationally agreed development goals, in particular for Asian and Pacific countries with special needs. The *Asia-Pacific Regional MDG Report 2011/12: Accelerating Equitable Achievement of the MDGs — Closing Gaps in Health and Nutrition Outcomes*,\(^8\) jointly prepared


\(^7\) *Report of the International Meeting to Review the Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States, Port Louis, Mauritius, 10–14 January 2005* (United Nations publication, Sales No. E.05.II.A.4 and corrigendum), chap. I, resolution 1, annex II.

by ESCAP, the Asian Development Bank (ADB) and the United Nations Development Programme (UNDP), highlighted the priorities for the Asia-Pacific region in accelerating equitable achievement of the Millennium Development Goals, in particular in the areas of health and nutrition. Special attention was also given to integrating those goals into national development strategies, including advocacy training and subregional workshops aimed at accelerating progress in the countries with special needs.

17. The Secretary-General’s annual report on accelerating progress towards the Millennium Development Goals\(^9\) contained recommendations for advancing consultations towards a development agenda beyond 2015. ESCAP, in partnership with ADB and UNDP, held a series of regional and subregional workshops and consultations on the development agenda beyond 2015, the outcome of which is to be reflected in the forthcoming Asia-Pacific Regional MDG Report 2012/13.

18. With regard to regional follow-up to the Istanbul Programme of Action, ESCAP has implemented many activities, including holding the Asia-Pacific Regional Meeting on the Implementation of the Istanbul Programme of Action, in Siem Reap, Cambodia, in December 2012, in cooperation with the Government of Cambodia. The meeting reviewed the progress made and challenges encountered by least developed countries in Asia and the Pacific in implementing the Istanbul Programme of Action since its adoption in May 2011, and especially, the regional road map\(^10\) that was adopted by the Asia-Pacific least developed countries in December 2011. The draft Siem Reap outcome document on the implementation of the Istanbul Programme of Action is being submitted to the Special Body on Least Developed Countries and Landlocked Developing Countries for consideration by the Commission at its sixty-ninth session as part of the biennial review of the Istanbul Programme of Action by member States. ESCAP is also facilitating the Final Regional Review of the Almaty Programme of Action: Addressing the Special Needs of Landlocked Developing Countries within a New Global Framework for Transit Transport Cooperation for Landlocked and Transit Developing Countries. ESCAP and the Government of the Lao People’s Democratic Republic, in collaboration with the Economic Commission for Europe (ECE) and the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, will hold the regional review meeting in Vientiane in 2013.

19. Under a special project on Myanmar, several development partnership seminars/forums have been organized to seek close collaboration and operational synergies with relevant national institutions and regional/international organizations in order to ensure that the specific areas for capacity development are aligned with priorities outlined in the United Nations Strategic Framework 2012-2015: United Nations Country Team in Myanmar.\(^11\) The Third Development Partnership Forum: Improving Rice Policies for National and Regional Food Security — Challenges and Opportunities, which was held in Nay Pyi Taw on 27 and 28 June 2011, shed light on improving rice

---

\(^9\) A/67/257.

\(^10\) See Delivering as One: Asia-Pacific Regional Road Map – 2008-2015 (ST/ESCAP/2504) (United Nations publication, Sales No. E.08.II.F.15).

policies for national and regional food security. The report of the forum\textsuperscript{12} was distributed to the Government of Myanmar and various development partners in early 2012.

20. ESCAP is also providing the Democratic People’s Republic of Korea with technical development assistance as part of its regional development mandate in the Asia-Pacific region. Such technical assistance is provided in the areas of energy, statistics, transport and environment. As for capacity-building activities, China provided technical training on fabrication, transfer and commissioning of prototype equipment for biogas generation, and Viet Nam helped in training on the design and manufacture of freight wagons and passenger coaches, as well as in training for improved signalling and communication.

21. While accelerating their efforts in addressing development challenges, countries with special needs will continue to rely on assistance from their development partners, including United Nations agencies, to build their capacity. However, the external environment has been challenging. Many of the commitments made by the development partners in support of such countries have remained unfulfilled or insufficient to meet their needs, as their traditional development partners face severe budgetary constraints. Therefore, opportunities offered as a result of regional cooperation, South-South cooperation and triangular cooperation will have to be exploited by these countries to the fullest in order for them to close their development gaps. ESCAP will continue its efforts to strengthen the capacity of countries with special needs to engage more robustly in global and regional forums.

4. Poverty alleviation through sustainable agriculture

22. Poverty in Asia and the Pacific remains predominantly a rural phenomenon and the poor are often concentrated in marginal lands, where soil and weather conditions, topography, distance from trade nodes and urban centres make local economic development difficult. Inadequate development and diffusion of new technologies is a major cause of slow growth in the agricultural sector. Agricultural growth has been at a low level, and the region is characterized by unsustainable production practices that have contributed to environmental degradation, including reduced soil fertility and soil acidification, loss of water quantity and quality, and loss of biodiversity.

23. To reduce poverty and enhance food security in the region, sustainable productivity increases in the agricultural sector are urgently required — targeting in particular areas where the poor live — for lands with adverse growing conditions, such as marginal lands and rain-fed areas, and for those food crops that are critical for the poor. An urgent change is required in the system of agricultural research for development in the region, as well as enhanced investment and strengthened capacity for policy research on food systems. Stakeholders need to work together more effectively, both within countries and across the region, to build research and extension capacity in order to focus on transforming the outputs of research into development outcomes and to involve smallholder and resource-poor value-chain actors into the innovation and capacity-building process right from the outset. The process of adopting and adapting innovations in the agricultural sector needs to be accelerated.

24. CAPSA has contributed to the promotion of sustainable agriculture and food security in member States by establishing the Network for Knowledge Transfer on Sustainable Agricultural Technologies and Improved Market Linkages in South and Southeast Asia (SATNET Asia) and by providing scientists and policymakers with technical cooperation and training activities.

25. The SATNET Asia network has been expanded. It supports collaboration of stakeholders on technology transfer for sustainable agriculture. Starting from a base of about 25 participants in early 2012, the network has grown to about 330 people who are directly involved in or interested in receiving information about SATNET Asia activities. An analytical framework to assess the sustainability of agricultural technologies was developed through a consultative process with stakeholders in the region, and examples of sustainable agricultural technologies are being collected, which enhances understanding on technologies with potential for wider distribution and adaptation. Diagnostic studies on trade facilitation measures for agro and food products have been initiated in five countries. The project concerned contributes to wider knowledge-sharing on sustainable agriculture throughout the region by making science-based information available through various means, including social media.

26. Further, the capacity of national agricultural research systems to undertake agricultural policy analysis was strengthened by providing technical assistance and conducting three training workshops. These included in-country assistance and regional training. In-country assistance has been focused on enhancing the capacity of research staff to undertake studies, design proposals, develop methodology, undertake an agricultural household survey and carry out data analysis techniques and econometric model estimation. Scientists were also trained on analytical techniques related to agricultural policy, food security and poverty, agricultural statistics and survey design, including gender statistics, the use of STATA software in survey data analysis and techniques for identifying agricultural products with export potential. A regional training workshop was offered to enhance the capacity of agricultural research organizations to identify the most compelling findings in their work, and package, present and disseminate those findings. Such capacity reduces the knowledge gap between research and practice and contributes to accelerating the adoption and adaptation process of innovation in the agricultural sector.

C. Issues for consideration by the Commission

27. The Commission may wish to consider taking the following actions:

(a) Review the Siem Riep outcome document submitted to the Special Body as part of the biennial review of the Istanbul Programme of Action by member States;

(b) Review the outcome of the Final Regional Review of the Almaty Programme of Action and submit it as an input into the preparations for the 10-Year Review Conference of the Almaty Programme of Action;

(c) Share experiences and views on the issues and challenges raised under this subprogramme. The Commission also may wish to review and provide the secretariat with guidance on how to further strengthen the analytical and technical assistance work being carried out under this subprogramme.
Section II
Trade and investment

A. Introduction

28. Trade and investment continue to drive economic growth and development in the Asia-Pacific region. As a result, the region stands out in economic performance among all regions in the world, despite the negative effects of the continuing euro zone crisis, the slowdown of economic activity in emerging Asian economies and faltering economic recovery in Japan and the United States. Because of these trends, trade is not expected to make a full recovery in 2013, according to an ESCAP report. The growth of goods exports in developing countries of Asia and the Pacific, in real terms, was expected to drop from 6.5 per cent in 2011 to 2 per cent in 2012.

29. Towards the end of 2012 there were promising signs of a revival of economic growth in China, which has served as the principal hub for trade and investment in the region. China surpassed the United States to become the main destination for global foreign direct investment (FDI) inflows in the first half of 2012. FDI in the region as a whole slowed in 2012 but the region currently accounts for one third of global FDI flows.

30. The Rio+20 Conference emphasized the need for a new paradigm where “business as usual” would no longer be acceptable to address the development challenges the world faces. In this regard, concerted efforts are needed to ensure that trade, investment and business not only trigger economic growth but also effectively contribute to overall inclusive, sustainable and resilient development.

31. The following contains a brief summary of the main issues, opportunities and challenges, policy options and secretariat responses in the area of trade and investment.

B. Key issues and challenges

1. Expanding intraregional trade

32. Intraregional trade accounts for over half of the region’s total trade. Continuing efforts towards attaining regional integration through the formation of preferential trade agreements by Governments and trade facilitation and expansion of regional and global value chains by businesses are mutually reinforcing driving forces of intraregional trade. According to the Asia-Pacific Trade and Investment Agreements Database of ESCAP, the total number of agreements associated with economies in the Asia-Pacific region is estimated to be considerably more than 200, of which 147 are in force while the others were at various stages of negotiation or consideration in early 2013.

33. While such trade agreements have contributed to low average levels of tariff — import tariff costs typically account for less than 5 per cent of the overall trade costs faced by traders in the region — the costs associated with behind-the-border regulatory and other procedures involved in completing international trade transactions and moving goods across borders in the region remain high. China, Japan and the Republic of Korea come closest to matching

---

the low intra-European Union trade costs (equivalent to a 32 per cent average tariff on tradeable goods), while the ASEAN-4 countries (Indonesia, Malaysia, the Philippines and Thailand) in the Association of Southeast Asian Nations (ASEAN) also have achieved a reasonable level of trade facilitation among themselves. In contrast, intraregional trade costs among Central Asian countries are five times higher than those among European Union-3 countries (France, Germany and the United Kingdom of Great Britain and Northern Ireland) and are the highest in the region, followed by those among South Asian countries.

34. Four major challenges need to be overcome to further boost intraregional trade for development and reduce dependence on traditional export markets. First, the main challenge is to make arrangements leading to trade expansion inclusive and sustainable, that is, make them work for development and contribute to poverty reduction, in particular through productive job creation under decent conditions, and ensure that the gains created by trade are shared equitably and fairly.

35. Second, continued regional integration, including convergence and multilateralization of preferential trade agreements, is needed to make the regional trading environment more transparent, predictable and freer for traders. In this regard, the implementation of the ASEAN Economic Community (AEC), expected in 2015, could be a positive development, as could the ongoing efforts towards the conclusion of what will be known as the “Trans-Pacific partnership agreement” and the “regional comprehensive economic partnership agreement” by economies belonging to ASEAN and other main economies in the region, although it will be some time before these agreements are successfully concluded. Another force for regional integration is the Asia-Pacific Trade Agreement (APTA). Mongolia is expected to join APTA as a new member by the fourth session of the APTA Ministerial Council, which is scheduled to be held in Dhaka in mid-2013.

36. The third challenge is to revive the Doha Development Agenda under the World Trade Organization (WTO), which has been overshadowed by less efficient bilateral and regional trade agreements and remains at a stand-still. On the positive side, both the Lao People’s Democratic Republic and Tajikistan are scheduled to become members of WTO in 2013. The region could play a proactive role in placing the Doha negotiations back on track and ensure that the many prevailing preferential trade agreements are consolidated as building blocs of the multilateral trading system.

37. The fourth challenge is to further reduce intraregional trade costs. Continuous development of both “soft” and “hard” infrastructures for cross-border transactions is also needed, in particular the adoption of modern information and communications technologies and related legal frameworks necessary to enable electronic exchange and recognition of trade-related documentation and information. Besides a call for enhanced collaboration between the public and private sectors, the Asia-Pacific Trade Facilitation Forum, which was organized by ESCAP and ADB in Sri Lanka in October 2012, also recommended the introduction of electronic transit systems for landlocked and transit countries and improved trade and transport facilities at border crossings, particularly those essential for the transit of goods from/to landlocked developing countries. The forum also highlighted the need to address the special needs of small and medium-sized enterprises (SMEs) and the agricultural sector for trade facilitation as part of making trade more inclusive.
38. ESCAP supports regional integration through analysis and training in evidence-based policymaking and effective implementation. Under its training programmes, including those conducted under the WTO-ESCAP Technical Assistance Programme and the Asia-Pacific Research and Training Network on Trade (ARTNeT), 54 activities were organized which contributed to increased the capacity of more than 1,000 trade and investment policymakers and researchers in the region in 2012. The list of all activities conducted and publications issued under ARTNeT, including the initiatives on Aid for Trade, services liberalization and regulation, intellectual property rights protection and the Greater Mekong Subregion (GMS), for this period are available at www.artnetontrade.org. ESCAP also concluded a memorandum of understanding with the Department of Trade Negotiations of the Ministry of Trade of Thailand and the International Institute for Trade and Development to provide GMS economies with technical assistance to build their trade and investment capacity. With reference to GMS, under a project funded by the Government of Japan, assistance is also being provided to develop the capacity of SMEs in this subregion in order to effectively integrate them into regional value chains. Studies have been concluded on five sectors, and the results will be discussed with relevant government officials in June 2013.

