This document addresses the theme of the Fourth Asia-Pacific Forum on Sustainable Development, “Eradicating poverty and promoting prosperity in a changing Asia-Pacific”. It provides an overview of poverty and prosperity, taking a closer look at multidimensional poverty, marginalization and exclusion, as well as the implications of regional megatrends. The evolving challenges and opportunities in the development of rural and urban areas are discussed, including the provision of infrastructure, and key responses are identified. Lastly, priorities for strengthening policy coherence on poverty reduction and prosperity and areas for regional cooperation are highlighted.

I. Introduction

1. This document reflects major trends that affect the prospects for achieving the theme of this year’s high-level political forum on sustainable development, “eradicating poverty and promoting prosperity in a changing world”.

2. The document was prepared in order to support the regional discussions at the Fourth Asia-Pacific Forum on Sustainable Development, and its aim is to inform debates within the Asia-Pacific region about how to respond to the challenges of the 2030 Agenda for Sustainable Development, highlighting key developments and good practices from across the region, as well as regional cooperation opportunities.
3. An overview is provided of the challenges related to poverty and well-being in the region, and the determinants of a “changing Asia-Pacific” are outlined. Three areas are then focused on that have been selected as central to the region’s efforts to eradicate poverty and promote prosperity, to be addressed in the changing development context of Asia and the Pacific. These three areas are urbanization, rural development and infrastructure provision.

4. Insights into the opportunities for making progress on the subset of Sustainable Development Goals that are the focus of the 2017 high-level political forum on sustainable development are also offered. Opportunities for developing a coherent policy response and areas for regional cooperation are highlighted.

5. The document is based on the publication of the same theme, prepared through the partnership of the Economic and Social Commission for Asia and the Pacific (ESCAP), the Asian Development Bank (ADB) and the United Nations Development Programme (UNDP).

II. Poverty eradication, prosperity and a changing development context

A. Poverty in the Asia-Pacific region: its multidimensional character and relation to inequality, marginalization and exclusion

6. The Asia-Pacific region covers 56 countries that are home to more than 60 per cent of the global population and produces almost 40 per cent of the world’s gross domestic product (GDP).

7. Economic growth has reduced poverty and improved quality of life in many countries. Investments in education, health care and infrastructure are showing returns, social protection spending as a share of government expenditure is increasing and other aspects of fiscal management are also improving.

8. The 2030 Agenda seeks a future in which all human beings can enjoy prosperous and fulfilling lives. However, poverty is still persistent in the region and limits the opportunities for well-being for a large number of people. According to the latest data, some 400 million people, or 10.3 per cent of the region’s population, were living in extreme poverty in Asia and the Pacific during the period 2010-2013. The highest income poverty rates are found among countries with special needs – least developed countries, landlocked developing countries and Pacific small island developing States – and lower-middle-income countries.

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1 The subset comprises Sustainable Development Goals 1 (poverty), 2 (zero hunger), 3 (good health and well-being), 5 (gender equality), 9 (industry, innovation and infrastructure), 14 (life below water) and 17 (partnerships for the Goals).

2 This report covers the Asia-Pacific region, defined as the membership of ESCAP that are within the Asia-Pacific geographic region (ADB and UNDP, partners in the publication on which the present document is based, have differing regional compositions). See www.unescap.org/about/member-states.


9. Income levels provide only part of the picture. A closer look at the coincidence of deprivation with respect to education, health and other aspects of living standards strengthens insight into the scale and depth of poverty on many dimensions. Based on the global multidimensional poverty index, more than one in four people in Asia-Pacific developing countries are deprived in multiple ways. In rural areas of the Asia-Pacific region, the rate doubles to two in five, and in South Asia 86.3 per cent of the multidimensionally poor live in rural areas.

10. Poverty eradication strategies need to be appropriately targeted and adapted to various situations. In some countries – as in Bangladesh, India, the Lao People’s Democratic Republic, Nepal and Vanuatu – there are high rates of extreme income poverty and also high rates of multidimensional poverty. In others – as in Bhutan, Cambodia and Pakistan – multidimensional poverty rates are relatively high, but income poverty rates are lower by comparison. Poverty eradication strategies where multidimensional poverty is both widespread and severe – as in Afghanistan and Timor-Leste – should differ from those employed in countries such as Azerbaijan and Maldives, where multidimensional poverty, while severe, affects only a relatively small proportion of the population.

11. Access to affordable and quality health care is fundamental to poverty eradication. Strategies should be informed by an understanding of the relative importance of the specific dimensions in which deprivation – whether with respect to education, health or living standards – is experienced, as the contributions of each to multidimensional poverty differ from place to place. For example, poor health increases the risk of poverty because it leads to reduced work productivity. At the same time, a stable, affordable and nutritionally adequate supply of food is also key to healthy lives, but in Asia and the Pacific poor people spend as much as 70 per cent of their income on food.

