Economic and Social Commission for Asia and the Pacific

Seventy-second session
Bangkok, 15-19 May 2016
Item 3 (a) of the provisional agenda *

Review of issues pertinent to the subsidiary structure of the Commission, including the work of the regional institutions: macroeconomic policy, poverty reduction and inclusive development

Report of the Committee on Macroeconomic Policy, Poverty Reduction and Inclusive Development on its third session

Summary

The third session of the Committee on Macroeconomic Policy, Poverty Reduction and Inclusive Development was held in Bangkok from 1 to 3 December 2015. The agenda of the session of the Committee focused on the challenges posed by the recent economic slowdown, with particular emphasis on the role of productivity; regional financial cooperation; issues related to the implementation of the 2030 Agenda for Sustainable Development for countries with special needs; and capacity-building for poverty reduction through sustainable agriculture.

The Committee called upon the Commission to consider taking action in the following areas: (a) implementation of the 2030 Agenda in Asia and the Pacific, keeping in view the importance of sustained economic growth and taking into account country-specific challenges and opportunities; (b) mobilization of domestic revenues through effective tax policies and administration; (c) strengthening investment in infrastructure and regional cooperation for financing cross-border connectivity; (d) strengthening technical assistance and capacity-building initiatives, for least developed countries, landlocked developing countries and small island developing States in Asia and the Pacific; (e) research, analysis and consensus-building initiatives to support development processes of countries with special needs, particularly in the areas of financing for development; (f) strengthening the networks of the Centre for Alleviation of Poverty through Sustainable Agriculture through ties with the relevant agriculture research and development institutions throughout the region; and (g) focusing the Centre’s activities on sustainable intensification of agriculture.

The Commission may wish to consider matters calling for action or brought to its attention contained in the report of the Committee and provide the secretariat with further guidance.
I. Matters calling for action by the Commission or brought to its attention

A. Rethinking economic growth strategies and policies to achieve sustainable development goals: the role of productivity

1. Noting the recent economic slowdown, the Committee recognizes that sustained economic growth is a necessary condition for development and part of the means to achieve the 2030 Agenda for Sustainable Development in Asia and the Pacific. It acknowledges the role of productivity, innovation, connectivity and infrastructure and recognizes the importance of macroeconomic stability and the need to consider new drivers for sustained economic growth.
2. Recognizing the importance of inclusivity as regards growth and opportunities and the need to mitigate existing inequalities, the Committee recommends that the secretariat play an active role in the implementation of the 2030 Agenda in Asia and the Pacific in close consultation with the member States. It advises the secretariat to take into account country-specific challenges and opportunities, including in its work on regional cooperation and capacity-building.

B. Regional financial cooperation

3. In light of the central role of the Addis Ababa Action Agenda in providing a framework to secure the means to implement the 2030 Agenda and underscoring the particular importance of raising financial resources, including the mobilization of domestic revenues through effective tax policies and administration, the Committee notes that the secretariat is exploring further the possibility of establishing an Asia-Pacific forum for cooperation on tax matters so as to support sustainable development.

4. Noting the importance of information and communications technology and other physical infrastructure in fostering sustainable development, the Committee highlights the need to strengthen investment in infrastructure, including through public-private partnerships, and the importance of regional cooperation for financing cross-border connectivity.

C. Countries with special needs

5. Noting the comprehensive nature of the 2030 Agenda, the Committee recommends that the secretariat strengthen its technical assistance and capacity-building initiatives for least developed countries, landlocked developing countries and small island developing States in Asia and the Pacific. Furthermore, it encourages the secretariat to continue undertaking research, analysis and consensus-building initiatives to support their development processes, particularly in the areas of financing for development, including public-private partnerships, small and medium-sized enterprise financing and financial inclusion.

D. Reducing poverty through sustainable agriculture

6. The Committee emphasizes that the work programme of the Commission in the domain of poverty reduction through sustainable agriculture, including, in particular, that implemented by the Centre for Alleviation of Poverty through Sustainable Agriculture, needs to be continued and strengthened with the involvement and contribution of member States. In so doing, it recommends that the Centre strengthen its networks through ties with the relevant agriculture research and development institutions throughout the region, international organizations with agro-food related programmes and the existing mechanisms of South-South cooperation.