39. ESCAP has continued to play an active role in building capacity for intraregional trade facilitation. The United Nations Network of Experts for Paperless Trade in Asia and the Pacific (UNNExT) consists of more than 150 experts sharing knowledge and experience on the development of national and regional single window systems for trade facilitation across the region. With the support of the ESCAP and ECE secretariats, UNNExT was able to launch a complete single window implementation toolkit in October 2012, which is expected to further accelerate the development of paperless trade systems in the region in line with ESCAP resolution 68/3. More than 400 public and private stakeholders benefited from the various trade facilitation capacity-building activities organized by ESCAP in 2012 alone, including participants in the Asia-Pacific Trade Facilitation Forum.

40. In addition, ESCAP released jointly with the World Bank a global and standardized international trade cost database providing countries with previously unavailable information on bilateral, as well as intra and interregional trade costs, including for the agricultural sector. Finally, the Regional Organizations Cooperation Mechanism for Trade Facilitation was strengthened to ensure coordination and tap synergies between the various organizations working in the area of trade facilitation in the region.

2. Promoting investment and business for development

41. The drivers of intraregional trade also drive intraregional investment, as trade and investment are closely interlinked. Although most FDI in the region is still from outside the region, developing Asia-Pacific economies are emerging as key sources of FDI in the region. Available data show that, during the period 2009-2011, China attracted more than 27 per cent of all intraregional greenfield FDI, followed by Viet Nam and India with shares of 11.5 per cent and 10.6 per cent, respectively. It should be noted that FDI in the region is concentrated in five sectors (coal, oil and natural gas; metals; automotive original equipment manufacturers; real estate; chemicals) and five economies (China, India, Russian Federation, Singapore and Hong Kong, China;), a situation which demonstrates that not all countries and sectors benefit from FDI inflows.
42. On one hand, the region has learned positive lessons with regard to policies for improving the investment climate, including those that have increased the availability of human capital, thus making the region more attractive as an investment destination. On the other, the absence of a conducive business and investment climate in various countries continues to undermine their capacity to effectively attract FDI for development, in particular in the least developed countries, although some have been more successful than others. As in the case of trade, the principal challenge is not only to increase FDI inflows but also to ensure that such flows contribute to inclusive and sustainable development.

43. In this context, business, as the principal actor engaging in trade and investment, plays an important role in the development process. Increasingly, businesses are adopting responsible business practices in the pursuit of profits while some also address development directly through so-called social or impact investments. As such, the paradigm has shifted from the traditional concept of corporate social responsibility as a side activity to the adoption of responsible and sustainable business practices as an integrated part of corporate strategy. The instruments of responsible business practices are many, including the principles of the United Nations Global Compact. This situation has led to some confusion among businesses, while reporting on the implementation of multiple sets of standards and principles is becoming time-consuming and prohibitively costly, in particular for SMEs. Therefore, it is increasingly being realized that there is a need to strive towards some form of convergence of these instruments.

44. The ESCAP secretariat has promoted inclusive and sustainable FDI through expanding and strengthening the Asia-Pacific Foreign Direct Investment Network for Least Developed and Landlocked Developing Countries. The second session of the network was held in Bangkok on 29 November 2012; that meeting contributed to building the capacity of participants through the sharing of experiences on FDI promotion and facilitation and briefings on the results of the Rio+20 Corporate Sustainability Forum: Innovation and Collaboration for the Future We Want, which was held in Rio de Janeiro, Brazil, from 15 to 18 June 2012, and the Asia-Pacific Business Forum 2012, which was held in Kuala Lumpur on 15 and 16 October 2012. Also addressed under the network are other modalities for strengthening regional cooperation among the countries concerned, with the focus being given to attracting FDI in support of their sustainable development goals. In addition, advisory services on required policies to attract FDI for sustainable development were furnished to the Government of Myanmar and will be followed up by the preparation and presentation of an advisory report. The report will provide additional inputs to the investment promotion handbook on sustainable development in small, landlocked and resource-rich developing countries, which is scheduled to be completed in 2013.

45. With the completion of phase I of the “Investors for development”, or “I4D”, project and in the absence as yet of funding for phase II of the project, the secretariat has focused on addressing responsible business practices through its annual Asia-Pacific Business Forum and its Business Advisory Council. As part of the forum held in Kuala Lumpur in 2012, ESCAP and the Organization for Economic Cooperation and Development jointly held a conference on international corporate responsibility instruments, entitled “Why Responsible Business Conduct Matters”, on 15 and 16 October. As a result, a wide range of stakeholders gained greater awareness of existing corporate responsibility instruments and modalities for promoting convergence among them. At the fourth session of the Council, a de facto sustainable business
network for Asia and the Pacific was launched which will address specific aspects of sustainable business, such as the greening of business, social enterprises and investment and renewable energy.

3. **Strengthening science, technology and innovation-based sustainable development**

46. Trade and investment growth depend on the capacities of countries to strengthen national competitiveness. In this regard, science, technology and innovation (STI)-based national development strategies are recognized and accepted as principal drivers of competitiveness in many countries in the Asian and Pacific region. However, the outcome of such strategies has varied among countries as a result of differences in the strength of key STI components, such as an integrated national policy framework, required institutions and cooperation mechanisms and results-oriented delivery programmes. In addition, many countries still lack a coherent and consistent STI-based approach to development. Therefore, there is a need to strengthen the capacity of national institutions to develop better integrated STI-based development strategies.

47. APCTT has assisted member countries in the area of STI capacity-building. In particular, in 2012 the Centre trained more than 650 policymakers and stakeholders from more than 40 government ministries, national institutions, SMEs and technology transfer intermediaries in 22 member countries. In all its capacity-building activities, APCTT focused on the promotion of South-South cooperation. Areas covered by training include: (a) strengthening linkages and partnerships among key actors in national innovation systems; (b) improving management of technology business incubators; (c) national financing mechanisms for technology innovation; (d) innovation system diagnosis and strategy development; (e) development and management of online national innovation system resource centres; (f) attracting FDI in advanced fossil fuel technologies for electricity generation; (g) strengthening research and development collaboration; (h) policy analysis, formulation and development of policy instruments for promoting the transfer and adoption of renewable energy technology; and (i) valuation of intellectual property. With particular reference to promoting the adoption and utilization of renewable energy technologies (RETs), APCTT established the Renewable Energy Technology Bank, promoted business partnerships in the renewable energy sector, strengthened cross-border cooperation on the transfer and adoption of RETs through the Centre’s Renewable Energy Cooperation Network for the Asia-Pacific region (RECAP), and promoted the adoption of off-grid RETs. In providing critical technology information services to SMEs and other relevant stakeholders, the Centre disseminated information on technology transfer through its Asia-Pacific Tech Monitor, which in 2012 featured 18 articles on various specialized themes, and through its Value Added Technology Information Service, which provided technological information on more than 1,200 technology innovations and events in 35 countries sourced from more than 500 information sources around the world.

4. **Enhancing rural livelihoods and resilience through sustainable agricultural mechanization**

48. The adoption and utilization of STI in the agricultural sector assumes special importance as food prices rise and become more volatile. Sustainable intensification of agriculture, including adoption of sustainable agricultural mechanization strategies, has the potential to raise the region’s agricultural productivity and farmers’ resilience to social and economic shocks while
contributing to the adaptation to and mitigation of climate change. To address this issue, a five-year programme to promote sustainable agricultural mechanization strategies was launched by the newly named Centre for Sustainable Agricultural Mechanization (CSAM) in close partnership with the Food and Agriculture Organization of the United Nations (FAO) to enable countries in the region to achieve the dual goals of intensifying agricultural production and achieving environmental sustainability.

49. The Round Table on Developing Environmentally Sustainable Agricultural Mechanization Strategies, which was held in Bangkok on 8 and 9 December 2011, led to the creation of a framework with the overall strategic goal of addressing Millennium Development Goals Nos. 1 and 7 (eradicating extreme poverty and hunger and ensuring environmental sustainability, respectively). This would be done through sustainable intensification of agriculture by creating an enabling environment through sustainable agricultural mechanization strategies for the region. In a follow-up meeting held in May 2012, member countries agreed an outline under strategic pillar 1 (country-level surveys and assessments of the current status of sustainable agricultural mechanization) and 7 key areas for information collection. In October 2012, the third session on sustainable agricultural mechanization strategies, which was held back-to-back with the eighth session of the Centre’s Technical Committee, enabled 13 member States to make presentations under the pillar 1 outline. The outcomes of the presentations are being compiled and edited for publication in 2013, when the elaboration of pillar 2 (enabling policies and institutions) will be undertaken.

50. In parallel with the work on sustainable agricultural mechanization strategies, good progress was made in 2012 in advancing the establishment of an Asia-Pacific network for testing agricultural machinery, which would be aimed at promoting sustainable agricultural mechanization through adoption of region-wide standards, testing codes and procedures. The network would (a) increase farmers’ access to high-quality, safe and environmentally friendly agricultural machinery and equipment through increased competition in the market, and (b) stimulate innovation. It would also be aimed at reducing testing-related costs through more efficient use of existing testing facilities throughout the region, thus facilitating increased trade in agricultural machinery and equipment. The third joint technical working group and steering committee meeting for the network, which was held in Bangkok in May 2012, shared information on priority focus areas and country assignments. The fourth meeting of the technical working group in October 2012 focused on further concrete steps and a road map for the establishment of the network by the end of 2013.

51. The Centre, in collaboration with its focal point in Malaysia, the Malaysian Agricultural Research and Development Institute, co-organized a workshop in October on the sidelines of the Asia-Pacific Business Forum 2012 in Kuala Lumpur on appropriate precision farming for enhancing the sustainability of rice production. The workshop resulted in the establishment of a collaborative network among farmers’ associations, the private sector and research institutions for the commercialization and technology transfer of precision farming technology in Malaysia.

C. Issues for consideration by the Commission

52. The Commission may wish to review and provide the secretariat with guidance on the results and outcomes of capacity-building and regional cooperation activities in trade, investment, business, technology transfer and
agricultural mechanization for development that were implemented in 2012, and in particular on:

(a) The contribution of the secretariat to research and analysis in the areas of regional and intraregional trade and investment and dissemination of research results to policymakers, in particular through ARTNeT and the Asia-Pacific Trade and Investment Report 2012;

(b) The need to focus on the contribution of trade, investment and business to inclusive and sustainable development, with particular reference to the outcome document of the Rio+20 Conference;

(c) The need for countries to develop competitiveness through strengthening STI strategies and institutions in support of sustainable development;

(d) The promotion in the Asia-Pacific region of institutional cooperation mechanisms in renewable energy and new and emerging technologies, such as biotechnology and nanotechnology;

(e) The draft five-year strategic plan (2013-2017) of APCTT;

(f) The contribution of sustainable agricultural mechanization strategies and the proposed Asian and Pacific network for testing agricultural machinery to improve the level of agricultural mechanization in member countries for enhanced agricultural productivity and food security;

(g) The adoption of the revised statute of CSAM;

(h) Exploration of modalities to secure new sources of funds, including contributions from the business sector, to augment current institutional support for the activities of the secretariat in trade and investment, including those of APCTT and CSAM.

Section III
Transport

A. Introduction

53. In response to the global economic and financial slowdown, countries in the Asian and Pacific region continue to seek new opportunities for trade and investment within the region. More environmentally friendly options are being explored as part of countries’ growing interest in improving the efficiency of their freight and logistics services and their competitiveness in the global economy. These efforts can be realized by investing in more and better transport infrastructure, particularly in regional transport networks, as well as through cross-border and transit transport facilitation and more enabling environments for regional transport and logistics services. Better transport connectivity is especially important for landlocked developing countries, least developed countries and island developing countries. As the population of the region becomes increasingly urbanized, safer, cleaner and more equitable transport options for city and town dwellers also need to be explored, while at the same time the unique transport needs of rural populations must be addressed to reduce poverty and enable achievement of the Millennium Development Goals.
B. Key issues and challenges

1. Developing regional and interregional transport networks

54. The second session of the Ministerial Conference on Transport, which was held in Bangkok in March 2012, reviewed the implementation of the Regional Action Programme for Transport Development in Asia and the Pacific, phase I (2007-2011), and identified further actions needed to achieve the vision of an international, integrated, intermodal transport and logistics system. The development of regional and interregional transport networks remains a major focus under phase II of the Regional Action Programme for Transport Development in Asia and the Pacific, to be implemented between 2012 and 2016. In this regard, the secretariat continues to promote the Asian Highway and Trans-Asian Railway and monitor infrastructure development along these networks. In 2012, the Democratic People’s Republic of Korea became the most recent country to become Party to the Intergovernmental Agreement on the Asian Highway Network and the Intergovernmental Agreement on the Trans-Asian Railway Network, bringing the total number of parties to 29 and 18 respectively. In 2012, the secretariat provided Bangladesh, Kyrgyzstan, Mongolia and Myanmar with assistance in undertaking prefeasibility studies on priority sections of the Asian Highway, and Cambodia, the Lao People’s Democratic Republic and Myanmar with assistance in conducting prefeasibility studies on dry port projects.

55. Despite progress in improving regional connectivity through these agreements, there is still tremendous potential for greater utilization of regional transport networks through the development of intermodal facilities, such as dry ports, to enable the smooth transfer of cargoes between modes. In this regard, in its resolution 66/4 on the implementation of the Bangkok Declaration on Transport Development in Asia, the Commission requested the secretariat to bring about the integration of the Asian Highway and Trans-Asian Railway networks and other transport modes by working towards the development of an intergovernmental agreement on dry ports. The secretariat prepared a draft agreement for the consideration of member States, which was finalized by an ad hoc intergovernmental meeting in June 2012 and the Committee on Transport at its third session, in October 2012. The Committee recommended that the finalized agreement be put forward for possible adoption by the Commission at its sixty-ninth session, in 2013.