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8 OPHI, “Multidimensional poverty index 2014: Highlights – South Asia”.


12. Poverty in the region is combined with increasing inequality, which has also a multidimensional character, encompassing inequality of outcome, inequality of opportunity and horizontal inequality, the latter of which describes the degree of inclusion of different groups in society relative to each other.

13. The combination of multidimensional poverty and inequality results in marginalization and exclusion for millions of people in the Asia-Pacific region. Conditions of marginalization and exclusion reduce access to basic services, economic resources and political participation, and are created and reinforced by economic, social, political and geographic factors. Resulting social and cultural norms can promote both informal and institutionalized discriminatory practices, policy and legislation.

14. Groups that are vulnerable to marginalization and exclusion include vulnerable workers, older persons and minorities, including ethnic (including indigenous people), religious and linguistic minorities, as well as those who are discriminated against on the basis of their sexual orientation and gender identity. Persons with disabilities are largely shut out of labour markets and have very little access to education, vocational training and decent work. Persons with disabilities more often live in poor households than in non-poor households in many countries, more often live in rural areas than urban areas and are more likely to be women than men.

15. Marginalization and exclusion also have geographic dimensions. In the Pacific island developing countries, for example, access to basic social services is limited for remote populations living on outer islands.

B. Prosperity in Asia-Pacific

16. Prosperity is an important tenet of the 2030 Agenda, which links a vision of a prosperous future to sustained, inclusive and sustainable growth, respect for human rights and human dignity, harmony with nature and life fulfilment. Most measures show that income is not always the decisive factor in defining overall prosperity.

11 Article 1 of the Declaration on the Rights of Persons Belonging to National or Ethnic, Religious and Linguistic Minorities (General Assembly resolution 47/135) contains a reference to the national or ethnic, cultural, religious and linguistic identity of minorities and provides that States should protect the existence of such minorities. There is no internationally agreed definition of which groups constitute minorities.


14 See General Assembly resolution 70/1.
17. Human well-being is a basic indicator of prosperity.\textsuperscript{15} Despite improvements in 20 Asia-Pacific countries, in 2014 as many as 19 Asia-Pacific countries were still below average well-being relative to other countries according to the Human Development Index, which addresses health and longevity, access to knowledge and standard of living.\textsuperscript{16} In a further 15 countries, there were declines or no change relative to other countries.

18. Insights into life satisfaction, happiness, life purpose and other non-income, non-material factors are fundamental to understanding the human experience and the overall impact of development strategies. These subjective measures of well-being show differing results, but in general only a few countries in the region show relatively high levels of subjective well-being, based on global rankings.\textsuperscript{17,18} For example, only five Asia-Pacific countries are ranked among the top 50 countries in terms of global happiness, while some 24 countries are ranked between 50th and 121st.\textsuperscript{18} Bhutan uses its own subjective well-being measure to guide its policymaking and investment, the gross national happiness index.

C. The determinants of a changing Asia-Pacific

19. Five important and interlinked megatrends may determine the future of sustainable development in the region: regional economic cooperation and integration; rural-urban transitions; demographic change; connectivity and access to information and communications technology (ICT); and increasing demand for natural resources, including, among other materials, minerals and agricultural commodities. They all present opportunities to reduce poverty and build prosperity, but there are accompanying challenges.

20. Regional economic cooperation is expanding. Political leadership is driving cooperation and investment opportunities across the region,\textsuperscript{19} economic integration is strengthening at the subregional level in some subregions, and there is increased connectivity between countries. Between 2000 and 2016, the number of legally-binding trade agreements within the region jumped from 54 to 169.\textsuperscript{20} Although economic growth and employment opportunities are created, workers’ rights can be negatively impacted,\textsuperscript{21} even though an increasing number of free trade agreements include a labour dimension.


\textsuperscript{19} See E/ESCAP/72/5.

\textsuperscript{20} ESCAP, Asia-Pacific Trade and Investment Agreements Database. Available from www.unescap.org/content/aptiad (accessed 12 January 2016).

\textsuperscript{21} See A/71/385.
21. Economic growth opportunities often promote and benefit from economic rural-urban transition; that is, the growth of populations and economic activities in urban areas relative to rural areas that has characterized the development process. More than half of the region’s people will live in cities in 2018, changing economic and demographic structures, adding environmental pressures and changing vulnerabilities and risk in relation to disasters, health and food security both in cities and in rural areas.

22. The rapid trend towards ageing in developing and developed countries of the region is a challenge where there are shortcomings in social protection coverage. At the same time, the majority of Asia-Pacific nations have entered or are about to enter a period in which people of working age comprise a significant population share. Success in harnessing this demographic dividend by providing decent work opportunities to all population groups, including women, youth and other marginalized or excluded groups, will become increasingly critical to poverty reduction. International migrants for employment from Asia-Pacific countries have increased in number by almost 50 per cent between 1990 and 2013 to more than 95 million, and are mostly women. They add to the growing numbers of people who relocate from rural areas to cities, seeking employment or as a result of internal conflict, natural disaster, climate and environmental change.

