Reshaping institutions in a region of disparities to meet the Millennium Development Goals in Asia and the Pacific

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ECONOMIC AND SOCIAL COMMISSION FOR ASIA AND THE PACIFIC

A Future Within Reach:

Reshaping Institutions in a Region of Disparities to Meet the Millennium Development Goals in Asia and the Pacific

United Nations ESCAP

New York, 2005

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United Nations publication
Sales No. E.05.II.F.27

Manufactured in Thailand
ISBN: 92-1-120439-9
ST/ESCAP/2376

FOREWORD

Five years have passed since the United Nations adopted the Millennium Declaration, which gave rise to the Millennium Development Goals. Since then, the countries of Asia and the Pacific have been working hard to achieve these goals. Some have been very successful; others have made less progress. Bringing all countries within reach of the goals will require increased commitment and determination at the national, regional and global levels.

Many countries have prepared their own reports on progress towards the MDGs – and there have also been assessments at the global level. To supplement these, ESCAP, UNDP and ADB have formed a partnership, capitalizing on our particular areas of expertise, to present a regional picture – analysing the trends in MDG achievement across Asia and the Pacific and exploring the policy implications at both the national and regional levels.

This tripartite initiative by a United Nations regional commission (ESCAP), a United Nations agency (UNDP) and a regional development bank (ADB) is the first of its kind in the world – and we are proud that it is referred to globally as a "best practice". It ensures a common voice on the MDGs in the region, helps build a consolidated regional platform and presents a clear plan of action for their achievement.

The report is the second in a series. The first, published in 2003, was subtitled *Meeting the Challenges of Poverty Reduction*. It gave an initial picture of progress towards the goals, focusing particularly on national policies for poverty reduction and on the potential for partnerships at the global level. This Report updates and extends that analysis. Using the latest data, the Report tracks each country or territory's progress in each of the MDG targets and assesses whether it will achieve that target by 2015. The results reveal a mixed picture. Some countries are evidently making good progress on the poverty target, but many seem destined to miss other important targets related to health and the environment.

The Report argues for change, not just for making substantial investments in key areas, but also for carrying out major institutional changes at the local, national and regional levels to make the development process fairer and more inclusive. In particular, it advocates for changes that could lead to better provision of public services, and highlights emerging and new patterns of regional cooperation that could have high pay-offs for the MDGs.

We hope that this report will be a critical input to the United Nations General Assembly Millennium Summit +5 in September 2005. It provides a comprehensive regional picture for the Summit and helps to ensure that the interests of the region's 3.9 billion people are represented. We hope that for all stakeholders in the region this Report will also become a key resource in our efforts to inform and mobilize support for MDG achievement.

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ACKNOWLEDGEMENTS

This report was prepared under a partnership among three agencies: the United Nations Economic and Social Commission for Asia and the Pacific, the United Nations Development Programme and the Asian Development Bank.

Overall guidance and direction for the preparation of the report were provided by Kim Hak-Su (ESCAP), Hafiz Pasha (UNDP) and Geert van der Linden (ADB).

The ESCAP-UNDP-ADB team, which coordinated and prepared the report, consisted of the following members: ESCAP – Nanda Krairiksh, Aynul Hasan, Yap Kioe Sheng, Amitava Mukherjee, Pietro Gennari, Syed Nuruzzaman, Hiroko Tanaka, Tim Westbury, Edgar Dante; UNDP – Santosh Mehrotra, B. Murali, Anuradha Rajivan; ADB – Shiladitya Chatterjee, Jacques Jeugmans, Kallidaikurichi Easwaran Seetharam, David S. McCauley, Ganeshan Wignaraja, Clay G. Wescott. The team was assisted with substantive and editorial inputs by Peter Stalker, Charles Myers and Jan Pieter Smit.

The report team thanks the following for their support and technical inputs: Ramgopal Agarwala, Amarakoon Bandara, Bernhard Barth, Hakan Bjorkman, Tone Bleie, Tiziana Bonapace, Cai Cai, Jorge Carrillo-Rodriquez, Mahendra Dev, Kay Kirby Dorji, J.K. Robert England, Ramesh Gampat, Don Gill, David Jezeph, Juzhong Zhuang, Raj Kumar, Susan Howes Promod Kumar, Eun Young Lee, Eugenia McGill, Imae Ann Mojado, Manuel Montes, Victor Ordonez, Minh Pham, San Yuenwah, Richard Sack, Anuradha Seth, Sheldon Shaeffer, Ilpo Survo and Swarnim Wagle.

An Advisory Panel, which met in September 2004 and March 2005, provided valuable guidance. The Panel comprised the following experts: Victoria Lucia Tauli Corpuz, Abdul Razzaq Kemal, Rosario G. Manasan, Rohini Nayyar, Ding Ningning, Brahm Prakash, Nimal Sanderatne, Noranit Setabutr, Shankar Sharma, Kamaluddin Siddique, Bolat Latipovich Tatibekov and Erna Witoelar.

The United Nations Inter-agency Thematic Working Group on the Millennium Development Goals in Asia and the Pacific also provided inputs during the initial stage of the preparation of the report.

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ABBREVIATIONS

ADB	Asian Development Bank
AIDS	acquired immunodeficiency syndrome
AISP	ASEAN Integrated System of Preferences
APIGB	Asia Pacific International Grain Bank
ASEAN	Association of Southeast Asian Nations
BAPPENAS	Badan Perencanaan Pembangunan Nasional
BPS	Badan Pusat Statistik
BRAC	Bangladesh Rural Advancement Committee
CFCs	chlorofluorocarbons
CMI	Chiang Mai Initiative
CO_2	carbon dioxide
DESA	Department of Economic and Social Affairs
DOTS	Directly Observed Treatment Short Course
ECS	economic cooperation strategy
ESCAP	Economic and Social Commission for Asia and the Pacific
FDI	foreign direct investment
FTA	free trade agreement
GDP	gross domestic product
GM	genetically modified
GMS	Greater Mekong Subregion
HCMC	health centre management committee
HIV	human immunodeficiency virus
ICT	information and communication technology
ILO	International Labour Organization
IMF	International Monetary Fund
IOM	International Organization for Migration
LDCs	least developed countries
LLDCs	landlocked developing countries
MDGs	Millennium Development Goals
MOU	memorandum of understanding
NCD	non-communicable diseases
NFE	non-formal education
NGO	non-governmental organizations
NIE	newly industrialized economies
NSDS	national sustainable development strategies
NWSDB	National Water Supply and Drainage Board
ODA	official development assistance
OECD	Organisation for Economic Cooperation and Development
OPP	Orangi Pilot Project
PATA	Pacific Asia Travel Association
SAARC	South Asian Association for Regional Cooperation
SARS	severe acute respiratory syndrome
SEWA	Self-employed Women's Association
SIDS	small island developing States
TB	tuberculosis
TRAINS	Trade Analysis and Information System
TRIPS	trade-related intellectual property rights
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
WDI	World Development Indicators
WHO	World Health Organization
WTO	World Trade Organization

Overview

This is the second in a series of regional reports on the MDGs. The first was published in 2003 as *Promoting the Millennium Development Goals in Asia and Pacific: Meeting the Challenges of Poverty Reduction.* As well as assessing the progress across the region it looked at the kind of pro-poor policies that would be needed to achieve the goals and also at the prospects for creating global partnerships.

This report builds on the previous report in a number of ways. In the first chapter, it takes advantage of far more data than were available previously to present a much fuller picture on the state of progress. In the second chapter it adds to the earlier analysis of national options by considering this time not just changes in policies but changes in national institutions that can accelerate progress towards the MDGs, particularly for the delivery of services. Finally, in the third chapter, it looks more closely at one of the most potent forms of international cooperation – between the countries in the region.

Tracking progress

Asia and the Pacific is one of the world's most dynamic regions, so it should come as no surprise that the report finds this region has made rapid progress towards many of the MDGs. But not all the developing countries in Asia and the Pacific are making sufficient progress; indeed none are currently on track to meet all the goals by 2015. This report looks in detail at which countries are on and off track. For each target, the report places each country in one of four categories.