56. The secretariat has been actively supporting and participating in the Euro-Asian Transport Links project since its inception. As a joint undertaking between ECE and ESCAP, the development of Euro-Asian inland transport links is promoted under that project; such links could provide competitive alternative transport options for trade between Asia and Europe. The secretariat also participated in phase II of the project (2008-2012) and shared its experience in working in the area of transport facilitation. During the 75th session of the ECE Inland Transport Committee, which has been scheduled to be held in February 2013, a high-level ministerial meeting is to discuss the

---

14 Subsequently endorsed by the Commission in resolution 68/4 on implementation of the Ministerial Declaration on Transport Development in Asia and the Pacific, including the Regional Action Programme for Transport Development in Asia and the Pacific, phase II (2012-2016), and the Regional Strategic Framework for the Facilitation of International Road Transport.


outcome of phase II of the project under the theme of “Making the Euro-Asian Transport Network operational”.17

57. In order to expand financing for infrastructure development, Governments of countries in the region also stepped up their efforts to attract private sector investment in transport infrastructure, including through public-private partnerships. In November 2012, the secretariat organized a high-level expert group meeting on such partnerships in conjunction with the Third Asia-Pacific Ministerial Conference on Public-Private Partnerships for Infrastructure Development, which was held in Teheran on 14 November 2012; the Conference was organized by the Government of the Islamic Republic of Iran with technical support from the secretariat. These meetings reaffirmed the commitment of Governments to increasing the role of the private sector in sustainable infrastructure development.

2. Facilitating operational connectivity and reducing logistics costs

58. Over the past decade, transport infrastructure has improved significantly in the region, but cross-border and transit transport services by road and railway are hindered by numerous non-physical barriers. As a result, trade within some subregions is extremely low: intra-subregional trade in South Asia and Central and West Asia, for example, accounted for only 3.26 and 6.03 per cent of their total trade respectively in 2011. Meanwhile, inter-subregional trade between South Asia, Central and West Asia, and South-East Asia remains relatively low.

59. In order to address challenges to international road transport in the region through a common approach, the Ministerial Conference on Transport, which was held in Bangkok in March 2012, adopted the Regional Strategic Framework for the Facilitation of International Road Transport.18 Under the framework, six fundamental issues are identified for the facilitation of international road transport, and long-term targets are provided along with the process to achieve them.19 In line with the framework, the secretariat is supporting member States and their development partners in undertaking programmes and projects to facilitate international land transport. For example, in 2012 a regional network of legal and technical experts on transport facilitation was established to provide legal support for the formulation of relevant agreements, measures and projects and to promote the harmonization and coordination of different legal instruments on transport facilitation. This network is expected to assist member countries in upgrading the professional level of their officials and experts involved in transport facilitation.

60. As part of the framework, the secretariat also continued to develop four complementary models for facilitation of cross-border and transit transport along a corridor or among a group of countries. The secure cross-border transport model affords real-time monitoring of the transport process en route; the model on integrated controls at border crossings helps simplify and streamline procedures at border crossings; the efficient cross-border transport model demonstrates more efficient transport arrangements across borders; and the time/cost-distance methodology helps identify bottlenecks and monitor performance of transport corridors. The time/cost-distance methodology is already being used by member States and partner organizations; for example,

17 For details, see ECE website www.unece.org/trans/events/2013/itc75_2013/ministerial_meeting.html.
18 See E/ESCAP/68/9, chap. I.
19 For further details, see Commission resolution 68/4.
members of the Central Asian Regional Economic Cooperation programme of ADB used the ESCAP time/cost-distance methodology to monitor the performance of their six main transport corridors in 2011. The four models provide flexible, secure, efficient and reliable options for cross-border and transit transport and will be further developed and promoted for wider use by member States and partner organizations in 2013.

61. In the area of logistics, many countries in the region have been taking various measures to reduce logistics costs in order to increase their international competitiveness. For example, in 2012 the State Council of China announced a number of measures to cut logistics costs and improve efficiency, such as preferential tax policies for the logistics sector, while the Government of Indonesia published its “Blueprint for national logistics system development”, which covers the areas of regulations, infrastructure, human resources development, ICT and logistics services. However, in order to further reduce high logistics costs in the region, comprehensive national policies, efficient information systems and improved capacity of logistics service providers are required. In this regard, the secretariat has begun a study on national logistics policies around the region and plans to organize a series of activities to help establish more efficient logistics information systems. In 2012, the secretariat also prepared “Sustainable accredited training systems for freight forwarding, multimodal transport operators and logistics service providers”.

3. Enhancing the contribution of transport to sustainable economic and social development

62. In the Rio+20 outcome document, it is stressed that transport is a central part of sustainable development, providing critical access to economic and social activities, and a number of ways are suggested in which sustainable transport policies could be promoted. At both regional and national levels, countries need to consider ways of better integrating different transport modes, with the aim of supporting the most fuel-efficient and cost-effective means of moving people and freight. In particular, railways and inland waterway systems could be utilized more effectively if they are developed as part of an integrated transport development strategy. In this regard, the secretariat continued to promote the development of intermodal linkages, such as dry ports, which offer the additional benefits of bringing development opportunities to hinterland areas and reducing congestion at maritime ports.

63. In urban areas, the development of public transport systems and the promotion of non-vehicular and pedestrian transport have has proven to be effective in reducing congestion and facilitating mobility. In order to assist Governments analyse policy options for sustainable transport, the secretariat has been implementing a project to develop a monitoring and assessment tool for carbon dioxide (CO$_2$) emissions in inland transport in collaboration with other regional commissions. Towards this end, the secretariat collected and consolidated questionnaires from member States on carbon dioxide emissions from inland transport sources and submitted them as an input to the draft global status report on inland transport carbon dioxide emissions.

64. Since the launch of the Decade of Action for Road Safety, 2011-2020, Member States have continued to increase their efforts to improve road safety in their countries. In support of the Decade and in line with ESCAP regional goals/indicators/targets, an increasing number of ESCAP members and

---

20 General Assembly resolution 64/255.
associate members have launched their own road safety initiatives, some of which were featured as part of a road safety poster exhibition organized by the secretariat on the sidelines of the second session of the Ministerial Conference on Transport, which was held in Bangkok from 12 to 16 March 2012. An expert group meeting is planned in 2013 to review the status of the regional goals/indicators/targets while the secretariat is also planning two national-level activities in Indonesia and Sri Lanka.

65. Small island developing States and archipelagic countries face unique transport challenges which result in low and often irregular traffic volumes, long voyage distances and physical constraints in seaport infrastructure and equipment. Connectivity between the ASEAN region and several Pacific island States was discussed during a meeting on regional connectivity in November 2012, and the secretariat is planning to organize follow-up activities in cooperation with the Secretariat of the Pacific Community and other organizations to strengthen inter-island shipping and logistics in archipelagic and island developing countries.

66. While some targets of the Millennium Development Goals have been achieved, the region is still lagging behind in a number of areas, such as the percentage of underweight children, completion of primary education, child and maternal health and basic sanitation. Transport infrastructure and services can play a much greater role in addressing these issues, as they provide physical access to domestic and international markets, jobs and social services. The secretariat is reviewing case studies and experiences from the region to identify best practices on the contribution of transport to achieving the Millennium Development Goals.

C. Issues for consideration by the Commission

67. The Commission, as recommended by the Committee on Transport at its third session, may wish to:

(a) Adopt through a resolution the draft intergovernmental agreement on dry ports;

(b) Receive updates from member States on recent progress in the implementation of the Regional Action Programme for Transport Development in Asia and the Pacific, phase II (2012-2016), and the Regional Strategic Framework for the Facilitation of International Road Transport.

Section IV
Environment and development

A. Introduction

68. The growth rates of Asian and Pacific economies have been among the highest in the world in the last two decades, lifting more than 660 million people out of poverty. However, according to ESCAP estimates, 42 million people were pushed back into poverty in the Asia-Pacific region in 2011 as a result of oil and food price increases. Rapid urbanization and industrialization involving intensive use of resources are eroding available and finite water, marine and forestry resources and resulting in the production of waste products and emissions, loss of biodiversity and irreplaceable ecosystem services and an increasing number of natural disasters. Rising prices for resources and oil are a
compelling reality for the Asia-Pacific region, especially for developing countries that need to counter persistent poverty with economic growth.

69. Conventional growth patterns exploiting cheap labour and natural resources are also increasingly ill-adapted to a new economic reality of increasingly evident resource constraints, rising inequality, jobless growth and unsustainable fiscal deficits. Countries in the Asia-Pacific region, both industrialized and developing, need to shift beyond the conventional GDP-measured economic paradigm to broader measures of progress. Employment generation, resource and energy efficiency, economic resilience, social inclusiveness and ecological sustainability are all important goals for any economy striving to achieve a better quality of growth.

70. The Rio+20 Conference emphasized that a green economy in the context of sustainable development and poverty eradication is one of the important tools available for achieving sustainable development and invited regional commissions to provide member States, upon request, with a set of toolboxes, best practices and good examples of a green economy. The Rio+20 Conference highlighted the importance of the regional dimensions, in particular the role of the regional commissions, for promoting balanced integration of the three pillars of sustainable development, including advancement of sustainable development goals in coherence with the United Nations development agenda beyond 2015. The Rio+20 Conference also welcomed regional and cross-regional initiatives for sustainable development, such as the Green Bridge Partnership Programme, 2011-2020, which is aimed at linking Europe and the Asia-Pacific region through green growth.

B. Key issues and challenges

1. Integration of environmental sustainability in economic and social development

71. Many countries are already moving beyond the GDP-centric paradigm and turning to more balanced and sustainable economic growth strategies and formulating their indigenous green economy strategies, policies and road maps. Furthermore, in 2012 the secretariat developed and launched the Low Carbon Green Growth Road Map for Asia and the Pacific, which provides policymakers with a toolbox to enable them to turn resource constraints and climate crises into economic growth opportunities necessary for poverty reduction. The Road Map publication was disseminated to policymakers in 44 member States to assist them in formulating their national policies. Upon request from the Government of Mongolia, the secretariat recently initiated a consultation for the development of a national green growth road map.


See General Assembly resolution 66/288, annex, para. 38.

Ibid., paras. 56 and 66.

Ibid., para. 246.

Ibid., para. 102.

72. To integrate the three pillars of development, the secretariat is conducting research on the development of decision-support tools, including economic models that will enable policymakers to formulate strategies and policies to synergize the three pillars of sustainable development and to minimize the trade-offs. In partnership with the Commonwealth Scientific and Industrial Research Organisation in Australia, the secretariat is developing a framework for national pilot-testing of the tools in partnership with national research institutions. The secretariat also sought views from a wide range of experts at the Expert Dialogue on the Quality of Growth, which was held in Bangkok from 14 to 16 November 2012. The discussions highlighted the shortcomings of conventional economic theory and the need to provide policymakers with further support for capacity development in order to initiate transformation of economies. Discussions were focused on the fiscal and budgetary reform necessary to support social inclusiveness and ecological sustainability.

73. The secretariat continued supporting capacity development in member States that had requested assistance to make green growth operational through the Seoul Initiative Network on Green Growth. In partnership with the Republic of Korea, the secretariat held the 7th Policy Consultation Forum for the Seoul Initiative Network on Green Growth in Jeju, Republic of Korea, from 30 May to 1 June 2012, which benefited 102 policymakers from 18 member States, and the 7th Seoul Initiative Leadership Programme on Green Growth in Incheon, Republic of Korea, from 16 to 26 October 2012, which was attended by 16 policymakers from 15 member States. Further, technical and financial support was provided under the Seoul Initiative for pilot projects in the field of waste management and e-waste, and education for low-carbon green growth.

74. In partnership with the Korea International Cooperation Agency, the United Kingdom, the Economic and Social Commission for Western Asia (ESCWA) and the Asian Institute of Technology, the secretariat organized seven six-week training-of-trainers seminars using its online e-learning facility, which benefited 450 policymakers from more than 50 countries in Asia and the Pacific and five other regions, and resulted in the development of national green growth strategies and tools. The participants who graduated as trainers of trainers provided many cases of national applications of green growth, published on the online facility. The secretariat, with support from the United Kingdom and national institutions, also has held or will hold national green growth seminars for countries in South-East Asia from September 2012 to March 2013 for more than 400 policymakers. A total of nine e-learning nodes were established in Brunei Darussalam, India, the Lao People’s Democratic Republic, Malaysia, Myanmar, Pakistan, the Philippines, Thailand and Viet Nam.

75. A consultation held in November 2012 involving ESCAP and the International Labour Organization indicated the potential for closer collaboration on research on employment impacts, training and policy advocacy on an enabling environment for creating green jobs.

27 Economic and Social Commission for Asia and the Pacific, The Fifth Ministerial Conference on Environment and Development in Asia and the Pacific, 2005 (ST/ESCAP/2379) (Sales No. E.05.II.F.31), annex III.

28 Africa, Europe, North America, Latin America and Western Asia.
2. **Enhancing energy security and improving water resources management through regional cooperation**

76. Energy security and water resources management remain major challenges in the region. Implementation of ESCAP resolution 67/2 provides an opportunity for member States to discuss the progress achieved in the region in addressing energy security challenges at regional, national and household levels, and for ESCAP to facilitate continuous dialogue among countries.

77. With financial and technical support from the Russian Federation, the secretariat engaged in an extensive consultation process to prepare for the Asian and Pacific Energy Forum, which is to be held in Vladivostok, Russian Federation, from 27 to 30 May 2013. In taking into consideration the Rio+20 outcome, the coordination mechanism among Bangkok-based agencies in the United Nations system and other international organizations — UN-Energy Asia-Pacific — and the secretariat, including all four subregional offices, have concluded policy consultation meetings among senior energy policymakers and experts on enhanced energy security and the sustainable use of energy. Each subregional consultation adopted an outcome document, which was shared at an expert group meeting with a view to identifying common challenges and opportunities for possible consideration at the Forum. The participants recognized the need for further promoting regional energy cooperation in contributing towards the achievement of the Millennium Development Goals, as well as the development agenda beyond 2015. The regional preparatory meeting to be held in Bangkok on 14 and 15 March 2013 will consider the background document to be presented at the Forum and review the draft outcome documents.