23. Rapid changes in connectivity and ICT access are transforming the region. A total of 45 per cent of the region’s population now has access to mobile Internet, an increase of 250 per cent over the past five years, with an expected increase to 70 per cent by 2020. ICT is contributing to job creation and supporting entrepreneurship, and is the focus of “smart” initiatives that apply it in various sectors. However, there is also a growing digital divide, and not everyone can access the opportunities presented, particularly with respect to broadband technology.

24. Expanding production and consumption, rural-urban transitions, demographic change and technological innovation are changing lifestyles, reshaping dietary preferences and increasing the demand for raw material inputs. The region’s use of natural resources is increasing more quickly than growth in population and GDP, and is now projected to reach 80 billion tons annually by 2050.


26 This figure covers four main types of materials: biomass, fossil fuels, metal ores/industrial minerals and construction minerals. Statistical Yearbook for Asia and the Pacific 2015: Facts and Trends at the Outset of the 2030 Development Agenda (ST/ESCAP/2749).
25. The demand for raw materials is met by nature, and the negative environmental burdens created by their extraction and processing are most often borne by poor people. Downstream impacts include increasing greenhouse gas emissions, air pollution and the generation of solid waste, of which plastic is an alarming and growing component. Exploitative practices and investments reduce the flow of ecosystem services, negatively impacting the health and well-being of both current and future generations, rural livelihoods and economic activities that are highly dependent on ecosystem services.

26. These megatrends affect every aspect of development and the quality of growth in the region. There are, however, three areas of development that are particularly affected by these megatrends and at the same time that determine the success of poverty eradication policies: urbanization, rural development and infrastructure.

27. Poverty in Asia-Pacific is increasing at a disproportionately higher rate in urban areas. Between 1990 and 2008, the share of urban poverty in developing countries in Asia increased from 18.3 per cent to 22.9 per cent. Cities demand more resources to cover the needs of more people that have increased consumption needs. Increased connectivity of cities and rural areas increases and diffuses the impacts of demographic change. The way that natural resources are used in both urban and rural settings affects the income and availability of opportunities for poor people. The patterns of infrastructure financing and development determine whether the infrastructure will reduce poverty or serve only the few and create more inequalities. The demographic change itself affects the financing of infrastructure and its public or private character and mix.

28. Confronting the roots of poverty, inequality, marginalization and exclusion and defining effective responses for securing prosperity in the region within this changing development context will determine success in achieving all Sustainable Development Goals. In the subsequent chapters, insights are provided into the status and challenges of and opportunities for poverty eradication and prosperity promotion in the areas of urbanization, rural development and the provision of infrastructure in the region.

III. Managing urbanization for inclusive and pro-poor outcomes

29. Urbanization is transforming Asia-Pacific economies and societies at an unprecedented pace. By 2018, more than half of the Asia-Pacific population will be living in urban areas.


29 ESCAP, ADB and UNDP, Green Growth, Resources and Resilience: Environmental Sustainability in Asia and the Pacific (ST/ESCAP/2600).

30. Urbanization trends can have far-reaching implications for both source (rural) and destination (urban/peri-urban) areas, as well as for economic activities, households and communities in both areas. Cities account for 60 to 80 per cent of global energy consumption and generate more than 70 per cent of greenhouse gas emissions. Unplanned urban sprawl, the growth in consumption and production activity and infrastructure development, among other factors, contribute to growth in emissions.

31. While urban growth has some positive impacts on poverty reduction, the benefits have not been shared equally in all countries. Many areas of high concentration of income poverty are in urban areas in middle-income countries and are deeply entrenched and reinforced with deprivation with respect to non-income dimensions. Compared to larger cities, the income poverty rate is often higher in smaller cities.\(^{31}\)

32. Although income poverty is lower in urban areas than in rural areas, the international (income) poverty line underestimates urban poverty, and on non-income multidimensional counts, there are still a significant number of poor people in urban areas. When urban challenges such as the inadequacy of infrastructure and services are considered, the multidimensional poverty headcount ratio increases. This has important implications for targeting interventions and allocating resources.\(^{32}\)

**Status and challenges**

33. Poor living standards are the most visible sign of multidimensional poverty in urban areas. Although the proportion of slum dwellers in urban areas across all developing regions has reduced since 1990, the number has increased in all subregions of Asia and the Pacific compared to 1990.\(^{33}\) In 2014, slums accounted for 27 per cent of the urban population in the region as a whole, and around 25 per cent in East and North-East Asia, 27 per cent in South-East Asia and 29 per cent in South and South-West Asia.\(^{34}\)

34. Migrants are disproportionately represented within some of the worst-quality informal settlements.\(^{35}\) Living in housing that is normally considered illegal, inhabitants usually have no or inadequate access to water, energy,

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\(^{31}\) Data on income poverty come from nationwide sample surveys of household incomes and consumption. The samples are representative of the population as a whole and sometimes of large cities, but not of smaller cities. ESCAP and United Nations Human Settlements Programme, *The State of Asian and Pacific Cities 2015: Urban Transformations – Shifting from Quantity to Quality* (Bangkok and Nairobi, 2015).