- ● – *Early achiever* – Has already met the target
- ▸ – *On track* – Expected to hit the target by 2015
- ■ – *Off track – Slow* – Expected to hit the target, but after 2015
- ◂ – *Off track – Regressing* – Slipping backwards, or stagnating

Goal 1 – Eradicate extreme poverty and hunger

On the poverty target, the Asian and Pacific region has made dramatic progress. Between 1990 and 2001 in the 23 countries offering sufficient data (out of a total of 55) the proportion of people living on less than $1 per day fell from 31 to 20 per cent. Despite population growth, the absolute number of poor people also fell – from 931 to 679 million. A slightly different picture emerges, however, when considering the results of national poverty data: for the 13 countries for which data are available the poverty rate also fell, though less dramatically – from 21.3 to 19.4 per cent. On either basis, Asia and the Pacific's overall poverty reduction will inevitably be swayed by the achievements of China and India – and both are well on track, as are 17 other countries. The countries having the most difficulty appear to be Armenia, Bangladesh, the Lao People's Democratic Republic and Mongolia.

The second target under this goal is to halve the proportion of people who suffer from hunger. For 27 countries, the proportion of people consuming less

than the minimum dietary energy requirement fell between the early 1990s and 2001, but only slightly – from 18.7 to 15.1 per cent. The worst situation is in Tajikistan with 61 per cent of the population hungry, followed by the Democratic People's Republic of Korea with 36 per cent. Another important indicator is child malnutrition which is disturbingly high in a number of countries: 48 per cent of children are undernourished in Nepal, Afghanistan and Bangladesh, for example, and 47 per cent in India.

Goal 2 – Achieve universal primary education

Here progress has been good. Most countries in the region have primary enrolment ratios above 80 per cent, and many above 90 per cent. Of the 33 countries with sufficient data available to estimate a trend, 8 have already achieved the target, and 11 others are on track to do so. However, dropout rates can also be high. In Papua New Guinea, for example, around half of children drop out before grade five and in India, the Lao People's Democratic Republic and Myanmar more than one third do so.

Another measure of success is the primary completion rate, which for the region as a whole between 1998 and 2001 rose from 89 to 93 per cent – though this gives an over-optimistic picture since the number of graduates is swollen by over-age children.

Goal 3 – Promote gender equality and empower women

Progress on eliminating gender disparity in education has been good, but progress in participation and empowerment needs to be accelerated. The target under this goal focuses on eliminating gender disparity at all levels of education. At the primary level, of the 38 countries or territories with data available, 26 have already achieved the target and 5 are on track to do so. Bangladesh and China have made particularly rapid progress. Of the 5 countries that are regressing, the most serious situations are in Afghanistan, where between 1990 and 1999 the ratio between girls' and boys' primary enrolment fell dramatically, from 0.55 to 0.08, though the situation has probably since improved, and in Pakistan, where the proportion has stalled at 0.74.

At the secondary level the situation also seems positive. Across the region, between 1990 and 2001 the ratio of girls to boys at the secondary level increased from 0.73 to 0.87. Of the 36 countries with relevant data, 25 have already achieved the target, and even countries such as Pakistan and Nepal with very low ratios have been making progress so fast that they are on track. For tertiary education there has also been considerable progress. Of the 27 countries with the necessary data, 15 have already achieved the target, while 5 others are on track; indeed in tertiary education a number of countries have more females than males.

Goal 4 – Reduce child mortality

Here the picture is mixed. The first target is to reduce the under-5 mortality rate by two thirds. For this indicator the 47 countries with data available divide into two halves. Half have already achieved their targets – and all have child mortality rates below 45 per 1,000 live births. The other half, however, are in a very different position: only 4 are on track to meet the target, 14 are off track, making progress too slowly, while 3 are regressing.

In 2003, the largest number of child deaths was in India, 2.3 million, followed by China, 650,000, and Pakistan, 481,000. Of these countries only China has been making sufficient progress; both India and Pakistan are moving too slowly. The most shocking rate, however, is in Afghanistan with 257 deaths per 1,000 live births: one child in four dies before reaching the age of 5. As child mortality rates come down, the majority of deaths take place in the earliest years, months, and even days, of life. Overall therefore, the pattern for infant mortality is similar to that of the under-5 mortality

Goal 5 – Improve maternal health

Here too progress has been far too slow. The target is to reduce the maternal mortality ratio by three quarters between 1990 and 2015, but the ratio in the average Asian developing country has only declined from 395 to 342. Even more alarming, of the 42 countries for which data are available, maternal mortality has gone up in 22. Around two thirds of Asian maternal deaths, 164,000, take place in India and Pakistan, both among the regressing countries. The highest maternal mortality rates per 100,000 live births are, however, in Afghanistan (1,900), Nepal (740) and Timor-Leste (660). Each year, across the region around one quarter of a million women die as a result of a normal life cycle event: pregnancy and childbirth. Almost all these deaths could be avoided if mothers had routine obstetric care and access to emergency obstetric care.

Goal 6 – Combat HIV/AIDS, malaria and other diseases

HIV/AIDS is also an area of great concern. The target is to have halted and begun to reverse the spread of the epidemic by 2015. Overall, however, the region is off track: between 2001 and 2003 the prevalence among those aged 15-49 in the average Asian country rose from 0.39 to 0.45 per cent. As of 2004, the Asia-Pacific region has over 9 million people living with HIV/AIDS and each year half a million people die.

The highest prevalences among adults aged 15-49 are all in South-East Asia: Cambodia, 2.6 per cent; Thailand, 1.5 per cent; and Myanmar, 1.2 per cent – though the first two of these have already achieved their MDG targets, since they have reduced the prevalence. The highest numbers of infected people, however, are to be found in India and the Russian Federation, where the prevalence is rising. China has kept the prevalence fairly stable, so can be considered "on track".

There are also worries about malaria. Although there are insufficient data to calculate trends, in some countries the disease seems to be making a comeback. The highest prevalences are in the Pacific, notably Solomon Islands, where the disease affects 15 per cent of the population. The largest number of people sick are in Indonesia, with 1.9 million people infected. The largest number of deaths are in India – more than 30,000 each year. The highest death rate, however, is in the Lao People's Democratic Republic.

Tuberculosis too remains a major concern, though in this case the region is making progress: between 1990 and 2003 the number of people infected declined from 12.8 to 10.3 million and the number of people dying each year fell from 1.1 to 1.0 million. The largest number of people infected in 2003 were in the most populous countries: China, 3.2 million; India, 3.1 million; and Indonesia, 1.5 million. All three are, however, making progress.

Goal 7 – Ensure environmental sustainability

The first target is to integrate the principles of sustainable development into country policies and programmes. Based on their progress in preparing national sustainable development strategies, of the 55 Asia-Pacific developing countries only 5 are early achievers and 10 are on track. This goal also aims to reverse the loss of environmental resources. Here the picture is also mixed: over the period 1990-2000, in the 48 countries reporting data the proportion of land forested increased in 13, remained unchanged in 17 and decreased in 18. The most rapid rates of deforestation have been in Micronesia, Myanmar, Indonesia and Malaysia.

Another environmental indicator is carbon dioxide emissions. Between 1990 and 2002, average per capita emissions increased across the region from 2.2 to 2.5 tons. Of the 50 countries for which data are available, 30 are regressing, while 20 have become early achievers as a result of deliberate policy, or like many of the Central Asian countries, because of a reduction in industrial output.

A further important target is to halve the proportion of people without sustainable access to safe drinking water and sanitation. For urban water supplies, of the 40 countries offering data, 31 are early achievers or on track and even those that are regressing, nevertheless, had achieved quite high values. The situation in the rural areas is quite different, with coverage typically 10 to 20 percentage points lower. Nevertheless, here too there has been progress: of the 34 countries with data available, 11 are early achievers and 5 are on track, though 18 are off track, of which 11 are regressing. Access to improved sanitation is also far better in urban than rural areas – 73 against 31 per cent.

Indicators and countries of major concern

This report groups each indicator into one of four clusters, according to the proportion of countries that are having some success with that indicator and also the severity of underachievement. On this basis the indicators of greatest concern would be those related to the national poverty line, rural water supplies, infant and under-5 mortality, malnutrition and primary enrolment. Maternal mortality too should be a priority, since even in the on-track countries the average rate is still unacceptably high. For these indicators, the report also identifies 19 countries that should be of greatest concern.

Subregions and levels of development

Countries even in the same subregion may have similar characteristics but perform differently on the MDGs. This is evident from looking at the proportion of indicators for which each country is off track. Within these subregions it is also important to consider different categories of countries: least developed countries (LDCs), landlocked developing countries (LLDCs) and small island developing States (SIDS).

- *South and South-West Asia* – This is the poorest performing subregion: the only one in which a majority of its countries, 6 out of 10, are off track for more than one third of the indicators. The slow progress here is largely because this region includes 4 of the LDCs – 3 of which are also landlocked and 1 of which is a small island developing State.