78. Rapid population growth and urbanization has led to pollution and exploitation of finite water resources. A key driver for the secretariat to promote regional cooperation in water resources management is to serve as a knowledge hub on emerging issues for inclusive and sustainable development. The secretariat has continued to support capacity-building by organizing training programmes and policy studies for integrated water resource management, household water security and sanitation. The discussion paper, entitled “Climate change adaptation for water management in a green economy”, furnishes suggestions and recommendations for improved water governance to cope with challenges emanating from climate change in relation to water and sustainable development.

79. The secretariat also looked at the current economic and financial crises by analysing the water-energy-food nexus and conducting studies on the impacts of that nexus on the economy and how its relationships could be synergized in order to minimize impacts and capitalize on benefits. An expert group meeting on improving access to water, sanitation and energy services in Asia and the Pacific is to be held in March 2013, with FAO focusing on the integrated policy framework and different options for regional cooperation in terms of institutions, investment and financing. The secretariat shared good practices on economic, food and water security and household water security policies at the 6th World Water Forum, in Marseille, France, in March 2012, and will continue to promote further practices and policies at the 2nd Asia-Pacific Water Summit, to be held in Chiang Mai, Thailand, from 16 to 20 May 2013. As a key player at the regional level in UN-Water, ESCAP continues to

---

actively support and participate in water-related activities at regional coordinating mechanism meetings.

3. **Promoting inclusive and sustainable urban development for equitable and resilient cities**

80. The number and proportion of people living in urban areas in the Asia-Pacific region has reached unprecedented levels and is rising significantly. Urbanization poses enormous opportunities and challenges for the region’s future development. Unmet needs in housing and land, employment, poverty reduction, waste management and sanitation will be compounded by new and growing problems caused by climate change, potable water scarcity, disaster risk and growing inequality. Innovative and systemic responses are essential in not only meeting current needs but also ensuring an inclusive and sustainable urban course for future generations.

81. Through the project “Pro-poor and sustainable solid waste management in secondary cities and small towns”, ESCAP is assisting governments in the region in developing strategies for solid waste management that are financially viable, environmentally sound and pro-poor. Under the project, integrated resource recovery centers have been established in eight cities in Bangladesh, Cambodia, Pakistan, Sri Lanka and Viet Nam, as well as multi-stakeholder public-private partnerships. In the municipalities where the project is in operation, communities have been mobilized through campaigns to separate waste at source; this has enhanced the livelihood of waste pickers and other stakeholders engaged in the informal sector. To date, more than 100 officials have participated in capacity-training programmes.

82. As a follow-up to an earlier pro-poor eco-settlements project in the Philippines, ESCAP and the Hilti Foundation are jointly undertaking the project “Implementing alternative building technologies for housing the urban poor”, which is focused on market-driven solutions to provide people with affordable and green housing materials, as well as resilient housing systems. So far, initial technical research and business planning studies have been undertaken and some demonstration houses have been built. ESCAP also continues to work on making building codes more resilient and eco-efficient.

83. In collaboration with the Center for Economic Research in Uzbekistan and UNDP, ESCAP undertook a project on improved management of municipal services in Central Asia. The project promoted policy dialogue on reforming municipal governance, infrastructure and service delivery in several cities in Central Asia with two main results: (a) Central Asian countries were able to address through multi-stakeholder processes the often neglected issue of urban reform in the context of urban transition; and (b) policymakers and experts were able to share experiences and strategies that went beyond national boundaries.

84. ESCAP, the United Nations Human Settlements Programme (UN-Habitat) and the Rockefeller Foundation are continuing work on climate change adaptation in cities, in particular by developing a “quick guide” for policymakers on pro-poor urban climate change adaptation and resilience, a collection of more than 30 good practices from across the region, developing various training materials and holding regional and national seminars and workshops.

85. ESCAP projects on eco-efficient water infrastructure and wastewater management in the urban sector are being implemented in Bhutan, Indonesia,
Mongolia, Nepal and the Philippines. In the Philippines, a pilot project was implemented in collaboration with Department of Science and Technology for Region 7 and the Cebu City government to improve awareness and capacity in planning and managing integrated rainwater and wastewater management for green schools. In Indonesia, ESCAP conducted two pilot projects with Bandung City, Bandung Institute of Technology and Pasundan University on community models of integrated rainwater and wastewater management. Also, ESCAP supported the National Development Planning Agency of Indonesia in formulating an eco-sustainable water infrastructure road map and the National Economic and Development Authority of the Philippines to formulate a five-year eco-efficient water infrastructure strategic road map.

C. Issues for consideration by the Commission

86. The Commission may wish to review and provide the secretariat with guidance on the following:

(a) Implementation of the activities described and results achieved;

(b) Measures to strengthen the secretariat’s support for the integration of the three pillars of sustainable development;

(c) Implementation plan of the United Nations Decade of Sustainable Energy for All30 and critical review the draft outcome documents for the Asian and Pacific Energy Forum;

(d) Priority issues to be considered by the Committee on Environment and Development at its fourth session, tentatively scheduled to be held in October 2013.

Section V
Information and communications technology and disaster risk reduction

A. Introduction

87. The Asian and Pacific region continues to be the area of the world most affected by disasters. Floods and storms remain the main threats in Asia and the Pacific and caused the most economic damage in the region in 2012. Floods accounted for 54 per cent of the total death toll caused by all disasters in Asia, 78 per cent of the total number of people affected and 56 per cent of the total economic damage in the region.31 While rapid economic growth and population expansion have made the region more exposed to disasters, it is worrying that many developing countries have also become increasingly vulnerable to disasters. This is because the coping capacities of their communities have not expanded at the same rate as the frequency and severity of disasters.

88. Although space technologies, especially remote sensing and geographic information systems (GIS), have proven effective in monitoring, providing early warning and facilitating emergency response during disasters, while

30 See General Assembly resolution 67/215.
being more affordable than ever and capable of being used to break the nexus between poverty and environmental degradation, only a few countries in the region have significantly benefited from them. Lack of awareness and capacity hinders broad-based application of space technologies and GIS in the region. Similarly, while the proliferation of affordable broadband-enabled digital devices is creating unprecedented opportunities to store, share, adapt, interpret and create information at all levels of society, the region remains hampered by the growing digital divide in terms of fixed and mobile broadband Internet, a situation that contributes to the widening gulf between the haves and have-nots.

89. The subprogramme deals with the most pressing contemporary development challenges of how to build resilience and how to deepen connectivity in Asia and the Pacific. It is focused on providing multisectoral, multidisciplinary policy guidance for building resilience and deepening connectivity; capacity-building at all levels of Government, particularly in disaster risk reduction and the application of ICT and space applications; demand-driven regional advisory services; and deepening regional cooperation for knowledge- and technology-sharing among member States. The work is well anchored in the Rio+20 outcome document that specifically calls for “disaster risk reduction and the building of resilience to disasters to be addressed with a renewed sense of urgency in the context of sustainable development and poverty eradication, and, as appropriate, to be integrated into policies, plans, programmes, and budgets at all levels and considered within relevant future frameworks”. In that outcome document, the enabling role of ICTs, including space applications, is clearly recognized with regard to disaster risk reduction and the achievement of sustainable development.

B. Key issues and challenges

1. Application of space technology for disaster risk reduction and sustainable development

90. Although the region has a growing number of space-faring countries and despite the number of existing and planned remote sensing satellites, space and GIS applications continue to be underutilized primarily because of the lack of capacity in Asia-Pacific developing countries in terms of human, scientific, technological, organizational and institutional resources and expertise for operational applications of these tools.

91. To address this challenge, a historic five-year Plan of Action on Applications of Space and Geographic Information Systems for Disaster Risk Reduction and Sustainable Development, 2012-2017, was adopted by an intergovernmental meeting held in Bangkok in December 2012 to promote broad-based applications of these technologies through enhanced regional cooperation. Representatives of Governments attending the meeting, which was held as part of the implementation plan of ESCAP resolution 68/5, further proposed that a ministerial conference be held in 2015 to evaluate the progress made and provide further guidance for the successful implementation of the plan of action and to build stronger political support and ownership among all stakeholders. The secretariat is tasked with harmonizing and enhancing existing regional initiatives and pooling expertise and resources at regional and subregional levels; acting as a clearing house for good practices and lessons; and taking the lead at the regional level in implementing the plan of action.

92. Since the sixty-eighth session of the Commission, ESCAP has undertaken several initiatives to support member States in implementing disaster risk reduction, management and sustainable development activities through the provision of near real-time satellite products, and by facilitating the exchange of information and good practices and providing capacity-building training and further technical assistance through the Regional Space Applications Programme for Sustainable Development (RESAP). Some of the highlights are presented below.

93. The Intergovernmental Consultative Committee on the Regional Space Applications Programme for Sustainable Development at its 16th session, which was held in Bangkok on 17 and 18 December 2012, agreed to establish regional operational service nodes for the Regional Cooperative Mechanism on Disaster Monitoring and Early Warning, Particularly Drought. This development will enable the mechanism’s services to begin shortly and identify high-risk drought-prone areas so that effective monitoring and early warning for drought can be carried out, thus producing a direct impact on the issues of food security and poverty, as many countries in the region are agrarian based and drought prone. Several steps have already been taken to make the mechanism operational, including the setting up of the service nodes for providing localized modelling through the use of space-based products. These measures will enable more effective drought monitoring, the preparation of standard operational procedures at the regional level, the encouragement of member States and regional initiatives to commit their existing satellite and technical resources and relevant services as in-kind contributions, as well as regular sharing of work programmes, cross-participation and joint delivery of capacity-building with related regional initiatives.

94. In 2012, when typhoons Haikui and Bopha slammed into the Philippines, ESCAP coordinated with RESAP members, as well as the Operational Satellite Applications Programme of the United Nations Institute for Training and Research (UNITAR-UNOSAT), the United Nations Platform for Space-based Information for Disaster Management and Emergency Response (UN-SPIDER) and Sentinel Asia, to contribute near real-time satellite imagery and products to the Philippines and ASEAN members. Several other countries also benefited from similar products and services. In this regard, the secretariat formalized partnership with UNITAR to provide member States in the region with near real-time satellite products and other value added services. The secretariat is updating the compendium on the space applications capacity and needs of member States and has developed an online survey with associated training to complete it in order to establish the need for space applications in the region.

95. During 2012 the secretariat provided participants from least developed and small island developing countries with fellowships for a short-term training course on remote sensing and GIS applications; the course was held in conjunction with the RESAP education and training network in India and Indonesia. Such human resources development opportunities enhanced the knowledge, understanding and practical experiences of nationals from those countries with regard to space applications for disaster risk management and sustainable development.

96. The secretariat has been working closely with countries with special needs to address capacity gaps in accessing up-to-date and accurate socioeconomic data and satellite imagery in areas of disasters through geo-
referenced information systems. As part of this initiative, the secretariat has been developing geo-referenced disaster risk management (Geo-DRM) portals, establishing an online network and communities of practice and improving operational linkages to regional networks for transboundary disaster events. A regional meeting was held to build awareness among policymakers and practitioners of the benefits of geo-referenced information systems for evidence-based decision-making. This was followed up by capacity-building workshops at the subregional level on the development of Geo-DRM portals. With the support of RESAP, further training for professional-level officials from selected countries with special needs has been delivered to build capacity for developing, sharing and using the geo-referenced information in their countries.

2. Addressing the digital divide and building capacity for greater ICT connectivity

Despite the innovative digital opportunities unleashed by the ICT revolution, the region remains hampered by a growing digital divide in fixed and mobile broadband Internet, which comprises the very technology that is at the cutting edge of the transformation to knowledge-based societies. A key barrier to the universal uptake of broadband Internet in the Asia-Pacific region is the high Internet transit and broadband user costs due to, among other factors, reliance on a single mode of data transmission, namely submarine cables. Not only does this barrier limit the ability of the open market to drive down the price of network services, but it also increases the vulnerability of the region’s ICT infrastructure to disasters and accidents that in the past have proven to be highly disruptive to many sectors that have become dependent on broadband Internet. Consequently, interest in developing transnational fibre-optic infrastructure across the Asia-Pacific region’s vast land mass has gained momentum.

In addition to the challenges related to ICT infrastructure, weak institutional and human resource capacities have been a key factor in the inability of some developing countries to implement effective ICT policies and strategies. ICT human capacity-building involves a range of institutions and stakeholders, with government leaders in particular playing a critical role in framing a national vision for an information society and coordinating strategic plans to achieve development through ICT. National Governments must also take the lead in providing a regulatory framework that can promote the use of and access to ICT for everyone. Apart from government leaders, ICT capacity-building of other target groups also needs to be prioritized. For instance, students and youth represent the workforce of tomorrow. Building their capacities in order to create a critical mass of future leaders and decision makers with a keen understanding of the potential of ICT for socioeconomic development is crucial for the success of development efforts. This is especially relevant for the Asia-Pacific region, which is home to more than half of the world’s youth population. Small and medium-sized enterprises represent another important target group for institutional capacity-building, particularly in the light of the significant potential that exists in developing countries for enhancing their productivity and output through enhanced use of ICT.

A geo-referenced information system is a platform of a computer-based program that combines data management with map display, enabling planners and emergency managers to graphically display hazard impact areas and relate them to people and property at risk.

For details, see www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_077664.pdf.
99. In the light of these challenges, the secretariat undertook a number of new initiatives in the area of ICT for development. It developed a new partnership with the International Telecommunication Union (ITU). Under that partnership and in line with the recommendations emanating from the Committee on Information and Communications Technology at its third session, which met in Bangkok from 20 to 22 November 2012, ESCAP and ITU will jointly produce a regional map showing transnational ICT infrastructure in the Asian-Pacific region.\(^{35}\) The map is expected to enable policymakers to identify missing connectivity links. The regional map is also part of the secretariat’s ongoing in-depth analysis of the challenges and opportunities associated with achieving a seamless regional information space, including analysis of the regulatory and policy barriers and examination of the costs of laying terrestrial fibre-optic networks along other forms of fixed infrastructure. As the jointly produced ICT infrastructure map will be overlaid with maps for the Asian Highway and Trans-Asian Railway, it will provide further policy insights into the potential convergence in deployment of ICT connectivity infrastructure with transport infrastructure networks.