\(^{34}\) *Statistical Yearbook for Asia and the Pacific 2015: Facts and Trends at the Outset of the 2030 Development Agenda* (ST/ESCAP/2749).

transport services or other public services, including health care, emergency services, social protection and education.\textsuperscript{36}

35. In some cases, multiple types of marginalization and exclusion reinforce each other. For example, urban spaces do not evolve with gender-sensitive infrastructure in most cities in Asia and the Pacific, let alone in the low-income areas of those cities.

36. Women, and particularly migrant women, continue to face particular challenges in fighting poverty and exclusion. Women migrants experience urban poverty as a layering of vulnerabilities linked to their gender and to their status as migrants, and they generally occupy the most exploitative and poorly paid positions.

37. The high density of people, jobs and assets that makes cities so successful also makes them extremely vulnerable to a wide range of natural and man-made risks. The effects of risks are likely to be felt mostly by women and children, and by poor people in urban areas, whose informal settlements tend to be on land that is at especially high risk from extreme weather\textsuperscript{37} and closer to roads, waste dumps and other polluted and insecure areas.

38. Increasing health risks are also a threat to Asia and the Pacific. The region’s cities suffer the highest air pollution levels in the world, with as much as 80 per cent attributable to transport.\textsuperscript{38} Almost 700 million urban dwellers, mostly in slums, currently lack adequate sanitation.\textsuperscript{37} Rapid and unplanned urbanization is a key driver in the increased prevalence of communicable and non-communicable diseases.\textsuperscript{39}

**Opportunities and responses**

39. Cities can serve as drivers of economic growth and eradicate poverty when they are inclusive, sustainable and green, as well as safe.

40. Managing urbanization to ensure that it produces inclusive, pro-poor and sustainable outcomes requires a shift in the urban development paradigm. Such a shift starts with the deployment of indicators that provide information on poverty in its multiple dimensions. By using more refined and contextualized policy tools, poverty can be better understood and addressed.

41. As an example, a new multidimensional poverty index adopted by the Government of Viet Nam was piloted in Ho Chi Minh City in 2014, with subsequent expansion to other cities, to design and target social protection policy and support.\textsuperscript{40} The multidimensional poverty index is also attracting


interest as a tool for planning, targeting and allocating resources in other countries of Asia and the Pacific.

42. Risk-informed urban planning processes will also help to reduce the vulnerability of poor people in urban areas, who are often the most impacted in cities by shocks, crises and disasters. Such processes can help contribute to poverty eradication by reducing vulnerability and building resilience to risks, including those related to food security and health.

43. A specific effort is needed to respond to the plight of migrants in cities, who tend to be the poorest and most marginalized people in urban areas. Focusing on the gendered aspects of migration in the region, and on improving the well-being of women migrants in particular, can help address persistent poverty and inequality in rural and urban areas.

44. Support for women’s livelihoods in urban areas is crucial, and potentially holds widespread transformational impact. Better health care, childcare, education and other services in cities could support women’s empowerment, while also catalysing rural development through potentially increased remittances in the case of women migrants.

45. The shift in the urban development paradigm would further require a renewed look at the potential for new partnerships, and strengthened commitment to those who are most marginalized and vulnerable. Localizing agendas that have been agreed upon by world leaders to cities can facilitate the development of new partnerships and solutions, in order to re-envision urban governance and better include those that are left behind.

46. Lastly, the change in the urban development paradigm needs to include a shift away from the urban-rural dichotomy, to address urbanization so that win-win outcomes are achieved for both rural and urban areas. Policymakers should view the relationships between rural and urban areas as an ever-changing continuum in order for development efforts to be inclusive.

IV. Strengthening responses to rural poverty in the context of rural-urban transitions

47. A thriving rural sector is critical to achieving the Sustainable Development Goals, in particular Goal 2 on agriculture and Goal 14 on the oceans. The 2030 Agenda contains commitments to developing sustainable agriculture and fisheries and supporting smallholder farmers, especially women farmers, herders and fishers in developing countries, particularly least developed countries; to increasing investment in rural infrastructure; and to supporting positive links between urban, peri-urban and rural areas by strengthening national and regional development planning.\footnote{General Assembly resolution 70/1.}

48. Rural areas, which are home to 51.8 per cent of the region’s population and the majority of poor people, and which play the role of custodian of natural resources that are critical for poverty eradication and prosperity in both rural and urban areas, face many persistent challenges.
49. Some 39 per cent of the rural population in Asia-Pacific developing countries live in multidimensional poverty. Educational poverty, measured by completion of primary school, and health poverty, measured by the mortality of a child under the age of 5 in a household, are often concentrated in rural households. Rural poverty is also manifested in hunger and food insecurity.