- *North and Central Asia* – This region has a high proportion of LLDCs. Here the countries of greatest concern are Tajikistan, Uzbekistan, Kazakhstan and Armenia. The first two have high and increasing rates of malnutrition. Education standards have also slipped and the virtual collapse of the social sector in some countries has resulted in a general deterioration of health indicators.

- *Pacific* – The majority of these countries are SIDS. Fewer than half have data for the majority of indicators: none offer any information on poverty or hunger and few on education or gender. Papua New Guinea has more information, which indicates that on most indicators it is off track. Many Pacific countries have problems with water supplies and sanitation.

- *South-East Asia* – This includes some of the more prosperous countries in the region – along with some of the LDCs so it is no surprise that success in the MDGs largely reflects this division – with Timor-Leste as the least successful and Singapore the most. Like Myanmar, Timor-Leste also has high infant mortality rates, and along with the Lao People's Democratic Republic, Indonesia, the Philippines and Viet Nam unacceptably high rates of maternal mortality. This subregion also has severe environmental problems: forest coverage is disappearing and carbon dioxide emissions per head are rising rapidly.

- *East and North-East Asia* – China is on track for – or has already achieved – three quarters of the indicators. Mongolia, however, has struggled with most of the MDGs. For the Democratic People's Republic of Korea it is difficult to assess progress since data are missing on almost half the indicators.

Gender disparities in MDG achievement

National data often mask wide disparities between males and females. The MDGs do address education disparities under Goal 3. But there are many other dimensions of gender disparity. For health, for example, one of the clearest indicators is life expectancy. Women have a biological advantage that should on average enable them to live four or five years longer than men. Of the 46 countries in the region with the necessary data, 18 had a life expectancy gap of less than four years. Of these same countries, 10 also show infant mortality rates that are abnormally high for girls. For both indicators some of the most severe problems are in South Asia.

An important measure of women's empowerment is the extent of their participation in the labour force. Women's share of employment is lower than men's in every country. Moreover, women are clearly far less likely than men to be working as managers, or running their own businesses. They are also less likely to be legislators or senior officials and managers. Women also make up only a small proportion of members of national parliaments.

Subnational disparities

Most countries, particularly the large ones, also display significant subnational disparities. In the Philippines, for example, where the national poverty rate is 16 per cent the regional rates vary from 8 to 63 per cent. Similarly, in Indonesia, while the national child malnutrition rate is 26 per cent the regional rates vary from 18 to 40 per cent. In India too there are often significant differences in MDG achievement between the better-off and poorer states. Poverty rates, for example, ranged from less than 10 per cent in the richest states to well above 40 per cent in the two poorest states, Orissa and Bihar. Country averages may therefore disguise the fact that a number of areas within countries are significantly off track while others are on track. Attempting to help countries to attain their MDG targets in terms of national averages may therefore leave vast numbers of the poor and needy behind.

Rethinking service delivery

If the countries in Asia and the Pacific are to achieve the MDGs they will undoubtedly need to invest sufficient resources. But just as important they will need to change how they do things. They will need to develop the necessary skills and capacity and ensure that their national and local institutions fit the needs and aspirations of the twenty-first century. Institutions in this sense refer not just to specific organizations, governmental or non-governmental, but also to "rules", formal and informal, that lead to patterns of behaviour – cultural, economic and social. Governments have a role in reforming their domestic institutions, so that they can better meet their responsibilities – and fulfil their promise in the Millennium Declaration to commit themselves to creating an environment "conducive to development and to the elimination of poverty".

One of the most direct ways in which Governments can address poverty – and meet the MDGs – is therefore by ensuring adequate basic services, either providing them directly or sustaining a framework for provision through the private sector or civil society.

Making services available

The first task is to ensure that public services are physically in place. A rights-based approach demands that everyone be covered; in practice, however, there are trade-offs as Governments weigh up how much they are prepared to spend. And even when services are equally close to everyone their location affects some groups more than others – particularly women. Women tend to use health services, for example, on a more continuous basis than men and are also more affected by poor water supplies, because they are the

greatest users and typically have to fetch the family's water. Inadequate sanitation is a serious problem for all, but more so for women and girls, who need more privacy than men.

Quality

Even if facilities are in place the quality may be low – typically with deficiencies in terms of staff or supplies or in standards of supervision or quality control. A regular problem is the difficulty of recruiting staff to work in remote schools or clinics. Rural facilities also often run short of supplies. Another common issue is that services are inappropriate to local needs: children in minority ethnic groups, for example, often have to learn in what might be their second or even third language.

Providing good-quality services that are cost-effective is therefore a challenge. Insisting rigidly on national standards that can only be provided for a limited number of people will penalize those who are left out. It is better therefore to take a more flexible approach that can bring quality basic services within reach of scattered populations, while planning for upgrades over time.

Economic barriers

Many people are unable to access services because they cannot afford them. This is most evident in private sector provision, but even government-provided services that are ostensibly free can turn out to be expensive. Thus, while in most countries primary education is free, parents will find themselves paying many supplementary charges. And patients in a "free" health system may actually have to pay informal fees to nurses or doctors to receive treatment. In addition there are opportunity costs. If people have to travel a long distance, for example, or queue for hours, to use a free service they will lose valuable income-earning opportunities or work time. And poor families will also have to take into account the opportunity cost of sending their children to school.

Legal barriers

Many children in the poorest families do not have birth certificates and find it more difficult to get access to school or to free health services. In East Asia and the Pacific 19 per cent of births are unregistered, while for South Asia the proportion rises to 63 per cent. Households, particularly those of migrants, may also lack other important documents: thus unregistered squatter families who lack building permits or a legal address will find that they cannot be connected to an urban water supply.

Sociocultural barriers

Services in principle are available to all, but certain groups typically get inferior treatment, or are excluded altogether. Women form the largest category. Females even from birth can have less access to health services in countries that show a strong preference for sons. Girls too have historically been less likely to be sent to school. Ethnic minorities also often have less access to services than the rest of the population. And people who have contracted HIV/AIDS can face discrimination when it comes to the use of health or education services. Also likely to be excluded are many of the 200 million people in the region living with disabilities. Other groups whose behaviour is either considered socially unacceptable or is illegal – which could include men who have sex with men, injecting drug users or sex workers – may also face barriers in getting access to services.

Political barriers

Deciding levels of service provision is essentially a process of political negotiation. Governments will decide what they can afford and who will get priority – while citizens will try to claim their rights to services to which they are being denied access. Generally, however, this process of negotiation tends to exclude the poorest citizens living in remote areas; they may not even know what their rights are, still less be in a position to assert them.

How can the rights of the poor be fulfilled? One of the most general requirements is a high standard of governance – to ensure that public services are delivered in an efficient, transparent and honest fashion. But a number of institutional changes will be needed to extend services to the whole of the population.

Broadening the range of providers

One change would be to increase the delivery options. In most countries the main provider – particularly of health, education and water supplies – is the Government and where it does indeed provide good service it should continue to do so. Where it cannot do so, however, it should consider involving others, including the private sector and community groups

Private provision is often extensive in health care, but less so in education and in water supplies. But in both cases it is rising. In recent years there have been a series of partial privatizations of water supplies – in addition to the provision by informal water sellers in largely urban settlements. Large-scale public-private partnerships for water supplies have had mixed results for the poor, but it is also possible to create less formal part-

nerships, where the public sector can help to create a demand for services that the private sector can meet. This has been demonstrated in sanitation, for example, which has a soft component in raising awareness for behaviour change and a hard component in the provision of systems.

Many civil society organizations have stepped in, either to fill the gaps or to provide alternative models. A number of Governments have worked in partnerships with NGOs to extend public services. In Bangladesh, for example, the NGO BRAC works with the National TB Programme and in Cambodia, too, there have been successful experiments of contracting health delivery in remote areas to NGOs. In addition, Governments have been able to enter into partnerships with community organizations.

Overcoming economic access barriers

Most Governments agree that everyone should have access to primary education, basic health care and adequate water and sanitation and that costs to households should not be a barrier. The simplest option is to supply all such services free: for example, most countries do not charge formal fees for primary education. Alternatively, since general subsidies are expensive, Governments can provide subsidies, some of which can be targeted at the poor.