7. The Committee recommends that the Centre focus its activities so as to support sustainable intensification of agriculture, enhance the agricultural sector’s resilience to climate change and natural disasters and support the development of resource-efficient value chains for agricultural products, which, inter alia, reduces food loss and waste.

8. The Committee takes note of the proposal to transfer the Centre from subprogramme 1 (Macroeconomic policy and inclusive development) to subprogramme 4 (Environment and development) in an effort to enhance its integrated approach to the three dimensions of sustainable development,
namely the economic, social and environmental dimensions, and to facilitate a holistic and systemic approach to sustainable agriculture in the broader context of natural resources management.

E. Consideration of the future focus of the subprogramme

9. Noting that the restructuring of the conference structure of the Commission, in accordance with Commission resolution 71/1, is ongoing, the Committee acknowledges that the secretariat, conditional upon the approval of the General Assembly, will incorporate into its programme of work for the 2016-2017 biennium aspects pertaining to financing for development as one of the means of implementing the 2030 Agenda.

F. Dates and venue of and provisional agenda for the fourth session of the Committee

10. The Committee decides to hold its fourth session in Bangkok during 2017.

II. Proceedings

A. Rethinking economic growth strategies and policies to achieve sustainable development goals: the role of productivity

11. The Committee had before it the document entitled “Rethinking economic growth strategies and policies to achieve sustainable development goals: the role of productivity” (E/ESCAP/CMP(3)/1). The document was introduced by the secretariat.

12. Brief presentations were made by three panellists: Mr. Naoyuki Yoshino, Dean, Asian Development Bank Institute; Mr. Jose Ramon Albert, Senior Research Fellow, Philippine Institute for Development Studies; and Mr. Upali Wickramasinghe, consultant on agricultural development and food policy.

13. Statements were made by representatives of the following countries: Bangladesh; China; India; Japan; Pakistan; and Russian Federation.

14. The Committee expressed its appreciation to the secretariat for the timely analysis and pertinent recommendations contained in the document, noting the emphasis on making growth more inclusive in order to sustain domestic demand amid a sluggish global recovery.

15. The Committee noted that, while poverty had decreased notably in the past decades, the region continued to face several key development challenges. Among others, those included: the need to provide comprehensive social protection and income support; decent public services, such as education, health care and rural infrastructure; more vocational training and skill development programmes; and greater financial inclusion. The Committee also noted that the Asia-Pacific region lost around $50 billion every year due to gender inequalities in terms of access to employment.

16. The Committee emphasized that regional cooperation would help countries to achieve sustained economic growth and sustainable development. In particular, the region could further promote regional trade and investment, the transfer of technology and cooperation on tax matters. The Committee also highlighted the importance of reforming global
economic and financial governance to make it more representative and responsive to the needs and interests of developing economies. The importance of South-South, South-North, triangular and regional cooperation in capacity-building was also underscored.

17. Acknowledging the vast array of development issues covered under the Sustainable Development Goals, the Committee emphasized the importance of consultations with all stakeholders on priority areas in their implementation, while taking into account country-specific challenges and opportunities. The Committee was informed of initiatives that had been taken by some member States to integrate the three pillars of sustainable development into their national development plans.

18. The Committee noted that the region’s economies would benefit considerably from improvement in their productivity through innovation and technology. In particular, the strengthening of productivity would contribute to achieving the Goals; while, at the same time, countries would be able to improve their productivity through greater investment in support of the Goals themselves.

B. Regional financial cooperation

19. The Committee had before it the document entitled “Regional financial cooperation: recent developments and the way forward” (E/ESCAP/CMP(3)/2). The document was introduced by the secretariat.

20. Brief presentations on the importance of cooperation among Asia-Pacific economies in tax matters were made by four high-level panellists: Mr. Anwar Shah, Director, Centre for Public Economics at Chengdu, China; Mr. Vito Tanzi, former Director, Fiscal Affairs Department, International Monetary Fund; Ms. Kim Jacinto-Henares, Commissioner, Bureau of Internal Revenue of the Philippines; and Mr. Shuanglin Lin, Professor, National School of Development and Director of the China Centre for Public Finance of Peking University.