50. Productivity of the agricultural sector is lower than other sectors: it accounted for only 6.9 per cent of GDP in Asia and the Pacific in 2014 while it employed 36 per cent of the region’s workers in 2013 and over 60 per cent in least developed countries. Most of them are smallholders.

51. Governments are tasked with eradicating acute rural poverty in the face of the rising demand for ecosystem services and natural resources that poses a new challenge to rural land use. Demographic change is leading to more fragile and vulnerable rural populations, while climate change and disasters place burdens on the agricultural sector. Cross-border investments in the agricultural sector can change incentives for land use in ways that disadvantage the rural poor. National policies can play an important role in encouraging sustainable use of natural resources and ensuring that smallholders are not left behind.

**Status and challenges**

52. Rural poverty has shrunk in recent decades, mainly as a result of increased agricultural productivity. A modest increase in agricultural productivity between 2016 and 2030 is projected to lift an additional 110 million people out of poverty in Asia and the Pacific.

53. However, there are increasing pressures on land and rural livelihoods owing to population growth, urbanization, changing lifestyles and consumption patterns. Non-food agro-investments often outcompete those for food production and contribute to rising food prices. Cross-border investments for food production often hold little benefit for local populations, and are likely to accelerate with the rising demand for food and the constrained resource base.

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42 This estimate is based on data from the multidimensional poverty index for 25 ESCAP countries in 2016. Alkire, “Multidimensional poverty index – summer 2016: brief methodological note and results”.


44 Economic and Social Survey of Asia and the Pacific 2016: Nurturing Productivity for Inclusive Growth and Sustainable Development (ST/ESCAP/2750).

54. The number of corporate farms is growing, while landlessness, which correlates highly with poverty and social exclusion, is on the rise, and is particularly observed in South and South-East Asia.

55. Poor people, women, indigenous peoples, older people and other vulnerable groups in rural areas can be the most impacted, as evidenced by recent examples in which land has been acquired by investors, corporate entities or Governments without public disclosure, meaningful prior consultation, consent or appropriate compensation.

56. Rural-urban migration can help to diversify incomes for rural households. However, demographic changes will lead towards an increasingly vulnerable rural population with higher proportions of older, part-time and women farmers who face risks associated with climate change, natural disasters and environmental degradation.

57. While markets provide affordable nutritious food for many, they sometimes fail to reflect the real values of agricultural products, leading to market inefficiency. Markets also fail in other ways: climate change effects that result in volatility of international commodity prices are likely to continue to impact the livelihoods of cash crop producers.

58. The rural poor will continue to face many challenges as these trends converge without specific support and a wider, strategic approach to rural-urban transition, as discussed above.

59. The needs of poor people in rural areas are diverse and include workers in plantation sites, contract farmers, individual farmers and those involved in off-farm activity. Supportive interventions must respond to this diversity.

60. The multidimensional poverty measure reveals that the securing of investments to meet the most fundamental needs remains a critical challenge, including to provide access to basic services such as clean drinking water and energy.

61. It is also critical to strengthen and protect access to natural resources as part of this transition, particularly forest resources. For example, the income derived from forests constitutes 20.1 per cent of average household income in rural areas of tropical and subtropical Asia, and reliance is higher in poor households than non-poor households. Forest ownership and

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management is key to determining the level of forest resource sustainability, forest income and food security of the rural population.\footnote{Pamela Jagger and others, “Tenure and forest income: Observations from a global study on forests and poverty”, \textit{World Development}, vol. 64, supplement 1 (December 2014), pp. S43-S55. Available from http://dx.doi.org/10.1016/j.worlddev.2014.03.004.}

**Opportunities and responses**

62. The 2030 Agenda advocates sustainable management of natural resources. The challenge of strengthening the incentives framework for sustainable management of natural resources and aligning this with wider objectives for food security and poverty eradication at the national level is critical for rural livelihoods.

63. Demand-side interventions including measures such as eco-labelling and eco-certification and regulations can strengthen responses to meet the rising demand for safe and fairly produced food. However, small producers can benefit from such interventions only if they are engaged in the supply-chain governance of agro-food systems.

64. Technological and institutional innovations and partnerships should be better channelled to expand access to water, energy and food, including through decentralized infrastructure and through financing innovations that involve target communities and that represent affordable and environmentally and socially sustainable solutions.