As well as reducing the direct costs, Governments can also try to reduce opportunity costs – particularly the time taken to reach them. The most direct way of doing this is by extending the network of services to bring them closer to communities. But it is also possible to consider mobile services, such as satellite clinics, that might reach distant villages once a month.

Removing legal barriers

For birth certificates a number of countries have also engaged in registration drives. For other documents, such as those related to property one option is to integrate existing extra-legal agreements into a single formal system. Governments can also review the regulations on service provision to identify those elements – whether laws, regulations, standards or procedures – that tend to exclude the poor.

Making services more appropriate

Services should also be adapted to local needs. In schools, for example, teachers should carry out most lessons in the local language and also consult with parents on, for example, the most appropriate school timetables and vacation periods. In addition, children and young adults who have missed out on primary education should have the option of attending non-formal schools. Health systems too can be better adapted to local needs if local people, and particularly women, are closely involved in planning and implementation.

Empowering users

The best way to ensure that local services are appropriate and effective is to empower the users. This will necessitate new institutions as well as new ways of working within existing organizations. NGOs have often served as catalysts in this process – adopting a rights-based approach as "claim-making" organizations for the poor. Community involvement should also extend to implementation. When there are public works to be carried out, such as the building of new schools, communities should be able to adopt their own approach and choose the contractors. In order to hold the Government accountable they also need more information generally about government performance – disaggregated by sex, region, income and ethnic group. All this will only be possible, however, if communities have the capacity for this degree of supervision and monitoring. They should therefore be able to benefit from education and other capacity-building programmes.

Decentralization and local governance

Services work best if they are under democratic local control. Many Governments have been carrying out programmes of decentralization that can improve delivery of services to the poor. However, there are also risks that decentralization may actually exacerbate inequality and that services will deteriorate because local people do not have the capacity to manage them. Decentralization therefore needs to be accompanied by a realistic assessment of community dynamics and an effective process of capacity-building as well as resource allocation to subnational levels to match the increased responsibility.

An adaptive approach

To deliver services to all, Governments should consider an adaptive approach that can extend coverage to all. This will require a series of institutional changes:

1. *Broaden the range of providers* – Governments should identify all the options, public, private and non-governmental, and plan for a combination of service deliverers. In addition to providing, Governments should also concentrate more on facilitating.

2. *Establish standards* – Governments should establish key national standards with adaptations for local conditions.

3. *Plan linkages and upgrades* – Different levels of services should always be interlinked so that users can move from non-formal to formal education, for example.

And there should be a long-term strategy of upgrading – replacing paramedics with fully trained health workers, for example, or replacing rural tap-stands with regular piped water supplies.

4. *Devise relevant regulations* – The regulatory framework should be relevant, realistic and responsive to local conditions, while being sufficiently dynamic to adapt to ever-changing realities.

5. *Keep learning* – Governments should constantly gather the necessary data and experience, and disseminate and use them at all levels – local, national and international.

6. *Empower users* – Users have to be able hold Governments and service providers to account. Service provision thus needs to be much more open and transparent, with appropriate channels for public consultation and involvement.

Working together – opportunities for regional cooperation

Most institutional changes to promote the MDGs will need to take place at the national level. Nevertheless there are also opportunities, particularly in the Asia-Pacific context, for concerted international action not just at the global level but also at the regional level – through South-South cooperation in the pursuit of what might be termed "international public goods", such as open trading systems and clean air. By analogy countries can also work together to eliminate "international public bads" such as pollution, communicable diseases or trafficking in persons.

1. Institutional change to gain more resources

Countries that are off track on many MDG indicators often lack the necessary finance for augmenting growth and providing the poor with greater opportunities to escape poverty. Greater global and regional cooperation can increase the resources at their disposal in a number of ways: by expanding trade, increasing foreign direct investment and giving official development assistance.

Increasingly, the developing countries of Asia and the Pacific have been intensifying trade between themselves. But they could expand this still further if they dismantled trade barriers. Surprisingly, a number of countries in the region apply higher tariffs to goods coming from the developing countries in Asia and the Pacific than they do to imports from the rest of the world. Also, rather than making bilateral agreements they should put more effort into implementing the existing subregional ones. The least developed countries could boost trade by collectively agreeing to lower their import duties on capital and intermediate goods. Better transport infrastructure would also help, so countries should work more closely together on projects such as the Asian Highway.

Much international trade within the region is linked with FDI. While FDI is generally welcome, the recipients can maximize the benefits by ensuring better terms. For mining and other natural resource investments, for example, the least developed countries should agree on measures of site restoration, as well as negotiating complementary investments such as rural electrification that will benefit local communities.

Some of the middle-income and even lower-income countries in the region also transfer funds to the least developed countries in the form of ODA. India, China and Thailand are the leading donors to a number of LDCs in the region, and since they give most of their aid for infrastructure, hydroelectricity, health, education and agriculture – they can make a positive contribution to the MDGs.

Clearly, intraregional ODA has considerable potential for boosting the MDGs still further. Corresponding to the declarations of the OECD donors, all countries in the region should now aim to increase their ODA for the landlocked and low-income countries of the region to 0.7 per cent of GDP – and regularly publish information on such assistance.

2. Encouraging Asian monetary cooperation

The Asian financial crisis of 1997-1999 was a serious setback for the MDGs. Millions were thrown into the ranks of the poor overnight and Governments found themselves unable to provide basic services for the poor. Countries should therefore consider how they can cooperate to prevent a future crisis of this scale. For this purpose they could create alternatives to assistance from the International Monetary Fund through regional monetary cooperation. The region has built up reserves of around $3 trillion – offering the opportunity to create such facilities. And given the growing scale of intraregional trade, the time is now ripe for such cooperation; China in particular would have a great interest in preventing another monetary meltdown. A number of initiatives have already prepared the groundfor regional monetary cooperation.

As well as using the accumulated reserves to ensure monetary stability, it should also be possible to use some of these funds for productive investment, particularly in the region's infrastructure.

3. Regularizing labour migration

Nowadays many more of the region's migrant workers are going not to the Middle East but to the faster-growing countries in Asia and the Pacific – where they help to meet rising demand for unskilled and semi-skilled labour. Labour migration has many potential benefits for the MDGs – helping to increase growth and thus reduce poverty in both source and destination countries. The migrants' families benefit directly through substantial remittances that they can use not just for day-to-day survival, but for investing in the health and education of their children.

Given the scale of migration and the flows of remittances, and the likelihood that they will persist for some years to come, the challenge for Governments is to make best use of them – maximizing the benefits for both source and destination countries while minimizing the risks for migrants and their families, through better regional cooperation on laws and institutions that improve social protection for migrants. One of the most important steps would be to make realistic assessments of the needs for migrant labour and ensure that this demand is met through legal channels.

4. Creating an Asia-Pacific grain security system

National Governments have the primary responsibility for the food security that is essential for keeping hunger at bay. Nevertheless, countries in the region can also cooperate for this purpose. They can, for example, make investments in and share information on technology and marketing – with joint ventures to boost productivity to usher in a "second green revolution" in the Asian and Pacific region. They should also be able to cooperate on quality control, including protocols for GM foods. In addition, they can remove various forms of protection and segmentation so as to permit farmers both to sell on their local markets and to export. And they can also improve roads and other transport infrastructure to allow for the more efficient distribution of grains around the region.

One major new initiative would be to establish an Asia-Pacific International Grain Bank (APIGB). Initial financing for the Bank could come from the accumulated foreign currency reserves. Countries could then either purchase grains from the Bank, or borrow for later repayment in comparable grains or in hard currency. APIGB could also incorporate some of the elements of a grain market, with a credit system and spot and futures transactions.

In addition the countries of the region could establish early warning systems to notify each other of risks to food security from natural and man-made disasters, for example, or of likely volatility in international grain markets.

5. Tackling the HIV/AIDS pandemic and other diseases

Many countries have been surprisingly slow to address the HIV/AIDS pandemic. In addition to stepping up action at the national level they can also supplement these efforts through cooperation via regional institutions – declaring HIV/AIDS a regional emergency and mandating an emergency response, and developing regional compacts to ensure the provision of drugs and other materials for both prevention and treatment.

Another option would be to create an intergovernmental collaboration mechanism to fight HIV/AIDS to mobilize funds for the lower-income and least developed countries. At the same time countries should be able to collaborate on the control of other diseases, both infectious and non-communicable – by establishing standards, setting up early warning systems, and building more effective regional systems for surveillance and communications.