21. Statements were made by representatives of the following countries: Australia; Bangladesh; Japan; and Russian Federation.

22. The Committee welcomed the work done by the secretariat on regional financial cooperation and highlighted aspects that require further reflection.

23. The Committee recognized that, while official development assistance remained essential, developing countries should also strive to mobilize more domestic resources for the implementation of the 2030 Agenda, including through the engagement of citizens and the private sector. The Committee also noted that countries with special needs faced more serious challenges in mobilizing additional financing for development, particularly because of their vulnerabilities to climate change and disasters.

24. The Committee noted that in order to meet the infrastructure needs of the region, it was necessary to promote further cooperation on infrastructure financing and to support innovation in infrastructure service delivery by engaging the private sector, for instance, through public-private partnerships.

25. The Committee made certain observations on recommendations related to regional financial cooperation, including proposals to set up relevant forums in areas such as infrastructure financing, tax matters and financial stability. The Committee suggested that the secretariat should reflect further on those issues, bearing in mind the Addis Ababa Action Agenda and the capacity of the secretariat to support the suggested initiatives.
C. Countries with special needs

26. The Committee had before it the document entitled: “Supporting the achievement of sustainable development goals in countries with special needs” (E/ESCAP/CMP(3)/3). The document was introduced by the secretariat.

27. Brief presentations were made by two panellists: Mr. Debapriya Bhattacharya, Distinguished Fellow, Centre for Policy Dialogue, Bangladesh; and Mr. Kemueli Naiqama, Chief Economist, Strategic Planning Office, Ministry of Finance, Fiji.

28. Representatives of the following countries made statements: Bangladesh; Bhutan; Cambodia; Fiji; Kazakhstan; and Sri Lanka.

29. The Committee reiterated its commitment to support the least developed countries, landlocked developing countries and small island developing States in their development efforts.

30. The Committee noted the progress made by countries with special needs towards meeting the Millennium Development Goals as well as their remaining challenges. It also acknowledged the importance of the recently adopted 2030 Agenda as the primary guide for the development strategies of countries with special needs, complementing the respective global programmes of action: the Programme of Action for the Least Developed Countries for the Decade 2011-2020, the Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014-2024 and the SIDS Accelerated Modalities of Action (SAMOA) Pathway.

31. The Committee recognized that domestic resource mobilization and increased participation of small and medium-sized enterprises in mainstream economic activities were fundamental to supporting growth and job creation and to enhancing the economic resilience of countries with special needs. The Committee also noted the importance of promoting financial inclusion to reduce poverty and income inequality and to improve living standards.

32. For the implementation of the 2030 Agenda, the Committee emphasized the importance of regional and global development partnerships, strengthened statistical capacities, and effective review and follow-up mechanisms. It also noted the need to address economic, social and environmental vulnerabilities, as well as global issues such as climate change.

D. Reducing poverty through sustainable agriculture

33. The Committee had before it the document entitled “Reducing poverty through sustainable agriculture” (E/ESCAP/CMP(3)/4). The document was introduced by the secretariat.

34. Representatives of the following countries made statements: Afghanistan; Azerbaijan; Bangladesh; Indonesia; and Japan.

35. The Committee shared the view that the Asia and Pacific region faced multiple challenges with regard to agriculture and food systems and that those challenges needed to be addressed, simultaneously and holistically, in the context of the 2030 Agenda.

36. The Committee noted the strategies for sustainable agriculture development of some member States that were based on programmes for integrating climate change and food security into overall national development
planning and aimed to reduce the risks and vulnerabilities of marginalized populations to economic shocks and natural disasters. Also noted were regional initiatives under which bilateral dialogues for agriculture, food security and fisheries had been initiated among selected countries in the region.

37. The Committee also highlighted that resilience to climate change and natural disasters was an essential element of sustainable agriculture.

E. **Consideration of the future focus of the subprogramme**

38. The Committee was provided with an overview of mandates, ongoing areas of work and potential future focus areas of the subprogramme.