65. Community-based management of natural resources enhances the condition and quality of natural resources and strengthens food security in rural areas. Community-based forestry management practices cover a large proportion of forest in China, India, Nepal and the Philippines, and in Papua New Guinea almost all forests are community-managed.

66. Support for farmers’ organizations can enable small farmers to better benefit from technological and market changes that are an important facet of rural-urban transitions. Such organizations may augment negotiating and bargaining power, boost political voice, reduce transaction costs such as transport and access to markets and minimize risks for those most at risk. Engaging youth through such organizations can strengthen innovation. In particular, small farmers can be empowered to participate in supply-chain management decisions.

67. Strengthening the sustainability dimensions of all investment in the rural sector is critical. Financing through innovative mechanisms, such as payments for ecosystem services or arrangements to enable urban areas to finance improvement of water efficiency in rural areas, also holds the potential to address the convergence of rural poverty, resource constraints and the need for sustainable management of natural resources.

68. These responses, together with broader partnerships to share a vision of sustainable rural communities, work to strengthen the policy response to the needs of poor people in rural areas, and small farmers in particular, as required for rural development in a changing development context.
V. Infrastructure financing and governance for poverty and prosperity

69. Significant progress has been made in expanding energy generation, ICT, transport and water and sanitation infrastructure in Asia and the Pacific. Nevertheless, the basic infrastructure needs of many poor people remain to be met, future demand for infrastructure is substantial and environmental sustainability needs to be strengthened, as embodied in the targets for Sustainable Development Goal 9.

Status and challenges

70. In 2014, approximately 348 million people\(^{50}\) in the region still lacked access to electricity: a major gap, but a substantial reduction since 2012, when the number was estimated at 426 million.\(^{51}\) In 2015, 300 million people did not have access to safe drinking water, and 1.5 billion people lacked basic sanitation.\(^{52}\) Covering these “last mile” infrastructure needs is a substantial challenge. The costs are substantial, but represent a relatively small share of total anticipated demand for infrastructure finance.

71. Furthermore, the quality of infrastructure service provided in many areas is inconsistent, and outages and disruptions are frequent. The quality of infrastructure and maintenance of assets, including to support better connectivity, need to be improved.

72. It is essential to ensure the environmental sustainability of infrastructure, so that it is compatible with social and environmental goals, limits air and water pollution and reduces greenhouse gas emissions.\(^{53}\) Infrastructure designed to respond to climate risk can support resilience to the impacts of climate change. Infrastructure assets will also be affected by climate change: for example, rising sea levels will affect road and transport infrastructure, particularly in coastal areas.\(^{54}\)


73. Men and women use infrastructure services differently. For example, women’s use of public transport is affected by factors including safety, lighting and access to improved sanitation. Time burdens for the collection of water and fuel and for family care fall disproportionately on women where there are shortcomings in access to water, energy, sanitation and transport. 

74. There are vital linkages between infrastructure provision and social development in Asia. Indices of poverty and well-being such as the multidimensional poverty index consider access to electricity, drinking water, sanitation and cooking fuels as key factors that affect quality of life. Infrastructure also enables the provision of vital social functions such as health care and education.

75. Asian countries have invested in some of the largest volumes of clean energy at some of the lowest costs, though the share in the total energy mix remains low. Decentralized renewable energy systems are now addressing the previously unmet needs of some of the poorest people across the region, particularly in rural and geographically remote areas.

76. The costs, benefits, and implications of possible infrastructure options need robust assessment. New information on options and associated costs is not always well reflected in decision-making. A wide range of stakeholders including Governments, citizens, the private sector and local governments have a role to play. The needs of poor people may not always be the focus, and poor people may be less able to influence planning and policy processes.

77. Infrastructure represents a significant expenditure of public finance in most countries in the region. Public money has been central in financing transport and water infrastructure, and in lower-income and small island States. Managing the demand for key infrastructure and making better choices about how to use existing assets, and how to plan and provide maintenance, can improve the contribution that infrastructure assets make to sustainable development.


78. The limits to available public finance have resulted in strong interest in diversifying sources of funding for infrastructure, including through partnerships with the private sector. Structuring effective partnerships that are attractive to private actors and deliver on public interests, particularly for poor people, can be challenging.60

79. Matching available finance with project and programme goals has also proven challenging. Debt finance from banks has dominated infrastructure finance in the region, and opportunities to expand it are limited. A further impediment is the lack of well-developed bond markets. Savings in the region have grown, and deepening pools of private capital could potentially be tapped to help meet infrastructure needs. Concessional finance may be necessary to meet viability gaps and deliver infrastructure projects in key sectors where they provide vital public good or social benefit.