100. The secretariat also contributed to the enhanced capacity of policymakers and other interested stakeholders in the area of ICT indicators through preparatory work for the regional review of progress in implementation of the targets set out in the outcome documents of the World Summit on the Information Society.\(^{36,37}\) The Partnership on Measuring ICT for Development is seen as a key platform for setting statistical standards for ICT indicators that are timely, relevant and accurate; the secretariat will continue to promote the Asia-Pacific region’s perspectives on issues coordinated under that initiative.

101. In the area of ICT for disaster risk reduction, the secretariat strengthened its partnership with the Asian Disaster Preparedness Center for the continued development of content for the Asia-Pacific Gateway for Disaster Risk Management and Development, the region’s only online knowledge platform dedicated to sharing information and knowledge products that enable government ministries, civil society and national development planning authorities to mainstream disaster risk management principles, concepts and practices into development processes.

102. APCICT is continuing to develop and implement needs-based ICT for development (ICTD) capacity-building programmes for member States. The Centre’s flagship programme, called the “Academy of ICT Essentials for Government Leaders”,\(^{38}\) includes a comprehensive 10-module ICTD curriculum that has been used in 26 countries. Academy programme partners have demonstrated strong national ownership and invested significant resources in implementing the programme, including for localization of the Academy modules, which are now available in nine languages. The programme has also been successfully institutionalized within long-term national capacity-building frameworks and has positively influenced organizational policies and community action. In view of its relevance in varied development contexts, the programme has been taken up in Africa and the Middle East by the respective

\(^{35}\) See E/ESCAP/69/9.


\(^{37}\) Tunis Commitment and Tunis Agenda of the World Summit on the Information Society (see A/60/687).

\(^{38}\) For details, see www.unapcict.org/academy.
regional commissions, and a number of countries in Eastern Europe have also expressed interest in utilizing the modules. A distance-learning version of the programme is available through the APCICT Virtual Academy, which has recorded enrolments in the course from 144 countries and territories.

103. APCICT is also expanding its ICTD capacity-building programme for youth, entitled “Turning today’s youth into tomorrow’s leaders”. It launched the Primer Series on ICTD for Youth, which is aimed at serving as a resource to help educators fill the gap in ICTD coverage in university programmes. The series has been made available in eight countries and two subregions via an inclusive and participatory approach. Based on a training-of-trainers strategy, ICTD teaching capacities have been strengthened in 71 universities; 14 universities have either already adopted or are scheduled to adopt the series as part of their programmes soon.

104. Overall, since the inception of the Academy and the above-mentioned series initiatives, 197 workshops/training sessions/events have been organized by APCICT and its partners and more than 20,000 participants have been reached through face-to-face training and online course enrolments.

105. Among the research and knowledge-sharing efforts of APCICT is the recently launched resource Knowledge Sharing Series, which offers step-by-step guidelines for the development and management of ICTD policies and programmes. APCICT also launched the “Communities of Practice”, a collaborative online platform that enables interaction with ICTD stakeholders.

3. Reducing vulnerability and exposure to disasters

106. The Asia-Pacific Disaster Report 2012: Reducing Vulnerability and Exposure to Disasters, prepared by ESCAP jointly with the United Nations Office for Disaster Risk Reduction (UNISDR), was presented at the Fifth Asian Ministerial Conference on Disaster Risk Reduction, which was held in Yogyakarta, Indonesia, from 22 to 25 October 2012. The report was welcomed by member States for its timely and relevant policy discourse and recommendations; it provided valuable input for deliberation at the conference. The report showed that both exposure and vulnerability to disasters have risen in the region. Smaller economies, those that have less diversified economic structures and countries with high fiscal deficits show especially high rates of vulnerability. While the impacts of disasters are clearly multisectoral, the report finds that there is limited evidence of multisectoral policy planning and implementation to address disasters. As a result, more often than not, disaster risks are not mainstreamed into broader development planning and poverty reduction strategies.

107. The secretariat also undertook extensive analytical work for the theme study on building resilience to natural disasters and major economic crises. Reducing vulnerability and increasing resilience require a multifaceted strategy aimed at both reducing the multiple risks and improving rapid coping and adaptation mechanisms at local, national and regional levels. At the national level, this calls for much greater integration between planning and implementation of disaster risk reduction policies and broader socioeconomic policies and programmes. The secretariat will continue to deepen the

40 For details, see www.unapcict.org/frontpage/news/apcict-launches-knowledge-sharing-series-online.
socioeconomic analysis of disasters and build awareness and capacity among policymakers to mainstream disaster risk reduction into socioeconomic policy planning and implementation. In partnership with other United Nations agencies, such as UNISDR, UNDP and the Office for the Coordination of Humanitarian Affairs, the secretariat will contribute to the dialogue on fostering the interlinkages between disaster risk reduction, climate adaptation and sustainable development in the development agenda beyond 2015 and the framework for disaster risk consultations beyond 2015.

108. ESCAP made substantive contributions to the outcome of Fifth Asian Ministerial Conference on Disaster Risk Reduction, particularly highlighting the regional cooperation aspects of disaster risk reduction. The specific analytical and normative work of the secretariat and the ESCAP Multi-Donor Trust Fund for Tsunami, Disaster and Climate Preparedness in Indian Ocean and Southeast Asian Countries in Bangladesh, Maldives and Myanmar was used to showcase how the integration of regional and national approaches enhances capacity for climate-resilient disaster risk reduction at the local level. Consequently, the Yogyakarta Declaration on Disaster Risk Reduction in Asia and the Pacific 2012 [42] which was adopted at the Conference, laid emphasis on making use of existing regional and subregional resources for local capacity-building.

109. With regard to capacity-building in disaster risk reduction, early warning capacities and climate applications in 16 member States were improved with support from the above-mentioned trust fund. In 2012, 11 projects, including 6 new projects approved in May 2012, were supported under the trust fund, including a collaborative project between the ESCAP/WMO Typhoon Committee and the WMO/ESCAP Panel on Tropical Cyclones to improve community resilience to coastal multi-hazards through synergized standard operating procedures for effective multi-hazard early warning systems. The usefulness of the Regional Integrated Multi-hazard Early Warning System (RIMES), an intergovernmental organization established with support of the trust fund, was confirmed at the First RIMES Ministerial Conference, which was held in New Delhi on 21 June 2012, in which 21 countries pledged to strengthen regional disaster early warning systems. The trust fund will continue to support efforts to further strengthen regional cooperation in early warning and climate applications, as well as focus on country-specific needs, thus helping to build more resilient communities.

110. At the request of the Governments of the Islamic Republic of Iran, Maldives, Myanmar and Sri Lanka, regional advisory services were provided on a variety of issues related to disaster risk reduction. For example, the low-emission climate-resilient development strategies programme of Maldives, taken up as a One United Nations initiative, envisages integrating multisectoral approaches, including disaster risk reduction and climate change adaptation. ESCAP is working with the United Nations Country Team in Maldives under the United Nations Development Assistance Framework (2011-2015) to implement this as a standard-setting programme.

C. Issues for consideration by the Commission

111. The members and associate members of the Commission may wish to share their experiences and views on the above-mentioned issues and challenges. They also may wish to review the present document and provide the secretariat with guidance on priorities and approaches considered.

---

42 See www.preventionweb.net/files/29332_01yogyakartadeclarationdraftfinalcl.pdf.
appropriate for the secretariat to follow in its future work under this subprogramme.

112. The Commission may wish:

(a) To adopt through a resolution the Asia-Pacific Plan of Action for Applications of Space Technology and Geographic Information Systems for Disaster Risk Reduction and Sustainable Development, 2012-2017 (E/ESCAP/69/25, annex II);

(b) To endorse the report of the Committee on Information and Communications Technology on its third session (E/ESCAP/69/9) and the report of the Governing Council of the Asian and Pacific Training Centre for Information and Communication Technology for Development on its seventh session (E/ESCAP/69/10).

Section VI
Social development

A. Introduction

113. The Rio+20 Conference stressed the importance of the “active participation of young people in decision-making processes” and encouraged “the sharing of experiences and best practices on ways to address the high levels of unemployment and underemployment, in particular among young people”. It also recognized that all sectors should help youth gain access to needed skills and employment opportunities, including in new and emerging sectors.

114. Today’s generation of youth is the largest in history, with the majority living in developing countries. The Asia-Pacific region contains 60 per cent of the world’s youth population, or 750 million young persons aged 15 to 24 years.

115. There are commonalities in the situations and challenges faced by youth around the world. High levels of youth unemployment are prevalent, educational systems are under pressure to adapt and better prepare youth for the school-to-work transition in the modern economy and there are threats to the health and well-being of young people. Social exclusion and a lack of structured opportunities for youth participation in public life have limited the role of youth in decision-making processes, which has further sowed the seeds for political instability in diverse settings.

116. Over the past decade, there has been growing recognition by the international community of the urgent need to fully integrate youth perspectives into national development, strengthen investments in youth and enhance their participation in economic, social and political processes. Countries in the ESCAP region are in a prime position to harness the full potential of their youth populations to promote inclusive and sustainable development.

---

43 See General Assembly resolution 66/288, annex, para. 50.
44 Ibid., para. 155.
B. Key issues and challenges

1. The demographic challenge

117. It has been argued that one third of East and North-East Asia’s economic growth during the period of the “Asian miracle” was due to a “demographic dividend”. In many countries in the region the demographic conditions today are ripe for achieving a similar dividend. For example, countries in South and South-West Asia will experience a significant increase in their working-age population during the next three decades as a result of their “youth bulge”. India alone has 238 million youth (15-24 years of age), which is the largest youth population of any country of the world.

118. Countries in the ESCAP region can reap the potential economic benefits generated by a shift in the composition of the population structure towards the youth and prime adult working age groups. Such benefits include growth in the workforce, accelerated accumulation of capital due to reduced spending on dependents and increased innovative and entrepreneurial potential.

119. The demographic dividend is a window of opportunity that can be seized through the right institutional arrangements and mix of education, health and employment policies. In the absence of such structures and policies, the “dividend” could turn into a “deficit”. A “demographic deficit” reverses gains in social development, leading to increased youth unemployment, deteriorating health conditions, social unrest, lower economic growth and precarious migration.

2. The employment challenge

120. Young people have borne the brunt of the global economic crisis and the sluggish recovery. Youth unemployment rates have remained at peak levels around the world. Currently, the average rate of youth unemployment in Asia and the Pacific is estimated to be about 11 per cent, more than double the rate of the total working-age population.

121. More than 80 million young people are looking for jobs across the Asia-Pacific region. Lacking economic and social opportunities, many are forced into high-risk and vulnerable forms of employment. In the face of few prospects, others have given up on searching for jobs.

122. As it is, youth employment is already often precarious. Young people abound in vulnerable employment where jobs are characterized by insecurity, low wages, poor working conditions and lack of social protection. This results in working poverty being significantly higher for young workers than for their older counterparts.

123. Such vulnerability disproportionately affects women. Young women are particularly underrepresented in the labour market and are thus an untapped resource for future economic growth and development. In South Asia, a mere 30 per cent of young women participate in the labour force; for young men, the percentage is more than double that.

The “dividend” occurs when economic growth rates accelerate due to a rising share of working-age people in the population. Opportunities open up when birth rates fall and there is a shift in the age structure of the population away from dependent age groups towards persons of working age.
124. For young people, jobs provide a source not only of income, but also dignity and self-respect. In the absence of decent work, young people subsist on the margins of the economy and are particularly vulnerable to social exclusion, which breeds political instability.

125. In search of better living conditions, many young people choose to migrate. The proportion of adolescent and youth migrants in the total international migrant population is 19 per cent in Asia and 13 per cent in the Pacific, most of them being women. Many youth migrants, however, are undocumented, and some are trafficked, including for sex work.

3. The education challenge

126. Preparing young people for a competitive workforce requires skills development and education. Education also provides youth with the critical tools needed to make informed choices and participate more meaningfully in public life.

127. Many countries in the Asia-Pacific region have already achieved universal primary education, and several others are on track to do so. Completing primary education, however, is only a first step towards preparing young people for both work and public life. The information age also requires more advanced communication, analytical and technical skills to negotiate civic responsibilities and consumer tasks. However, enrolment rates in secondary education remain low, at less than 50 per cent in many countries in the region. Access to high-quality secondary education also varies between countries and across different household income levels.

128. In addition, obtaining tertiary education is largely dependent on national income levels. Among the high-income economies, the tertiary gross enrolment ratio was 71 per cent, compared with only 10 per cent for the low-income group.

129. Even after completing formal education, many young people face obstacles in their transition from school to work. Education and training systems often do not match modern labour market demands. The mismatch creates a subpopulation of discouraged and excluded youth that are outside the educational system and are also unemployed. This figure increases to almost one third for young women and girls, who comprise a group of young people in need of particular attention since they are more prone to enter a vicious cycle of poverty and exclusion which brings with it higher risks of drug use and criminal activities.

4. The health challenge

130. Healthy lifestyle choices at a young age set the foundation for an active and productive life. Young people, however, are particularly vulnerable to pressures of modern life. As a result, the use of tobacco and alcohol, sedentary lifestyles and obesity are on the rise in the Asia-Pacific region.

131. Furthermore, drug use remains a serious threat to the health of young people. It can lead to high-risk sexual behaviour, crime and other antisocial behaviour. Approaches to address this challenge tend to be punitive and often alienate young people, driving them to more risk-taking. Conversely, encouraging young people to remain in school and assisting the transition to productive employment has long-lasting positive health implications.
132. Young people in the Asia-Pacific region, especially girls, also face important sexual and reproductive health issues, including unintended pregnancy, unsafe abortion and maternal mortality. Although rates of adolescent childbearing have dropped significantly in most countries in Asia and the Pacific, recorded teenage pregnancy remains high in many countries of South and South-West Asia and the Pacific.