39. Representatives of the following countries made statements: Japan; and Pakistan.

40. The Committee took note of Commission resolution 71/1 on restructuring the conference structure of the Commission for the evolving post-2015 development agenda. It also took note of the presentation on the strategic framework and the programme of work for 2018-2019, including the proposed incorporation of financing for development, which was currently being discussed by the secretariat.

F. **Consideration of draft resolutions for submission to the Commission at its seventy-second session**

41. The Committee was provided with an overview of the process for the consideration of draft resolutions for submission and adoption at Commission sessions.

42. A representative of the Philippines made a statement.

43. The Committee noted the discussion on cooperation in tax matters and its importance for the implementation of the 2030 Agenda and the Addis Ababa Action Agenda. One delegation expressed its intention to work with other member States on a draft resolution on a forum or network for tax cooperation, to be proposed at the seventy-second session of the Commission in May 2016.

G. **Dates and venue of and provisional agenda for the fourth session of the Committee**

44. The Committee discussed the dates and venue of and provisional agenda for its fourth session.

H. **Other matters**

45. A representative from Afghanistan requested that the secretariat continue providing assistance to member States in their formulation of development policies to meet internationally agreed development goals.

I. **Adoption of the report**

46. The Committee adopted the present report on 3 December 2015.
III. Organization

A. Opening, duration and organization of the session

47. The Committee held its third session in Bangkok from 1 to 3 December 2015.

48. The Director of the Macroeconomic Policy and Development Division delivered the opening remarks. Three keynote addresses were also part of the opening session. Those were delivered by Mr. Yuba Raj Khatiwada, Vice-Chairman, National Planning Commission, Nepal; Ms. Azeema Adam, Governor, Maldives Monetary Authority; and Mr. Shamyrat Mustafayev, Deputy Minister, Ministry of Economy and Development, Turkmenistan.

B. Attendance

49. The Committee session was attended by representatives of the following member countries: Afghanistan; Australia; Azerbaijan; Bangladesh; Bhutan; Cambodia; China; Democratic People’s Republic of Korea; Fiji; Georgia; India; Indonesia; Iran (Islamic Republic of); Japan; Kazakhstan; Kiribati; Kyrgyzstan; Lao People’s Democratic Republic; Malaysia; Maldives; Mongolia; Myanmar; Nepal; Pakistan; Philippines; Republic of Korea; Russian Federation; Samoa; Sri Lanka; Thailand; Turkmenistan; Uzbekistan; and Vanuatu.

50. In addition, representatives of the following United Nations bodies and specialized agencies were represented: Food and Agriculture Organization of the United Nations; International Telecommunication Union; United Nations Children’s Fund; United Nations Development Programme; and United Nations Environment Programme.

51. The following intergovernmental organizations and other organizations were represented: Association of Southeast Asian Nations; and Eurasian Economic Commission.

52. The following civil society organizations were represented: ASEC Philippines; Ashoka Changemakers; Asia Pacific Forum on Women, Law and Development; Association for Sustainable and Responsible Investment in Asia; Centre for Budget and Governance Accountability; Centre for Environment and Development; Centre for Environment and Development; EquityBD; IBON International; LDC Watch RRN; Reality of Aid; and Third World Network.

C. Election of officers

53. The Committee elected the following officers:

Chair: Mr. Yuba Raj Khatiwada (Nepal)
Vice-Chairs: Ms. Azeema Adam (Maldives)
            Mr. Leonard Tampubolon (Indonesia)
Rapporteur: Ms. Faiane Susana Lauulu (Samoa)
D. Agenda

54. The Committee adopted the following agenda:

1. Opening of the session.
2. Election of officers.
3. Adoption of the agenda.
4. Rethinking economic growth strategies and policies to achieve sustainable development goals: the role of productivity.
5. Regional financial cooperation.
6. Countries with special needs.
7. Reducing poverty through sustainable agriculture.
8. Consideration of the future focus of the subprogramme.
9. Consideration of draft resolutions for submission to the Commission at its seventy-second session.
10. Dates and venue of and provisional agenda for the fourth session of the Committee.
11. Other matters.
12. Adoption of the report.
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