6. Aiming for green growth

In order to reduce poverty and meet the needs of current and future populations, the countries of the region will need to pursue even greater economic growth. The challenge now is to achieve this growth, while limiting the use of natural resources and cutting pollution, and generally keeping within the region's ecological carrying capacity. This will mean moving on from the conventional paradigm of "grow first and clean up later" to a new paradigm of "green growth" that harmonizes economic growth with environmental sustainability.

At the regional level the possibilities include creating a policy consultation forum and a knowledge hub. Countries can also implement the existing initiative for a network on green growth, while making full use of existing subregional bodies to develop and implement regional and subregional strategies to create synergies between the environment and the economy.

7. Improving governance

One of the reasons why service delivery and MDG attainment are poor is that resources are dissipated through corruption. Governments need to root out corruption primarily at the national level but they can do so more effectively if they cooperate across borders. One possibility would be an Asia-Pacific convention on the elimination of corruption. This could cover agreements on law enforcement and the sharing of information – as well as on extraditing and prosecuting offenders and seizing their assets.

The countries of Asia and the Pacific will also be able to move more rapidly towards the MDGs if they can make better use of information and communication technol-

ogy (ICT) to promote e-governance. At present they differ greatly in their capacity: some are world leaders in ICT and have already advanced towards e-governance; others have yet to start. This suggests many areas of opportunity. Countries, such as India and the Republic of Korea, with abundant software skills and those, such as China, with hardware capabilities can help other countries in the region to advance more rapidly and realistically towards e-governance.

8. Strengthening cooperation between regional institutions

While Governments working closely together can increase their possibilities of attaining the MDGs, there is also an important catalytic role for the regional-level institutions. The United Nations agencies, regional development agencies such as ADB and regional trade, economic and subregional cooperation groups and institutions such as ASEAN, SAARC and GMS need to increase their cooperation on MDG-related issues. The regional partnership between ESCAP, UNDP and ADB for attaining the MDGs is an example – and this report is one output.

A future within reach

The MDGs have helped many countries to galvanize their development efforts – offering a space in which all sections of society can come together to debate national and regional priorities. But they will only finally serve their purpose if they focus attention on the remaining gaps, and on the changes needed to meet the rights of everyone – especially the poorest and most vulnerable. 2015 is only 10 years away.

Advocacy for greater resources is already under way, through the Millennium Project, for example. But these resources need to be complemented with appropriate institutional changes to ensure that all these goals are within reach.

I. Tracking the Millennium Development Goals in Asia and the Pacific

The countries of Asia and the Pacific have made substantial progress towards the MDGs, particularly those related to poverty. Nevertheless on present trends many countries remain "off track" for some vital targets, including those for child and maternal mortality. Comparing the performance of countries across the region can reveal how and why some countries are performing better on certain goals, while others have stalled or are even slipping backwards – and also indicate the kind of institutional changes needed to get back on track.

Five years ago, in September 2000, at the Millennium Summit in New York, leaders of the world's Governments signed the Millennium Declaration and committed themselves to a series of targets that came to be known as the Millennium Development Goals, most of which are to be achieved by 2015. One third of the way through the target period, it is now time to take stock. How have the countries of Asia and the Pacific performed? Are they likely to achieve the targets – and if not what do they need to do to get back on track?

Each country has to assess its own prospects and possibilities, and many have explored these through their own national MDG progress reports – looking at where they stand, goal by goal. In addition, ESCAP and UNDP in 2005 produced a report that looked specifically at some of the poorest countries in the region: *Voices of the Least Developed Countries of Asia and the Pacific: Achieving the Millennium Development Goals through a Global Partnership*.

The purpose of this chapter is to build on this data and analysis to offer a broader regional perspective. This is partly to get a sense of what all these efforts add up to; Asia and the Pacific is, after all, home to around 60 per cent of the world's population so what happens here will have a strong bearing on the global picture. Moreover, while the region shows dynamism and promise, the tasks ahead are immense. The United Nations Millennium Project, for example, has estimated that in 2005, Asia is home to 71 per cent of the total number of people in the world without access to improved sanitation; 58 per cent of those without access to safe water; 56 per cent of the world's undernourished; 54 per cent of those living in slums; and accounts for 43 per cent of the world's child mortality. It could also be pointed out that some of the subregions are in a worse position than other parts of the world. South Asia, for instance, had more undernourished people than Sub-Saharan Africa, more people without access to improved sanitation and more people living in slum conditions.

This chapter will also highlight these problems through various aggregations and comparisons across the region that can reveal patterns of success and failure and indicate lessons and priorities for the years ahead – and particularly the kinds of institutional changes that will be needed if countries are to hit their targets by 2015.

This is a daunting task. Asia and the Pacific is a vast and diverse region. At one end of the scale it includes

China, India and Indonesia, 3 of the world's 4 most populous countries; at the other it also includes Kiribati and Nauru, 2 of the smallest member States of the United Nations. And as well as having some highly developed countries, such as Australia and Japan, it also includes Central Asian countries in transition such as Kazakhstan and Tajikistan, 14 of the world's least developed countries, such as Cambodia and Timor-Leste, a number of which are landlocked and small island developing States. In these circumstances any regional review must be highly selective. This one focuses on the developing and transition countries of the region, and in particular the poorest sections of their populations.

This is the second such regional synthesis. The first, published in 2003 as *Promoting the Millennium Development Goals in Asia and the Pacific,* sketched the picture for the early years, and looked particularly at the achievements in poverty reduction. This second report builds on that analysis and takes advantage of the greater volume and range of data that have become available to paint a more detailed picture for a greater number of indicators. Even so, the data still fall far short of the ideal; either they are missing completely, or are available for only one or two years, making it difficult to discern a trend. So in many parts of the picture the paint can still only be thinly applied, leaving some issues sketchy and unresolved.

Tracking progress

To encapsulate the diversity of country experience and achievement, for each indicator this report places each country in one of four categories.

- *Early achiever* – Has already met the target
- *On track* – Expected to hit the target by 2015
- *Off track – Slow* – Expected to hit the target, but after 2015
- *Off track – Regressing* – Slipping backwards, or stagnating

Note that a country can be an early achiever for one indicator but off track on another; Turkey, for example, is an early achiever for poverty but is regressing on primary school enrolment; Azerbaijan is on track for primary completion but slow on infant mortality. All countries for which sufficient data were available on at least one indicator are listed in table I.1. This table also serves to highlight the extent of data gaps.

Table I.1 also gives an early indication of the most difficult areas. On this basis, some of the most serious problem indicators are clearly under goal 5 for maternal mortality, where more than two thirds of countries are off track, and under goal 7 for carbon dioxide emissions, where more than half of the countries are off track. On a more positive note, some of the best performance has been under goal 3 for gender equality in education, for which more than three quarters of the countries are on track. The following sections will first assess the region goal by goal then stand back to draw more general conclusions on the goals and on the performance of different subregions.

Goal 1 – Eradicate extreme poverty and hunger

The first goal is the most fundamental: to ensure that everyone has the basic resources they need, with sufficient income to lead healthy, productive and fulfilling lives. If this goal is reached, then countries will not only fulfil the rights of their people to a decent income but also be in a much better position to achieve the other goals. Within this goal, there are two targets:

Target 1: Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar per day

On this basis the Asian and Pacific region has made dramatic progress. Between 1990 and 2001 in the 23 countries for which data are available the proportion of people living in income poverty fell from 31 per cent to 20 per cent. Despite population growth, the absolute number of poor people also fell – from 931 million to 679 million.

Poverty can, however, also be assessed using national poverty lines; each country determines the level of income required to purchase essential food and non-food items and then estimates how many people fall below this. This has the advantage over the international $1-per day line that it is more attuned to local realities and most countries do indeed use this measure in their national MDG reports. However, these results may not be internationally comparable and only 13 countries offer sufficient data to indicate a trend; even then the dates of observation vary widely from one country to another. This makes it more difficult to produce an aggregate picture; nevertheless, by this measure, and for these countries, the proportion of people living in poverty also fell, though less dramatically – from 21.3 to 19.4 per cent.

Asia and the Pacific's overall poverty reduction on either basis will inevitably be swayed by the achievements of China and India. In China between 1990 and 2001 the proportion of people living in poverty fell from 33 to 16 per cent – and the total number of poor people fell from 381 million to 213 million. India, also based on the $1-per day line, had a significant reduction: between 1993 and 1999 the proportion of people in poverty fell from 42 to 35 per cent – with the total number of poor falling from 381 million to 354 million.