5. Policy options

133. To ensure that young people become productive, skilled and healthy members of society, countries need to have in place comprehensive policy frameworks. Youth policies need to be multisectoral and the processes that bring them about should be driven by multi-stakeholder engagement, involving the different levels of Government, business actors, civil society organizations and young people themselves.

134. There is a pressing need to pursue job-led growth by creating more green and decent jobs for young people. Assisting young people, in particular young women, to enter the labour market has far-reaching impacts on gender equality and women’s economic empowerment. More jobs for young people do not mean fewer jobs for other groups of workers. Instead, increasing the quantity of productive jobs increases disposable income and stimulates demand for services and products.

135. To assist young people in entering the labour market, Governments may wish to consider developing and strengthening targeted employment support programmes, including vocational training. Establishing public employment services and offering wage and training subsidies can also motivate the private sector to hire young people. Further, policies are needed to provide an enabling environment for entrepreneurship.

136. In addition to employment policies, building human capital through investments in health and education is essential. To reap the demographic dividend, countries in the region need to broaden access to high-quality secondary education. Educational quality should be built upon two pillars: cognitive and technical skills that would enable youth to find productive employment and communication and analytical life skills that would enable youth to make informed choices and engage in civic life. Higher educational attainment increases not only the chances of finding and keeping a job, but also results in higher income and better choices to lead a healthier lifestyle.

137. Good health is as important as education in providing young people with the tools to become, and stay, economically productive and civically engaged. As a priority, integrating sexual and reproductive health education in the curriculum of schools and providing youth-friendly information and services can have a positive impact on promoting healthy lifestyle choices for youth and reducing harmful risk-taking behaviour. To address the risks associated with drug use, non-punitive approaches, such as peer education, voluntary rehabilitation and needle-exchange programmes, have proven successful in reaching young people.

C. Issues for consideration by the Commission

138. In response to the priority accorded to youth development by Member States, the Secretary-General’s Five-Year Action Agenda was established in January 2012. It calls for deepening the youth focus of existing United Nations programmes on employment, entrepreneurship, political inclusion, citizenship
and protection of rights, and education, including on sexual and reproductive health.

139. At the regional level, as Chair of the Regional Coordination Mechanism (RCM), ESCAP in cooperation with the United Nations Development Group (UNDG) Asia-Pacific jointly established in late 2012 the “RCM/UNDG Asia-Pacific Thematic Working Group on Youth”. The newly established group, comprising ESCAP and all other entities in the United Nations system, integrates the regional policy and normative expertise of the United Nations with its operational capacity to ensure a stronger and more coherent regional youth agenda to support member States in the implementation of the internationally agreed commitments on youth and development.

140. ESCAP is committed to strengthening its work on youth, which is a priority for the social and economic development of the region. The secretariat will be initiating research on the situation of youth in the Asia-Pacific region, focusing on identifying trends and good practices on youth participation in development and decision-making to support Governments in promoting evidenced-based policies and programmes. In cooperation with other United Nations entities, ESCAP will also be supporting the implementation of the Secretary-General’s Five-Year Action Agenda.

141. As it has been some time since youth issues have been placed on the agenda of the Commission, the Commission may wish to review such issues and provide the secretariat with guidance on identifying areas for regional cooperation which would support national efforts to tap the full potential of young people and promote their participation in development.

Section VII
Statistics

A. Introduction

142. The secretariat works closely with member States and development partners in advancing the strategic goals of the ESCAP Committee on Statistics: (a) ensuring that all countries in the region by 2020 have the capability to provide an agreed basic range of population, economic, social and environment statistics; and (b) creating a more adaptive and cost-effective information management environment for national statistical offices through stronger collaboration. These goals underpin the ambition of the statistical community to meet the need for a broad range of data in support of economic and social development in the region.

143. The Commission at its sixty-seventh session endorsed these goals through resolution 67/11 on statistics capacity development, signaling that: (a) Governments recognize the importance of good statistics for policymaking; (b) government officials from multiple line ministries are aware that statistics are in need of improvement; and (c) Governments are willing to support the national statistics systems, including national statistics offices and other agencies, that produce or compile statistics.

144. Resolutions 67/11, 67/10 on economic statistics and 67/12 on civil registration and vital statistics enable and guide efforts by national statistical systems and the secretariat to engage multiple stakeholders and access other resources for achieving the goals of the Committee on Statistics.
145. The Committee carries out its work through a range of steering and advisory groups, which comprise national and international experts and are serviced by the secretariat. The groups formulate strategies and action plans for regional initiatives on strengthening statistics capacity and the development of standards, and guide their implementation.

146. In capitalizing on the diversity in the region, emphasis is placed in the secretariat’s statistics subprogramme on the sharing of knowledge, experiences and solutions in developing and implementing regional initiatives to strengthen national statistical capacity. Under the subprogramme, efforts are made to fully use the opportunities made available by increased capacities of member States as centres of expertise and providers of development assistance, including through South-South cooperation modalities.

147. In implementing regional initiatives, the secretariat makes conscious efforts to adapt its approaches to specific country circumstances and needs of member States. For least developed member States having more acute and widespread needs, this often means using targeted support. The secretariat has collaborated with a multitude of development partners to furnish such targeted support to some countries with special needs, including the Democratic People’s Republic of Korea and Myanmar, through technical advisory services and training.

148. The implementation of the strategic goals of the Committee is supported by the Partnership for Statistics Development in Asia and the Pacific, which consists of international, regional and bilateral organizations and works to improve the combined impact of capacity-building activities through enhanced coordination, synergy and complementarity among partners. Furthermore, the Committee on Statistics at its third session endorsed a strategy for improving regional coordination of statistical training. The strategy is aimed at improving coordination by creating an environment that enables the recipients of training and providers of training to use a common language and set of tools to describe priority needs and identify and address gaps in training in the region.

B. Key issues and challenges

1. Make every life count: civil registration and vital statistics

149. Civil registration and vital statistics systems constitute a fundamental and powerful tool for effective governance, enabling citizens’ participation in political and public life and facilitating the design of efficient policies, accompanied by targeted planning, resource allocation and monitoring.

150. In Asia and the Pacific, less than one third of the 51 countries participating in an assessment have satisfactory civil registration and vital statistics systems, and more than 40 per cent have systems classified as weak or dysfunctional.

151. In response to ESCAP resolution 67/12, the secretariat collaborated with 19 partner organizations to hold the High-level Meeting on the Improvement of Civil Registration and Vital Statistics in Asia and the Pacific in Bangkok on 10 and 11 December 2012. The meeting echoed the Commission’s recognition of the strong links between improvement of civil registration and ensuring universal human rights and the necessity of vital statistics for obtaining good data to underpin better development policies. The meeting
identified commitment at the highest levels of Government as being necessary for the improvement of civil registration and vital statistics systems.

152. To address the need for high-level commitment, the Committee on Statistics at its third session endorsed the regional strategic plan for the improvement of civil registration and vital statistics in Asia and the Pacific, which is designed to achieve well-functioning civil registration and vital statistics systems in all countries in the region by 2020. The Committee strongly recommended to the Commission that a meeting of relevant ministers and development partners be held in order to attain the high-level political commitment required to support successful implementation of the plan.

2. Support people-centred development: social statistics

153. Social statistics are about people’s lives and living conditions and therefore at the heart of inclusive economic and social development. The Committee on Statistics at its third session endorsed a core set of population and social statistics as a regional framework for related capacity-development efforts. The core set captures fundamental elements of people’s lives and living conditions.

154. Earlier attempts by the international statistical community to define a core set in the area of social statistics at the global level or regional level had been unsuccessful, and the Committee, upon reaching consensus, rightly applauded the achievement of this global milestone.

155. The Committee on Statistics also endorsed a strategic approach for improving population and social statistics in the region, reviewing national practices in population and social statistics, and on that basis developing a regional plan to support member States in addressing capacity gaps.

156. The Committee recommended to the Commission that the core set of population and social statistics be used as a regional framework for focusing efforts, coordinating training and mobilizing donor support for capacity development.

3. Advance statistics development through regional collaboration

(a) Economic statistics

157. The global financial crisis that started in 2008 and the debates on policy options for achieving balanced economic growth in the region heightened the importance of reliable, accurate and timely statistics. The Committee on Statistics at its third session endorsed the implementation plan for the regional programme on economic statistics, which lays out concrete actions to improve national capacity in economic statistics, guided by the core set of economic statistics as endorsed by the Commission in resolution 67/10.

158. In carrying out the implementation plan, the secretariat will in 2013 administer screening to identify capacity constraints and strengths of national statistical systems in producing the core set in order to plan activities for improvement. As the coordinator of the programme, the secretariat will seek to raise funds to support implementation, promote awareness of the programme among users and producers and implement regional support activities, including training.

159. One area of economic statistics that is particularly pertinent to developing economies is informal sector and informal employment statistics.
The secretariat is engaged in a project under the United Nations Development Account, led by the Economic Commission for Africa, to improve informal sector and informal employment statistics. The project will facilitate use of existing datasets and build on existing capacity, results and lessons learned from previous efforts.

(b) Agricultural and rural statistics

160. The agricultural sector and rural development play important roles in reducing poverty and ensuring food security. However, many countries in Asia and the Pacific lack the capacity to produce even basic agricultural and rural statistics to inform policies on national poverty reduction or food security. To address this challenge, the Committee on Statistics at its second session decided to implement the global strategy led by FAO to improve agricultural and rural statistics.

161. At its third session, the Committee endorsed the Asia-Pacific Regional Action Plan to Improve Agricultural and Rural Statistics 2013-2017, which was endorsed by the Asia and Pacific Commission on Agricultural Statistics in October 2012.

162. ESCAP is responsible for implementing the component on statistical training through SIAP. Funds have been secured to support the implementation of the Regional Action Plan over the period 2013-2017, with a donation from the Government of the United Kingdom, through its Department for International Development.

163. A regional steering committee has been established to oversee the implementation of plan; it is composed of (member States) China, Fiji, India, Japan, the Philippines, Samoa, Sri Lanka and Viet Nam, and (institutions) the Asia-Pacific Association of Agricultural Research Institutions, the Asian Development Bank, ESCAP, the Indian Agricultural Statistics Research Institute, the Secretariat of the Pacific Community, the United Kingdom Department for International Development, and the Food and Agriculture Organization of the United Nations.

(c) Environment statistics

164. In the light of the policy debates on sustainable development, added priority and attention is being given to environment statistics; attention is also being focused on the inadequacy of the current production of such statistics. The Committee on Statistics at its third session recognized these issues, deliberated on modalities for enhanced collaboration on environment statistics and agreed to establish an informal network of experts and an online knowledge centre as first steps to improve the situation.

165. In implementing such steps, the secretariat plans to collaborate with member States and other partners, including the United Nations Environment Programme and the Commonwealth Scientific and Industrial Research Organization (Australia), to develop an online knowledge centre that will provide access to environment statistics for the region, as well as information on the relevant standards, guidelines and emerging issues related to the development of environment statistics.

(d) Statistical information systems for the future

166. The second strategic goal of the Committee on Statistics, “to create a more adaptive and cost-effective information management environment for national statistical offices through stronger collaboration”, is timely and urgent in the face of the flood of data that is created by the interaction of vast networks of mobile telephones, computers and sensors – known as “big data”.

167. Regional collaboration on this topic is gaining momentum. Following the meetings of working and expert groups held during 2010 and 2011, a practical advisory workshop, funded by the Russian Federation, was organized jointly by ESCAP and the Federal State Statistics Service of the Russian Federation; it was in Moscow in April 2012 to introduce basic concepts and tools for modernizing national information systems.

168. The secretariat will support a high-level strategic body to provide strategic direction for the work of modernizing national statistical systems. It will also support the establishment of an expert community to raise awareness and build capacity, particularly related to concepts, methods and standards, to support national modernization efforts.

4. Statistical analysis and training that matter

(a) Regional analysis

169. The secretariat continues to provide statistical information and analyses that enable national decision makers, development partners and the general public to assess progress in the subregional, regional and global context. The online version of the *Statistical Yearbook for Asia and the Pacific 2012* was published in November 2012. The publication of the online edition was accompanied by a complete update of the data tables contained in previous editions and time series of the indicator data for researchers and data analysts, as well as read-to-print country profiles featuring selected key economic and social indicators.

(b) Dialogues on the development agenda beyond 2015

170. In 2012, the secretariat contributed to the dialogues on the global development agenda beyond 2015 by participating in the work of the United Nations system Task Team on the Post-2015 Development Agenda and the review of the achievement of Millennium Development Goals conducted by the five regional commissions. The analyses emphasized the importance of achieving sustainability and national statistical capacity development.

171. The Committee on Statistics at its third session emphasized the need for the statistical community to be engaged at the early stage of consultations on the global development agenda beyond 2015 in order: (a) to monitor frameworks to be based on considerations of the strengths and weaknesses of national statistical systems; and (b) to take advantage of the opportunities presented by monitoring the development goals beyond 2015 for strengthening the work. In particular, the Committee stressed that national experiences and lessons learned from monitoring the Millennium Development Goals could be valuable inputs to the global, regional and national consultations on the global development agenda beyond 2015.
172. SIAP supports member countries in achieving the strategic goals of the Committee by providing training in economic, social, population and environment statistics, ranging from fundamentals to advanced and specialized levels and targeting different core skills. SIAP addresses training demands by using a combination of different modalities aimed at developing junior and mid-level statisticians into the statistical leaders of tomorrow and enhancing the leadership skills of today’s senior statisticians.