Opportunities and responses

80. Infrastructure can have an important impact on poverty when integrated with wider development efforts. For example, road connectivity, energy and irrigation services can increase the ease and reduce the costs of access to markets and non-farm jobs, but if extended alongside efforts to improve access to health care and education, the impacts on poverty tend to be greater.61

81. More robust planning and prioritization processes can yield substantial financial savings, and avoid wasted investment in poorly designed projects that do not meet development objectives or are not viable.62 International organizations, including development banks and expert groups, have supported better planning.

82. Opportunities to localize planning are also important. Many cities are beginning to formulate sustainable development and climate change strategies that consider financing needs, and forthcoming international policy processes can provide an additional impetus.

83. Global policy processes can support efforts to promote sustainable infrastructure planning. From 2018, for example, countries will be invited to review progress in implementing their nationally determined contributions under the Paris Agreement, and infrastructure choices play a central role in these strategies.

84. Government policy and regulation plays a central role in shaping outcomes, including for poverty reduction. Many countries in Asia and the Pacific have taken important steps to encourage renewable energy generation

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and drive down associated costs to the point where they are competitive with conventional energy options. Continued policy and regulatory innovation to encourage sustainable infrastructure is needed.

85. Building government capacity to structure and negotiate partnerships by finding solutions that allow access to deeper technical, legal and financial skills can support appropriate engagement with private actors in sectors where there is mutual interest. The use of competitive but efficient procurement systems based on robust disclosure and regular reporting to key stakeholders can support such systems.

86. Transparency and accountability of infrastructure delivery can be improved. Data on the quality of service can help identify potential bottlenecks and areas where service needs to be improved. Systematic public reporting on issues such as system outages or disruptions can be useful to better target investment in maintenance and upgrading of existing infrastructure.

87. Through improved governance and effective approaches to both public and private finance, the region can build the sustainable infrastructure necessary for a prosperous tomorrow.

VI. Conclusions

88. Poverty and prosperity cut across all the Goals of the 2030 Agenda for Sustainable Development, which looks to a future in which all human beings can enjoy prosperous and fulfilling lives and in which progress is in harmony with nature.63

89. There is growing recognition that there are multiple dimensions of poverty beyond income that need to be understood and addressed.

90. Regional trends are changing market incentives and labour markets, and contribute to the changing relationships between Governments, the private sector and the public. Without a specific response to these changes, not all people will be able to participate in economic growth on an equal footing and fully benefit from prosperity gains.

91. Poor people face a convergence of risks related to climate change, multidimensional poverty and changing economic conditions in the context of ongoing rural-urban transitions. At the same time, vulnerable workers are more likely to be women, and women are more likely to be poor. Migrants are likely to constitute the fastest growing group of vulnerable workers.

92. To respond to the multidimensional character of poverty and to promote shared prosperity, countries and their stakeholders in the Asia-Pacific region need to go beyond conventional poverty eradication options and promote coherent policy frameworks that balance responsibilities and benefits and nurture partnerships.

63 See General Assembly resolution 70/1.
A coherent policy framework for poverty eradication and prosperity

93. This coherent policy framework must support interlinkages and connections at multiple levels. In the above discussion, some of the connections are highlighted between the theme of the high-level political forum in 2017, on poverty and prosperity, and the cluster of Sustainable Development Goals to be addressed at the 2017 forum.

94. While there is no one recipe to fit all countries in their pursuit of achieving sustainable development, some linkages should be considered by all countries.

95. The present document emphasizes that understanding multidimensional poverty is critical for developing effective poverty reduction strategies in support of Sustainable Development Goal 1, and points to future risks with respect to access to resources, economic opportunity, health and food security. These risks connect Goal 1 and Goal 2 on food security and sustainable agriculture.

96. Growing demand for non-food crops is driving a shift away from cultivation of food crops in many parts of the region and increasing pressure on land. At the same time, food supply chains are also growing more complex, the vulnerability of poor people to disruptions is increasing, and the availability of and access to traditional sources of nutrition is decreasing.

97. The overview of poverty and prosperity and discussion of the urban context points to the important role of health status in determining poverty outcomes, and urbanization trends are adding new complexities to health risks. In this discussion, Goal 3 on health and well-being is linked with Goal 9 on industry, innovation and infrastructure in order to make the point that better targeting of infrastructure investments and utilization of ICT solutions can play an important role in facilitating improved access to social infrastructure, including health care.

98. Overall, an examination of health and well-being issues in the region also illustrates that data on multidimensional poverty needs improvement: not enough is available for all countries, and not enough is known about prosperity and subjective well-being. The aspirations of people, their values and experiences differ from context to context, and neither income nor multidimensional poverty indices are sufficient alone to describe the range of human needs and experiences that are important to a transformative and universal development agenda.