Table I.1. Asian and Pacific countries, on track and off track for the MDGs

Goal	1			2			3			4		5	6			7							
Indicators	Poverty $1	Poverty nat. line	Malnourishment	Primary enrolment	Reaching grade 5	Primary completion	Gender primary	Gender secondary	Gender tertiary	Under-5 mortality	Infant mortality	Maternal mortality	HIV prevalence	TB prevalence	TB death rate	Forest cover	Protected area	CO_2 emissions	ODP CFC cons.	Water, urban	Water, rural	Sanitation, urban	Sanitation, rural
East and North-East Asia																							
China	▶	●	▶	▶	●	●	●	▶		●	●	■	▶	●	●	●	●	◀	●	◀	■	■	▶
DPR of Korea			◀							■	■	◀		●	●	▶	▶	●	●	●	●		
Hong Kong, China				●		●	●	●	●				▶	●	●		●	◀					
Macau, China				■		●	◀	●	◀					◀	◀			◀					
Mongolia	▶		■	▶		●	●	●	●	■	■	◀	▶	●	●	◀	●	●	◀	◀	◀		
Republic of Korea			●	●	●	●	●	●	■	●	●	●	▶	●	●	◀	●	◀	●	●			
South-East Asia																							
Brunei Darussalam					▶	●	●	●	●	●	●	◀	▶	◀	◀	◀	▶	●	●				
Cambodia		■	▶	▶	▶	▶	▶	■	▶	◀	◀	▶	●	●	●	◀	●	●					
Indonesia	●	◀	◀	▶	▶	●	●	●	▶	●	●	▶	▶	●	●	◀	●	◀	●	◀	■	■	◀
Lao People's Dem. Rep.	◀	▶	▶	▶	▶	■	▶	■	▶	▶	■	◀	▶	●	●	◀	●	◀	◀				
Malaysia	●		●	●		●	●	●	●	●	●	◀	▶	●	●	◀	●	◀	◀	●			●
Myanmar			▶	◀	▶	◀	●	◀		■	■	◀	◀	●	●	◀	●	◀	◀	●	●	●	●
Philippines	▶	▶	■	▶		●	●	●	●	●	●	■	▶	●	●	◀	●	◀	●	◀	◀	▶	▶
Singapore										●	●	◀	▶	●	●	▶	●	●	●	●		●	
Thailand	●	▶	▶	▶		◀	●	●	●	●	●	●	●	●	●	◀	●	◀	●	●	■	●	●
Timor-Leste										■	■	■		●	●	◀							
Viet Nam	●		▶	◀	▶	●	■	■	■	●	●	◀	◀	●	●	●	●	◀	●	◀	◀	●	■
South and South-West Asia																							
Afghanistan							◀			■	■	◀		●	●	▶	▶	●					◀
Bangladesh	◀	■	■	◀	▶	◀	●	●	◀	▶	▶	▶		●	●	●	●	◀	◀	◀	■	■	▶
Bhutan					▶					▶	■	▶		●	●	▶	●	◀					
India	▶	▶	◀	◀	◀	▶	▶	▶	▶	■	■	◀	◀	●	●	●	●	◀	●	●	●	▶	▶
Iran (Islamic Republic of)	●		●	▶	◀	◀	●	●	●	●	●	■	▶	●	●	▶	●	◀	◀	●	◀	◀	◀
Maldives				●			●	●		■	■	●		●	●	▶		◀	●	●	◀	●	
Nepal			■	■	▶	▶	▶	▶	◀	■	■	▶	◀	●	●	◀	●	◀	◀	◀	▶	■	▶
Pakistan	●	◀	◀	▶			◀	▶		■	■	◀	▶	●	●	◀	▶	◀	◀	●	▶	●	▶
Sri Lanka	◀	◀	■	●			●			●	●	◀	▶	●	●	◀	▶	◀	●	●	▶	●	●
Turkey	●		●	◀			▶	▶	▶	●	●	◀		●	●	●	▶	◀	●	●	●	◀	◀
North and Central Asia																							
Armenia	◀	■	▶	◀		◀	●	●	●	●	●	◀	▶	◀	◀	●	●	◀	◀	●		●	
Azerbaijan	●	▶	●	◀		▶	●	●	●	■	■	◀		●	◀	●	▶	●	●	●	■		
Georgia	●		▶	◀		●	●	●	●	●	◀	◀	▶	●	●	▶	●	●	●			●	
Kazakhstan	●		◀	▶		▶	●	●	●	◀	◀	◀	◀	◀	◀	●	●	●	●	●	◀	◀	◀
Kyrgyzstan	●	◀	●	◀		●	●	●	●	■	■	◀	▶	●	●	●	●	●	●	●			
Russian Federation	●		●			◀	●	●	●	●	●	■	◀	●	●	●	●	●	●	●	■	◀	◀
Tajikistan	●		◀	●		●	●	◀	◀	■	■	■		◀	◀	●	▶	●	●				
Turkmenistan	●		●							◀	◀	▶		●	●	▶	●	◀	●				
Uzbekistan	■		◀				●	●		■	■	●	▶	◀	◀	●	▶	●	●	●	◀	◀	◀
Pacific																							
American Samoa														●	●	▶	▶	●					
Cook Islands										●	●			◀	●	▶	●	◀		●	■	●	●
Fiji				●	◀	●	●	●		●	●	◀	▶	●	●	◀	●	◀	●			●	●
French Polynesia												●		●	●	▶	▶	●		●	●	●	●
Guam												●		●	◀	▶	▶	◀		●	●	●	●
Kiribati										■	■			●	●	▶	●	◀	●	■	▶	▶	■
Marshall Islands										▶	■			●	●		●		▶	◀	●	▶	■
Micronesia (Federated States of)										●	●			●	●	◀	▶			●	●	■	◀
Nauru										●	●			●	●			●					
New Caledonia												●		●	●	▶	▶	●					
Niue						●	◀	●						●	●		▶	◀		●	●	●	●
Northern Mariana Islands														●	◀	▶	▶			●	●	●	●
Palau				●		●	◀	●	●	●	●			●	●	▶	●	●	●	▶	◀	●	◀
Papua New Guinea				◀	◀	■	◀	▶		■	■	▶	◀	●	●	◀	●	●	●	◀	◀	◀	◀
Samoa				▶	▶	◀	●	●	◀	●	●	◀		●	●		●	◀	●	◀	◀	●	●
Solomon Islands										●	●	◀		●	●	◀	●	●	●			●	
Tonga				●	◀	●	●	●	●	●	●			●	◀	▶	●	◀	●	●	●	●	●
Tuvalu										■	▶			●	●		●		▶	▶	▶	●	▶
Vanuatu				▶		▶	●	●		●	●	◀		●	◀	●	●	◀		◀	◀		

Key: ● early achiever; ▶ on-track; ■ slow; ◀ regressing

As a result of these declines, China and India are well on track to hit their poverty targets. In addition, 17 other countries are either also on track or, like Indonesia, have already hit their targets. Table I.2, however, summarizes the position for both international and national poverty lines. Thus China and India registered significant falls on both the $1-per day measure and in their national poverty rates – though for some other countries, such as the Lao People's Democratic Republic and Pakistan, the two measures show opposite trends.

Table I.2. Poverty rates, $1 per day and national poverty lines

Country	Proportion of population below $1 per day (percentage)			Proportion below national poverty line (percentage)		
	On first observed date	On last observed date	Annual rate of change	On first observed date	On last observed date	Annual rate of change
◀ Armenia	6.7	12.8	38.90	54.7	53.7	–0.61
● Azerbaijan	10.9	3.7	–16.64	68.1	49.6	–5.15
◀ Bangladesh	35.9	36.0	5.59	51.0	49.8	–0.59
Cambodia				39.0	36.1	–2.54
▶ China	33.0	16.6	–6.45	6.0	4.6	–12.44
● Georgia	2.0	2.7	8.39			
▶ India	42.3	35.3	–2.97	36.0	28.6	–3.76
● Indonesia	17.4	7.5	–9.24	15.7	27.1	19.96
● Iran (Islamic Republic of)	2.0	2.0	0.00			
● Kazakhstan	2.0	2.0	0.00			
● Kyrgyzstan	8.0	2.0	–18.90	51.0	64.1	12.11
◀ Lao People's Democratic Republic	7.8	26.3	27.71	45.0	38.6	–3.02
● Malaysia	2.0	2.0	0.00			
◀ Mongolia	13.9	27.0	24.74			
● Pakistan	47.8	13.4	–18.74	28.6	32.6	2.21
▶ Philippines	19.8	15.5	–3.20	40.6	36.8	–3.22
● Russian Federation	6.1	2.0	–11.09			
◀ Sri Lanka	3.8	7.6	7.12	20.0	25.0	4.56
● Tajikistan	13.9	7.4	–14.48			
● Thailand	6.0	2.0	–13.03	18.0	13.1	–14.69
● Turkey	2.4	2.0	–2.65			
● Turkmenistan	20.7	12.1	–10.18			
■ Uzbekistan	3.3	17.3	–4.92			
● Viet Nam	14.6	2.0	–20.00			