173. In 2012, SIAP increased the knowledge and improved the skills of 319 government statisticians, planners and policymakers so that they could produce high-quality statistical outputs and expand the use of such for development planning, policy formulation and monitoring progress in reaching development goals. The long-running residential SIAP/Japan International Cooperation Agency group courses trained 78 participants from 32 countries on the fundamentals of official statistics covering: frameworks, standards and classifications; the statistical production processes and the applications of ICT; product development, documentation, dissemination and archiving; and data analysis, communication and use.

174. The Regional Programme for the Improvement of Economic Statistics is fully aligned and consistent with the System of National Accounts 2008 (2008 SNA), a key international standard. In 2012, 30 participants from 11 member States received basic and advanced training on the 2008 SNA. SIAP received 152 applications from 22 countries for a two-month e-learning course on the basics of the 2008 SNA, the only one of its kind being offered.

175. In continued support of population and housing censuses, three regional courses brought together 65 producers and users from 19 countries and facilitated dialogue to increase the effective use of census data for development planning and policymaking at national and local levels. To advocate for the improvement of vital statistics, 15 senior-level statisticians from 12 countries met to review standards and practices and discuss issues and challenges in their production and use.

176. Through customized courses, SIAP addressed the specific and immediate needs of statistical offices in China, Maldives, Vanuatu and Viet Nam with regard to gender statistics, data analysis, small-area estimation and human resources development.

177. Further, SIAP facilitated discussions on statistical management: 17 middle-level managers of national statistical offices from 11 countries considered applications of the template for national quality assurance frameworks considered by the Statistical Commission at its forty-second session.48

C. Issues for consideration by the Commission

178. The Commission, as recommended by the Committee on Statistics at its third session, may wish:

(a) To adopt a resolution calling for a regional meeting of relevant ministers to attain the high-level intergovernmental commitment required to

support the successful implementation of the Regional Strategic Plan for the Improvement of Civil Registration and Vital Statistics in Asia and the Pacific;

(b) To adopt a resolution on the use of the core set of population and social statistics as a regional framework for focusing efforts, coordinating training and mobilizing donor support for capacity development;

(c) To express its support and provide the secretariat with guidance on implementing the decisions of the Committee on Statistics at its third session (see E/ESCAP/69/13);

(d) Endorse the recommendations and decisions of the Governing Council of the Statistical Institute for Asia and the Pacific on its eighth session (see E/ESCAP/69/14) and express support for the current programme of work of SIAP.

Section VIII
Subregional activities for development

A. Subregional Office for the Pacific

179. With regard to the Pacific subregion, the subprogramme addresses challenges faced by Pacific small island developing States, 12 of which are members and 7 associate members of ESCAP. Among them, five countries are considered least developed: Kiribati; Samoa; Solomon Islands; Tuvalu; and Vanuatu.

180. Pacific island countries continue to face serious challenges in their efforts to build resilience and achieve sustainable development. Persistent structural challenges, such as limited land area, small population and isolation, severely constrain economic growth opportunities; the relatively open economies of the Pacific also are highly vulnerable to external shocks. Pacific island countries are very much “large ocean States”, but the opportunities offered by the Pacific Ocean could be better harnessed in support of sustainable development. Achievement of the Millennium Development Goals in this subregion has also been patchy, with no country appearing able to achieve all of the goals by 2015. No single goal will be achieved by all Pacific island countries. Across the Pacific the most significant gaps in achieving Millennium Development Goals are in the areas of poverty alleviation, gender equality and environmental sustainability.

181. Climate change is clearly the most urgent and formidable challenge facing Pacific island countries. The impacts of climate change are already undermining the development progress of Pacific island counties and increasingly threaten populations and the territorial integrity of low-lying atolls. Addressing the urgent need to adapt to climate change while also pursuing sustainable development is a formidable burden for many Pacific island countries.

182. Against this backdrop of vulnerability, building resilience of communities and populations has been placed at the centre of sustainable development planning by governments in the Pacific. Pacific leaders have made commitments to create jobs and strengthen livelihoods, improving social safety nets and increase investment in basic infrastructure to improve access to
Development partners and Pacific island governments have reaffirmed their commitment to integrated sustainable development. The special case of small island developing States with regard to sustainable development was reaffirmed at the Rio+20 Conference. The institutional capacity and enabling environment for effective sustainable development planning and implementation remains in need of strengthening in all Pacific island countries. Integration of the environmental, social and economic pillars of sustainable development is key to achieving balanced sustainable development outcomes.

183. In response to these challenges and in support of the implementation of the outcome of the Rio+20 Conference, the secretariat through the ESCAP Office for the Pacific has actively supported Pacific island member States in integrated and evidence-based sustainable development planning, including through green economy policies. The secretariat recently published *Green Economy in a Blue World: Pacific Perspectives 2012*. The publication highlights green economy initiatives in the Pacific across a number of key sectors, such as energy, agriculture, fisheries and marine conservation, as well as steps towards strengthening the enabling environment for green economies through the use of fiscal policy and innovative mechanisms to finance the green economy transition. The secretariat is working with governments in the Pacific to consolidate sectoral and national planning approaches and to integrate green economy policies into existing national planning and budgeting processes.

184. The secretariat is supporting the Melanesian Spearhead Group (MSG) in developing a green growth framework under a commitment made on 30 March 2012 by leaders under the MSG Declaration on Environment and Climate Change. As the first subregional agreement on the important role of green growth and green economy policies, its objectives are to enhance economic growth and integrate sustainable development through the avoidance of loss of biodiversity and unsustainable use of natural resources, and to improve social welfare. The secretariat, with the International Union for Conservation of Nature, also continues to support leadership on green growth through a green growth coalition of existing and emerging leaders.

185. The secretariat also worked with governments in the Pacific subregion to develop Pacific priorities on energy security for the Asian and Pacific Energy Forum, which will be held in Valdivostock, Russian Federation, in May 2013. A high-level policy dialogue was convened in Nadi, Fiji, to facilitate discussion between policymakers in the fields of energy and macroeconomics.

186. Central to effective planning is developing the capacity of national statistical systems and national planning ministries to compile and use statistics related to sustainable development for underpinning evidenced-based policymaking and planning. The secretariat continued to work with key partners in the Pacific, including the Secretariat of the Pacific Community and the Australian Bureau of Statistics, to support national statistical offices. Together with the Department of Economic and Social Affairs of the United Nations Secretariat, ESCAP worked on the development of a monitoring and

---

49 See Forum Communiqué (PIFS(12)10) issued at the Forty-third Pacific Islands Forum, which was held at Rarotonga from 28 to 30 August 2012.


evaluation framework that is focused on the assessment of vulnerability and resilience at the country level of the Mauritius Strategy for the Further Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States.\footnote{See Report of the International Meeting to Review the Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States, Port Louis, Mauritius, 10–14 January 2005 (United Nations publication, Sales No. E.05.II.A.4 and corrigendum), chap. I, resolution 1, annex II.}

187. To broaden the integration of social development into sustainable development in the Pacific, the ESCAP Office has initiated a comprehensive study into the costing of gender inequality in Pacific island countries. The secretariat also worked with the Office of the Prime Minister of the Cook Islands to develop a policy on ageing. In Samoa, the secretariat, with UNDP, undertook a comprehensive review of all government policies in order to accelerate progress towards achieving the Millennium Development Goals and to develop pro-poor policies. Assistance was provided to Papua New Guinea on the Convention on the Rights of Persons with Disabilities.\footnote{General Assembly resolution 61/106, annex I.}

188. The secretariat assisted the Ministry of Finance, Strategic Planning and National Development and Statistics of Fiji in assessing the impact on selected Fijian industries of the country’s price control policies. The secretariat was proactive in disseminating economic data and region-specific economic policy advice by organizing and participating in several knowledge exchange and networking events targeted towards policymakers.

189. The secretariat continued to pursue its work in close partnership with regional organizations and United Nations partners through the Council of Regional Organisations of the Pacific’s Sustainable Development Working Group and the Pacific United Nations Development Assistance Framework.

B. Subregional Office for East and North-East Asia

190. The East and North-East Asian subregion remains the economic powerhouse in the Asian and Pacific region. Amid global uncertainty, its performance in 2012 was positive, with important progress made in accelerating economic growth, reducing poverty and enhancing regional integration. Major challenges however persist, including widening socioeconomic disparities and considerable inefficiencies in the use of natural resources. Widespread poverty continues to afflict the Democratic People’s Republic of Korea and Mongolia, as well as rural areas in China and the Russian Federation. Japan and the Republic Korea have recorded some of the highest indices of relative poverty and income inequality among industrialized countries. Mongolia, as the only landlocked developing country in the subregion, faces enormous developmental challenges.

191. The secretariat has been carrying out a series of activities in the area of trade and transport facilitation. Improving connectivity and access to markets is a critical element for narrowing the development gap among the economies in the subregion. In 2012, in building on previous commitments made by key stakeholders, the secretariat brought together experts from quarantine and inspection agencies in the subregion to share experiences and identify key areas in which capacity training would be beneficial for trade inspection. Based on these results, the secretariat has started working on facilitating the provision of necessary capacity-building for quarantine and inspection officers in
Mongolia. At the same time, in joining forces with the Greater Tumen Initiative, the secretariat started a public-private forum to promote more actively dialogue and cooperation on trade and transport facilitation issues among countries in the subregion. Governmental and non-governmental stakeholders participating in the forum welcomed this initiative and requested that the forum be an annual event.

192. In the Rio+20 outcome document, children and youth are recognized by Member States as a major group for engagement. In this context, the secretariat together with the UNDP Seoul Policy Centre recently co-organized the North-East Asian Youth Conference: “The World We Want”, which considered the development agenda beyond 2015. In addition to the graduate students from the subregion attending the conference, the secretariat brought in 17 youth from various social groups, including youth with disabilities, sexual minorities, ethnic minorities, refugees, domestic migrant workers and educated but underemployed youth to ensure that voices from different life experiences were heard. The declaration they produced, entitled “The World We Want: A North-East Asian Youth Vision”, was handed to the Minister of Foreign Affairs and Trade of the Republic of Korea on 9 January 2013 as an input to the report being prepared by the Secretary-General’s High-level Panel of Eminent Persons on the Post-2015 Development Agenda.

193. Population ageing is increasingly becoming a social issue for many of the countries in the subregion. The Asian Symposium on Building Sustainable Ageing Societies, which was held in Changchun, China, on 5 and 6 July 2012, was organized by the secretariat together with the National Population and Family Planning Commission of China. The outcome document of the symposium called for development of a knowledge-sharing platform on the same theme. The symposium was attended by 110 participants, including senior governmental officials and representatives of intergovernmental and civil society organizations, from more than 15 countries in East Asia. The secretariat plans to develop such a platform in 2013/14.

194. Following the outcome of Rio+20, the discussion on the topic of measuring well-being has been increasingly gaining momentum. The secretariat, in collaboration with the National Bureau of Statistics of China, held a workshop to further discuss this aspect in the context of East and North-East Asia. The workshop served as a platform for stakeholders to exchange views and enhance cooperation.

195. Member States in the subregion continue to see transboundary environmental challenges as well as distinctive environmental issues. While such issues are somewhat different depending on the level of development of each member State, transboundary environmental challenges comprise an area where increased collaboration is needed. To address some of these challenges in managing “common pool resources”, member States and the secretariat have taken steps to expand the scope of the North-East Asian Subregional Programme for Environmental Cooperation (NEASPEC) and to foster collaboration with other relevant existing mechanisms.

196. As the secretariat for NEASPEC, the Subregional Office for East and North-East Asia continues to assist member States through knowledge-sharing, capacity-building and field projects on the ground, as follows:

---

(a) In the area of nature conservation, the secretariat worked with institutions in member States to review existing work on monitoring, protection measures and transboundary cooperation for protecting tigers and leopards. Based on this work, a draft framework for transboundary cooperation was prepared for consideration by member States;

(b) The secretariat facilitated the development of a new plan for implementing the NEASPEC Nature Conservation Strategy with regard to subregional cooperation on the conservation of endangered birds and their habitats;

(c) In the area of dust and sandstorms, the completion of the project entitled “Implementing the Regional Master Plan for the Prevention and Control of Dust and Sandstorms in North-East Asia” was marked by the planting of 12,500 trees in Mongolia, the launch of a GIS database, publication of more than 6,000 booklets for school children and the conduct of a training programme for Mongolian experts on combating desertification;

(d) In the area of transboundary air pollution, representatives from governmental and scientific communities were brought together to review existing subregional and regional mechanisms on transboundary air pollution, and a set of possible short- to long-term objectives for strengthening subregional cooperation was identified for implementation;

(e) In the area of eco-efficiency partnership, the secretariat organized a capacity-building training course to support the development of an eco-labelling programme in Mongolia and the sharing of information among eco-labelling institutions in member States. In working with the Korea Environmental Industry and Technology Institute, the secretariat facilitated information-sharing on national progress in the development of carbon-labelling schemes and the launch of an Asian carbon footprint network in support of low-carbon development in Asian countries;

(f) After consulting national experts and other stakeholders involved regarding the scope and modality of a new subregional programme on the marine environment, the secretariat developed a proposal for establishing a marine protection network, which was adopted by the 17th Senior Officials Meeting of NEASPEC, which was held in Chengdu, China, on 20 and 21 December 2012.

197. The Subregional Office plans to continue strengthening subregional cooperation within a regional framework by: (a) providing regular analysis of socioeconomic-environmental trends and priorities in the subregion; (b) ensuring balanced delivery of technical assistance through more in-depth and focused capacity-building activities; (c) strengthening working relations with multilateral organizations and other relevant partners, (d) supporting intergovernmental processes; and (e) acting as a knowledge hub for gathering and disseminating good practices related to development policy.

C. Subregional Office for North and Central Asia

198. The ESCAP Subregional Office for North and Central Asia was established to better address subregion-specific development priorities, to promote knowledge-sharing and subregional cooperation for advancing inclusive and sustainable development, to strengthen partnerships with civil society and other key development partners and to further enhance the relevance of the work of ESCAP in the subregion. The Subregional Office is
actively involved in the activities of the United Nations Special Programme for the Economies of Central Asia (SPECA), serving as an important link between member States and ESCAP and ECE.