99. Further, there are multiple and evolving linkages between gender equality (Goal 5), urbanization, demographic trends, rural development and infrastructure. The scale of the gap between men and women distinguishes countries that are starting implementation of the 2030 Agenda at a disadvantage from those that are well prepared to move ahead on poverty reduction and building prosperity. In the conclusions of the present document, connections are drawn between Goals 5 and 9, highlighting the gender dimensions of urban poverty and rural-urban migration, and the importance of gender sensitivity in infrastructure planning and delivery is highlighted.

100. The infrastructure dimensions of Goal 9 and its links to Goal 1 are also identified in the document. Disparities and the risks of uneven access to ICT by marginalized groups are recognized, which make achievement of Goal 1 on poverty more difficult.
101. Action on Goal 9 is an opportunity to create decent work and to become dramatically more eco-efficient over time to mitigate the rising demand for natural resources and production of waste which is challenging urban and peri-urban environments, threatening rural livelihoods and driving climate change.

102. Lastly, the document touches on issues related to the conservation and sustainable use of the oceans, seas and marine resources that link Goal 14 with Goal 1 on poverty. Many of the issues raised relate to rural livelihoods and the demand for natural resources, and parallels are drawn in the context of artisanal and coastal fisheries and in the race for ocean resources, including minerals. In addition, the importance of improved ocean connectivity and infrastructure is recognized in the document, particularly for Pacific small island developing States.

103. The means of implementation of the Sustainable Development Goals – trade, finance, technology and capacity-building – are all impacted by the changing development context of Asia and the Pacific. The regional dimensions of that changing development context confirm the importance of ensuring coherence in regional action regarding the means of implementation and in the international support provided for their delivery.

104. Given these interlinkages and connections, a coherent policy framework is particularly important in the context of rural-urban transitions, and in particular in rapidly urbanizing countries. The fates of the most vulnerable groups in urban and rural areas are linked through the flows of people, natural resources, finance and technology. These linkages provide a basis for developing rural and urban development strategies that synergistically and in tandem create decent work, strengthen food security and ensure gender equality strategies.

105. Investment and partnership strategies for infrastructure development will be central to effective rural-urban transitions, engaging and supporting those most in need, but also linking rural and urban areas. Enhanced agricultural diversification, productivity and sustainability will be essential to support achievement of these Goals, in order to meet the needs of changing dietary preferences and the demand for safe and nutritious food, enhance rural livelihood needs and incentivize sustainable natural resources management to ensure that the flow of ecosystem services, which is critical to economic activity in both rural and urban areas, is maintained.

**Balancing responsibilities and benefits and promoting partnership**

106. Many of the good practices discussed in the previous sections work towards an evolved social contract, which will define the reciprocal rights, obligations and responsibilities between States and citizens and among stakeholders. Strengthened commitment is required by all actors, government and non-government, to leaving no one behind and to the ideals of the 2030 Agenda.

107. In the Asia-Pacific context, steps to strengthen this commitment should be reflected in strong policy signals, an enabling environment and strengthened governance, including better regulation and investment.

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strategies. However, this requires a better understanding of the factors and processes that are shaping poverty and prosperity outcomes, including through marginalization and exclusion.

108. In addition, the economic and political system must enhance its ability to equitably fulfil its obligations and responsibilities to all stakeholders, including future generations, in both developing and developed countries. Regional cooperation and integration arrangements and market forces are changing relationships between Governments and the private sector, and the private sector, people and Governments must become better at balancing the public and private benefits of investments in transparent and democratic ways.

109. Evolved social contracts present opportunities for innovative partnerships that provide effective solutions for eradicating poverty and building shared prosperity. Collaboration between Governments, non-governmental organizations, community organizations and private sector partners can help to frame and define solutions to the challenges, while effective partnerships can better align development outcomes with public interests.

Strengthening regional cooperation for poverty eradication and prosperity

110. Regional cooperation can address the shared concerns of member States related to the interlinkages and complementarity of the Sustainable Development Goals that can be built on to strengthen poverty eradication and prosperity outcomes.

111. Regional cooperation should address the strengthening of national statistical systems and innovations in data collection, to supply the data necessary to monitor progress and conduct integrated analysis for targeted policies to achieve poverty and prosperity outcomes.

112. Cooperation needs to be enhanced between countries on trade, migration, decent work and responsible cross-border investments in the agricultural sector as well as on infrastructure financing, in particular for ICT access, transport and renewable energy, in order for joint action to be taken to effectively implement the 2030 Agenda.

113. Knowledge partnerships at the regional and subregional levels can play an important role in building capacity for collective learning and implementation, in several areas including good practices with regard to urban resilience, management of rural-urban transitions, agro-supply chain governance and financing of sustainable infrastructure.

VII. Matters calling for the attention of the Asia-Pacific Forum on Sustainable Development

114. Member States and other stakeholders are invited to review the present document with a view to:

(a) Sharing national perspectives on the issues raised and best practice responses to the challenges identified;

(b) Discussing opportunities for regional cooperation to support national efforts towards poverty eradication and shared prosperity.