Notes: Poverty rates are not available every year. The first date is the closest available to 1990 while the last is the most recent available data. The rate of change is expressed as a percentage of the value on the first date; thus if it is negative the poverty rate has been falling.
Key: ● early achiever; ▶ on track; ■ slow; ◀ regressing

This table also highlights the countries that are having the greatest problems – Armenia, Bangladesh, Sri Lanka, Lao People's Democratic Republic, Mongolia and Uzbekistan. Apart from Uzbekistan, all have actually been regressing – moving away from the target. Of these, probably the most worrying case is that of Bangladesh, which during the early 1990s seemed to be making good progress, but since 1996 has suffered a setback: by 2001 poverty had risen to 36 per cent. The most surprising case appears to be that of Sri Lanka, which has done well on some of the other indicators, such as infant mortality, but is drifting backwards on poverty. It should be emphasized, however, that Sri Lanka starts from a much better position and is attempting to halve a poverty rate – 7.6 per cent – that is already far lower than those of the other larger South Asian countries: India has a rate of 35 per cent but is classified as "on track" and Pakistan has a rate of 13.4 per cent and is classified as an "early achiever".

The position of most countries is summarized graphically in figure I.1. Similar pairs of charts are presented for many of the other indicators; the one on the left shows both the current value of the indicator, in this case of poverty, along with the distance from the target, while the one on the right, using the "progress index", is designed to show how fast a country is moving towards, or away from, the target. A fuller explanation of these charts is given in box I.1.

Although one of the main determinants of poverty reduction in the Asia-Pacific region is economic growth, the degree of inequality also plays a significant role. Countries that grow rapidly will see their poverty rate fall, provided that inequality does not increase too much. An important measure of inequality is the Gini coefficient, which takes a value between 0, representing absolute equality, and 1 which corresponds to one person owning everything. China, for example, grew

Figure I.1. Poverty, target distance and progress index

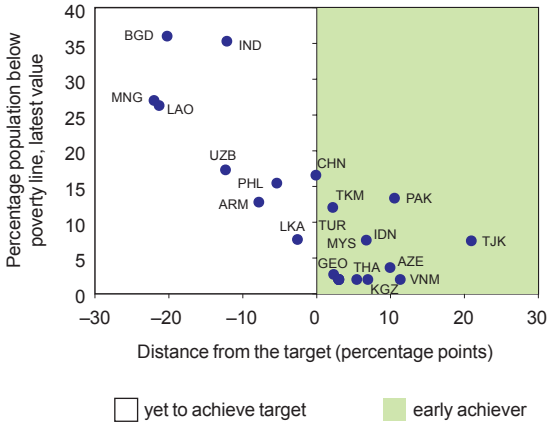


Figure I.1a shows for the 23 countries with income poverty data their current poverty rates and distance that they have to travel; those in the left zone have yet to reach their target, those in the right have already surpassed it. Thus Sri Lanka (LKA) has yet to reach the target, but is actually in a better position than Pakistan (PAK) to the right, which has already passed its target.

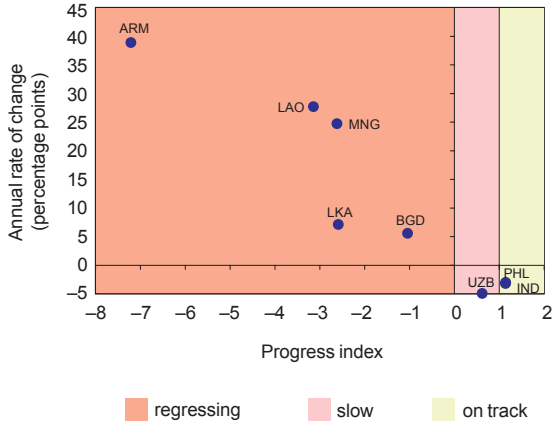


Figure I.1b looks only at those countries that have yet to reach their targets. Thus Armenia (ARM) is in a particularly difficult situation. First, being in the red zone it is regressing, second it is doing so very rapidly, third, it would not only need to turn the negative change positive it would also need to change seven times more rapidly.

Notes: 1. For a fuller explanation of these charts, see box I.1.
2. For a key to the country codes, see box I.2.
3. For China the progress index is too high to fit on the scale of figure I.1b.

Box I.1. Guide to the "distance" and "progress index" charts

For each of those MDGs where the target is quantitative – targets 1 to 6 – this report presents a pair of charts. The left-hand chart shows on the vertical axis a country's current position for that indicator and on the horizontal axis the distance to its target value; since many of the targets are based on reducing a 1990 value by a certain proportion, each country's target is likely to be different. The value on the horizontal axis is thus the actual value in the most recent year minus the target value, expressed in percentage points or the appropriate measure. If this number is positive a country has thus surpassed its target and is an "early achiever" and falls within the green zone. If the number is negative the country still has a gap to bridge before reaching the target, and falls within the white zone.

The right-hand chart offers further information on the countries in the white zone, though in this case it looks at how fast the situation is changing. The vertical axis displays the country's current annual rate of change; if it is positive the indicator is improving; if negative, deteriorating – though in some cases, of course, like primary school enrolment, improvement will mean an increase, while for others, such as poverty, improvement will mean a decrease. The horizontal axis indicates how the current rate of change compares with the rate necessary to reach the target by 2015. Termed the "progress index", this is simply the current rate divided by the desired rate. If the progress index is negative this means that the value is moving in the wrong direction; if as well as being negative it is also a large number this means that it is moving in the wrong direction very fast.

On this basis, for each indicator, countries fall into one of three colour-coded zones:

- Light green zone – The progress index is greater than or equal to 1 (i.e., annual rate of change greater than or equal to the required rate of change); the countries in this area are therefore "on track", as they are projected to meet the target on or before time;
- Pink zone – The progress index is positive but less than 1; these countries are "off track, slow progress"; they are expected to achieve the target, but only after 2015;
- Red zone – The progress index is negative or zero; these countries are classified as "off track, regressing" because they are stagnating or moving in the wrong direction.

Box I.2. Key to country codes

AFG	Afghanistan
ARM	Armenia
ASM	American Samoa
AUS	Australia
AZE	Azerbaijan
BGD	Bangladesh
BRN	Brunei Darussalam
BTN	Bhutan
CHN	China
COK	Cook Islands
FJI	Fiji
FSM	Federated States of Micronesia
GEO	Georgia
GUM	Guam
HKG	Hong Kong, China
IDN	Indonesia
IND	India
IRN	Islamic Republic of Iran
JPN	Japan
KAZ	Kazakhstan
KGZ	Kyrgyzstan
KHM	Cambodia
KIR	Kiribati
KOR	Republic of Korea
LAO	Lao People's Democratic Republic
LKA	Sri Lanka
MAC	Macao, China
MDV	Maldives
MHL	Marshall Islands
MMR	Myanmar
MNG	Mongolia
MNP	Northern Mariana Islands
MYS	Malaysia
NCL	New Caledonia
NIU	Niue
NPL	Nepal
NRU	Nauru
NZL	New Zealand
PAK	Pakistan
PHL	Philippines
PLW	Palau
PNG	Papua New Guinea
PRK	Democratic People's Republic of Korea
PYF	French Polynesia
RUS	Russian Federation
SGP	Singapore
SLB	Solomon Islands
THA	Thailand
TJK	Tajikistan
TKM	Turkmenistan
TML	Timor-Leste
TON	Tonga
TUR	Turkey
TUV	Tuvalu
UZB	Uzbekistan
VNM	Viet Nam
VUT	Vanuatu
WSM	Samoa

rapidly in economic terms during the 1990s with an 8.8 per cent increase in GDP per year. It also suffered an increase in inequality: between 1992 and 2001 China's Gini coefficient increased from 0.38 to 0.45. Even so, this did not completely offset growth. The growth and inequality experience of all 23 countries is summarized in table I.3.