199. The North and Central Asian subregion comprises Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, the Russian Federation, Tajikistan, Turkmenistan and Uzbekistan. Afghanistan participates in the activities of Subregional Office as a member of SPECA. The subregion continues to face a number of challenges: achievement of the Millennium Development Goals, barriers to trade and transport connectivity, management of water and energy resources, climate change and environmental degradation and risk of disasters. These challenges are better addressed through strengthened subregional cooperation, stronger collaboration among neighbours within the subregion and increased integration in the global economy.

200. The Subregional Office is well positioned to address the constraints, challenges and key development gaps in the subregional economies due to limited or inadequate capacities of national and local governments in the following areas:

(a) Formulation and implementation of policies that address varied development challenges, including achievement of the Millennium Development Goals, and enable the countries to build an inclusive society and reduce poverty;

(b) Transport and trade facilitation, including with Afghanistan;

(c) Strengthening subregional cooperation mechanisms in transport, trade, water infrastructure management, energy efficiency, knowledge-based development and disaster risk reduction.

201. In this time of transition, the subregion is facing an ever-growing number of transboundary issues – from financial crises to food price volatility, energy and water insecurity and climate change. Following the Rio+20 Conference, there has been global acknowledgement that challenges and opportunities have moved beyond the narrow confines of national boundaries. Therefore, the focus on balancing sustainable development and the development agenda beyond 2015 has become very important. The global economy has entered the second stage of the financial crisis, with stalling growth in developed economies, high unemployment, volatile capital flows and high and fluctuating commodity prices.

202. Regional economic integration has become ever more important in finding new drivers of regional growth, in support of shared and sustained prosperity. National and even bilateral approaches alone are no longer sufficient to address these challenges. Regional solutions, through regional cooperation, can be the way to forge more sustainable economic growth, close development gaps and reduce inequality and poverty. In addressing the development needs of North and Central Asian countries, it is necessary to build economic corridors that link these countries to high-growth economies and to build partnerships for development, including South-South and regional cooperation.

203. SPECA serves as a platform for member States to discuss and formulate various approaches towards the development of a cooperation framework. By participating in a number of project working groups, the SPECA Economic Forums and the sessions of the SPECA Governing Council, member States have the opportunity to share experiences and lessons learned in the areas
covered by SPECA, such as transport, trade, water and energy resources, knowledge-based development, statistics, gender and economy. The economic downturn that started in 2008 is leading to fundamental changes in the global economy: today Asia is the most dynamic region in the world and the least affected by the global economic crisis. During the 2012 SPECA Economic Forum: Strengthening Regional Cooperation and Integration in Central Asia – Sharing the Asian Experience, which was held in Bangkok on 27 and 28 November 2012, member States were able to examine the role of strengthened regional economic cooperation in Central Asia against the backdrop of these new global developments. The forum offered an opportunity for SPECA member countries to learn more about the successes and challenges of regional economic cooperation in Asia, in particular the experience of regional and subregional organizations, such as ASEAN, the South Asian Association for Regional Cooperation, the Asia-Pacific Economic forum and GMS. SPECA member countries were invited to formulate recommendations for further capacity- and institution-building in the framework of SPECA in support of regional economic cooperation and integration in Central Asia.

204. Based on a series of suggestions and a wealth of ideas on how to further strengthen SPECA presented by its member countries in recent years, ESCAP and ECE prepared “Proposals on further strengthening the United Nations Special Programme for the Economies of Central Asia”. In the proposals the main areas were identified where SPECA implementation could be further improved and strengthened. SPECA could be more actively used to raise the awareness of policymakers and experts about the close interlinkage between regional cooperation and sustainable development. SPECA, supported by ESCAP and ECE, the regional development arms of the United Nations, is particularly well suited for this purpose. Integrating regional perspective into the development agenda beyond 2015 and follow-up to and implementation of the Rio+20 outcome would offer several advantages. It would better reflect the particular challenges faced by the region/subregion and increase the contribution of regional cooperation to sustainable development. It would provide a platform for developing a common position by SPECA countries, increase their voice, participation and leverage in policy decisions of various international development forums and supranational negotiations. It would also facilitate the mobilization of public and private resources for implementing relevant programmes in the SPECA framework, as well as those of individual countries. By discussing and adopting the terms of reference of SPECA at its next session in 2013, the SPECA Governing Council would put in place clear, agreed rules for the operation of SPECA. This would enable the Governments of member countries to better govern SPECA and increase its effectiveness.

205. The North and Central Asian subregion is exposed to variety of extreme weather-related hazards, such as earthquakes, landslides, mudflows, avalanches, wildfires, floods and droughts. At the same time, the most severe economic damage is caused by dangerous hydro-meteorological hazards (events), the negative effects of which are equivalent to 0.4–1.3 per cent of member countries’ total GDP, and most of which could be prevented. By increasing the efficiency of work done by hydro-meteorological services, losses could be significantly decreased. It is important that efforts on disaster risk reduction be implemented into policies, plans and programmes for sustainable development based on bilateral, regional and international cooperation. In this regard, the Subregional Office has taken every opportunity to strengthen the capacity of countries in the region and undertake cooperation in the field of forecasting and hazard communication.
206. Efficient and sustainable management of water resources and related energy issues in Central Asia still remain highly important in this subregion and beyond. Although the Central Asian countries have concluded a significant number of agreements to manage their shared water resources, the institutional and legal frameworks for such cooperation need improvement. In this regard, development of a methodology of safety assessment and maintenance of cadastres of small dams in Central Asia is important.

207. The Subregional Office has been closely involved in supporting the enhancement of energy security in North and Central Asia through regional cooperation and in improving access to clean and efficient forms of energy for sustainable and inclusive growth. During the subregional consultations for North and Central Asia held in Moscow and expert group meeting held in Bangkok in 2012, member States discussed the framework of a proposed ministerial declaration and regional action plan. The secretariat is assisting member States in investigating opportunities for an integrated regional power grid — in effect an “Asian energy highway”, promoting access, efficiency and a greater share of renewables in the energy mix through regional energy trade and connectivity. In view of the immense energy resources of SPECA countries — in both fossil fuel and renewable sources, such as hydropower, solar power and wind power — full participation in these processes is of great importance for the energy security of the future.

208. Trade facilitation, the multilateral trading system and sustainable transport connectivity are essential to achieve closer economic integration. The intergovernmental agreements on the Asian Highway15 and Trans-Asian Railway16 have become leading examples of how shared, cross-border challenges can best be addressed by regional solutions. The next critical step will be the development of an intergovernmental agreement on dry ports — linking landlocked developing countries, such as those that are members of SPECA, to more prosperous coastal regions.

209. During the workshop entitled “Strengthening trade and economic relations between Afghanistan and Central Asia”, participants identified: elements for national and regional strategies to facilitate trade and economic relations; funding gaps in regional and national trade processes; and areas for donor support. The priority areas for consideration in developing trade and economic relations between Afghanistan and Central Asia are agriculture (production and processing), trade, construction of roads, irrigation, pharmacy, horticulture and education.

210. The importance of regional economic cooperation is well recognized by the Governments of member States. Better support in decision-making, including reliable statistics and economic analysis as well as regular policy-level coordination to improve the regulatory environment and to identify and eliminate obstacles to regional cooperation, would help in translating general political will into effective policies.

D. Subregional Office for South and South-West Asia

211. The South and South-West Asian subregion remains one of the world’s most rapidly growing areas despite a marked slowdown in growth in 2012. At the same time, the subregion’s external economic environment has deteriorated as the global financial crisis of 2008/09 entered a second, more difficult phase. Despite indications that economic growth in the subregion is turning a corner and will improve in 2013, the subregion’s economies still must guard against further deterioration of the global economy and the volatility that policies in
developed markets may bring about in emerging markets. These include rising inflation as well as instability in financial and exchange rates. Inflationary pressures, especially rising food and fuel prices, need to be watched carefully as they affect the poor disproportionately. Although the subregion continues to pull the world’s economic centre of gravity eastward, the subregion faces a number of challenges to a more inclusive and sustainable development path.

212. The subregion remains home to the world’s largest concentration of people living in poverty and hunger, and people without access to basic sanitation and electricity. It is also characterized by the world’s highest levels of child and maternal mortality. Progress on the health, nutrition and sanitation-related Millennium Development Goals and related targets is stalled because of the large inequalities and disparities that persist within populations in the subregion. Inclusive development is held back by unequal living standards, unequal human development outcomes and unequal opportunities based on gender, education and labour market status.

213. The secretariat presented its analysis of key development challenges faced by the subregion and policy options in its first biennial report,55 which was published in October 2012. It was presented and discussed at high-level policy dialogues conducted in New Delhi, Colombo and Dhaka in late 2012, and more such dialogues are planned to be held in other capitals in the subregion during 2013. In the aftermath of the global financial and economic crises, it is now clear that the advanced economies of the world will not be able to sustain the growth of the developing world, as had been the case in the past. South and South-West Asian economies, however, face significant challenges to reorienting their economic and inclusive growth towards domestic and subregional sources. The countries of the subregion have wide infrastructure gaps and lack a diversified base for high value added products and exports. In addition, the four least developed countries in the subregion, three of which (Afghanistan, Bhutan and Nepal) are also landlocked, have particular needs for international support to overcome the obstacles they face.

214. To accelerate inclusive and sustainable development, the secretariat, through the ESCAP Subregional Office for South and South-West Asia, used the above-mentioned development report’s knowledge-platform and other capacity-development forums to highlight several important policy recommendations for the subregion, especially as discussions continue about the development agenda beyond 2015 as it pertains to the subregion. South and South-West Asian countries should maximize inclusive growth through productive job creation and appropriate structural change to reduce poverty, hunger and inequalities. Those countries should also prioritize high-quality education, health, sanitation and other infrastructure developments to make the most of the “youth bulge”. In addition, a minimum social protection floor should be established that meets the basic needs of vulnerable populations.

215. To assist in transitioning subregional economies towards sustainable growth engines, the secretariat has led the call for greater regional economic integration in the subregion and in the broader Asia-Pacific region. The subregional economies should foster greater domestic and regional demand, while embracing a more cautious approach towards financial and capital account liberalization. The deteriorating balance of payments and lower foreign exchange reserves in the wake of the ongoing crisis also call for greater

---

regional cooperation to strengthen resilience against future crises. Countries in 
the subregion may pursue reforms aimed at regaining policy space to increase 
social expenditure and close infrastructure gaps that are costing the subregion 
dearly in terms of economic growth and poverty reduction. They also need to 
maximize their growth potential and create productive jobs by reviving 
industry in order to eradicate the greatest concentration of poverty and hunger 
in the world.

216. Regional cooperation can provide stronger systems of protection for the 
interest of migrant workers who are helping their countries of origin by making 
substantial and growing remittances that are critical for sustaining their balance 
of payments and for alleviating poverty. Regional cooperation can also play a 
pivotal role in crafting solutions to shared vulnerabilities, helping ensure food 
and energy security, as well as reducing the subregion’s vulnerability to natural 
disasters. Countries in the subregion can also enhance regional cooperation and 
joint research to address common challenges and enhance sustainability. Such 
cooperation can lead to innovative new products and processes that use natural 
resources efficiently, are more affordable and raise the quality of life of the 
poor and vulnerable, harnessing the subregion’s strengths in “frugal 
innovation.” International support and cooperation also need to be boosted to 
adapt and deploy environmentally sound technologies as the subregion pursues 
low-carbon and resource-efficient development pathways. Finally, better 
connectivity across the subregion and beyond could harness the subregion’s 
strategic location so that it could emerge as the hub of Europe and Central 
Asia’s trade with East Asia.

217. In the first year of operation of the Subregional Office for South and 
South-West Asia, the secretariat has significantly increased its ability to 
respond to subregional priorities of the member States in the subregion. 
Through the Subregional Office, the secretariat has been highly active in 
increasing the capacity of member States in the subregion to implement 
policies focused on addressing development gaps in various priority areas, 
including the Millennium Development Goals; inclusive development; trade 
and transport facilitation and connectivity in support of regional economic 
integration; food and energy security; disaster risk reduction; and assisting in 
the development of least developed countries and landlocked developing 
countries in the subregion. In addition to the above-mentioned development 
report, the Subregional Office has facilitated policy discussions and 
recommendations through two high-level subregional policy dialogues and 
other national policy dialogues held on issues related to the Millennium 
Development Goals, inclusive and sustainable development, regional economic 
integration, trade facilitation and value chains. In addition, the Subregional 
Office directly provided two of the least developed and landlocked developing 
countries in the subregion, Afghanistan and Nepal, with capacity-development 
assistance. The secretariat organized an innovative capacity-development 
workshop for officials and private sector stakeholders from Afghanistan on 
strategies for accession to WTO. In Nepal, a national policy dialogue was held 
on strengthening economic resilience in Nepal in the midst of global economic 
turmoil. To increase cohesion and coordination in the delivery of development 
capacity measures, the secretariat has focused on establishing partnerships with 
development stakeholders in each activity undertaken through the Subregional 
Office. Through that Office, the secretariat has established three knowledge 
products, namely the South and South-West Asia Development Monitor, the 
ESCAP-SSWA Policy Briefs series; and the South and South-West Asia 
Development Papers series, to deliver new analyses and policy 
recommendations on the thematic priorities for the subregion that have been 
identified by member States.
E. **Issues for consideration by the Commission**

218. The Commission may wish:

   (a) To ascertain the views and experiences of members and associate members concerning the issues and challenges identified by the subregional offices;

   (b) To identify priorities and provide the secretariat with further guidance on the approaches and modalities it wishes the secretariat to follow in its future work, taking into account the different subregional perspectives and priorities;

   (c) To encourage members and associate members to enhance subregional cooperation and incorporate it into relevant sustainable development planning processes;

   (d) To provide the secretariat with further guidance on how to strengthen sustainable and inclusive development outcomes at the subregional level.