The significance of economic growth, or the lack of it, for poverty is evident in the case of Mongolia. Here, poverty increased dramatically during 1990-1994, the early years of transition, as national income plummeted and unemployment increased. So even though inequality fell, poverty rose. The significance of inequality is also illustrated by the cases of Georgia, the Lao People's Democratic Republic and Sri Lanka: although their per capita GDP and household consumption grew substantially, all three suffered a dramatic increase in poverty as a result of rising inequality. The issue of increases in inequality as part of the growth process is becoming a concern in the Asia-Pacific region, as this would tend to lower the impact of future growth on poverty reduction. This highlights the importance of focusing on growth strategies that are more inclusive and broad-based.

Target 2: Halve, between 1990 and 2015, the proportion of people who suffer from hunger

A reduction in poverty can also be expected to lead to a reduction in malnutrition – one measure of which is the proportion of the population consuming less than the minimum daily dietary requirement. In this case 27 countries offer sufficient data to indicate a trend and taken together they show an overall reduction between the early 1990s and 2001 – from 18.7 to 15.1 per cent.

This overall trend is strongly influenced by the weak performance of India. Here the proportion below the minimum daily energy requirement fell between 1991 and 2001, from 25.0 to 21.4 per cent, but as a result of population increase the absolute number of hungry people rose: from 217 to 222 million. Even so, India is not the country most seriously affected. Far and away the worst situation is in Tajikistan, where 61 per cent of the population go hungry, followed by the Democratic People's Republic of Korea with 36 per cent. Both have also been regressing: falling into the red zone of figure I.2b.

Table I.3. Annual percentage rates of change in poverty rates, inequality and GDP

Country	$1/day poverty rate	First date	Final date	Gini coefficient	GDP per capita	Household final consumption expenditure per capita
Armenia	38.90	1996	1998	−7.58	6.82	7.82
Azerbaijan	−16.64	1995	2001	0.23	6.94	11.02
Bangladesh	−0.03	1991	2000	1.46	3.08	0.88
China	−6.45	1990	2001	1.84	8.83	7.75
Georgia	8.39	1996	2001	0.28	4.44	3.84
India	−2.97	1993	1999	8.37	4.68	3.70
Indonesia	−9.24	1993	2002	−0.28	0.54	2.93
Iran (Islamic Republic of)	0.00	1990	1998		1.98	1.14
Kazakhstan	0.00	1993	2003	−0.58	4.00	0.00
Kyrgyzstan	−18.90	1993	2002	−1.49	1.31	−2.28
Lao People's Democratic Republic	27.71	1992	1997	4.01	4.46	
Malaysia	0.00	1992	1997	0.67	6.68	5.53
Mongolia	24.74	1995	1998	−3.03	2.16	
Pakistan	−18.74	1990	1998	0.00	1.41	2.54
Philippines	−3.20	1991	2000	1.20	1.33	1.48
Russian Federation	−11.09	1994	2002	−6.65	2.34	1.93
Sri Lanka	7.12	1990	2000	0.99	3.93	3.41
Tajikistan	−14.48	1999	2003		8.85	21.85
Thailand	−13.03	1992	2000	−0.85	2.04	1.53
Turkey	−2.65	1994	2000	−0.60	2.31	2.24
Turkmenistan	−10.18	1993	1998	2.54	−9.77	
Uzbekistan	29.68	1993	2000	−1.35	0.66	
Viet Nam	−20.00	1993	2002	0.40	5.68	3.55

Note: The first date and final date refer to the poverty data. Changes for the Gini coefficient and GDP are within this period, though not necessarily corresponding to these dates.

Figure I.2. Proportion of malnourished people, target distance and progress index

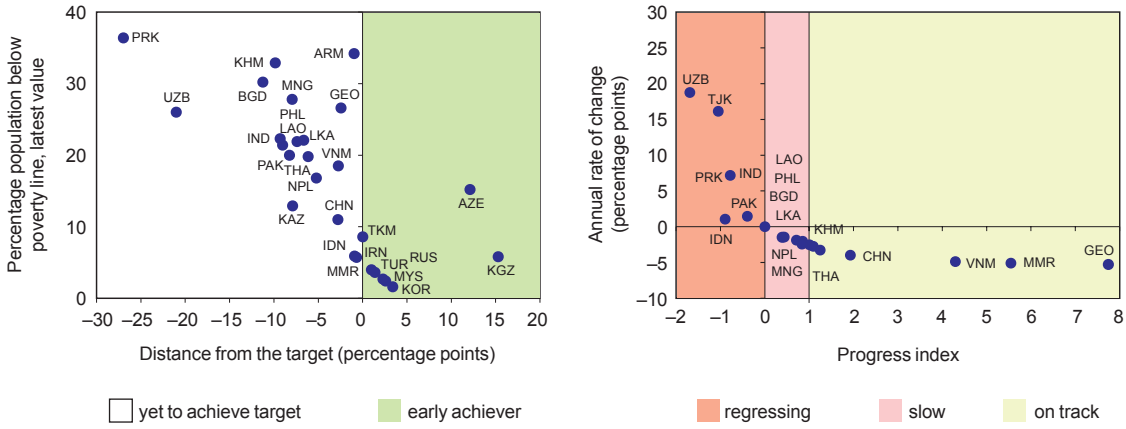


Figure I.2a shows for the 27 countries with the necessary data the current proportion of people below the dietary minimum and the distance the country is from its goal. Those in the left zones have yet to reach their target, those in the right have already achieved it. Tajikistan is in the worst position: its latest value of 61 per cent is so high that it falls outside the range of this figure, but Uzbekistan (UZB) with 26 per cent of its people hungry is also more than 20 percentage points away from its target.

Figure I.2b looks only at those countries that have yet to reach their targets. Thus the same two countries are also in the red zone since they are regressing. The progress index shows that Tajikistan's (TJK) rate, which has been rising by 0.2 percentage points per year, would instead need to fall – and by twice as fast as it has been rising. Viet Nam (VNM), however, is well on track and is actually progressing four to five times faster than it needs to meet its target.

Notes: 1. For a more detailed explanation of these charts, see box I.1.
2. For a key to the country codes, see box I.2.

Box I.3. Cut-offs used for deciding whether MDGs have been achieved

Many of the MDGs require reducing an indicator value by a certain proportion. However, for the purpose of the analysis in this report the goal is also treated as achieved if the country has reached a certain absolute value. In the case of primary school enrolment, for example, this is 95 per cent, and for the poverty rate 5 per cent. The "cut-offs" for each indicator are indicated below.

Indicators	MDG target	Cut-off
Prop. of population below $1	Reduce by half	5%
Prop. of population undernourished	Reduce by half	5%
Primary enrolment ratio	100	95%
Proportion of pupils reaching grade 5	100	95%
Primary completion rate	100	95%
Primary girls-boys ratio	100	95%
Secondary girls-boys ratio	100	95%
Tertiary girls-boys ratio	100	95%
Child mortality rate	Reduce by 2/3	45 per 1,000 live births
Infant mortality rate	Reduce by 2/3	35 per 1,000 live births
Maternal mortality rate	Reduce by 3/4	25 per 100,000 live births
HIV prevalence	Reverse prevalence	decrease
TB prevalence	Reverse prevalence	decrease
TB death rate	Reverse incidence	decrease
Forested land cover	Reverse loss	increase
Protected areas	Reverse loss	increase
Per capita carbon dioxide emissions	Reverse emissions	decrease
Per capita CFC consumption	Reverse consumption	decrease
% of pop. without access to water – urban areas	Reduce by half	5%
% of pop. without access to water – rural areas	Reduce by half	5%
% of pop. without access to sanitation – urban areas	Reduce by half	5%
% of pop. without access to sanitation – rural areas	Reduce by half	5%

The proportion of people malnourished is affected by many factors, primarily the availability of food in a country and the economic and social access of the poor to that food. Tajikistan has serious problems of food availability. Only 6 per cent of the territory is arable land and in the Soviet era much of irrigated arable land was used for cotton, with wheat production often on inefficient State farms relegated to the non-irrigated land. Poverty is also a major factor: although Tajikistan has achieved its poverty target, one fifth of the population is poor. This situation can be contrasted with that in Viet Nam, which is on track: not only does it have more fertile land it has also boosted output through liberalization and has increased economic access to food by reducing poverty.

Perhaps an even more important indicator of hunger is the proportion of children under five who are malnourished. In this case there are insufficient data to indicate general trends across the region, but the most recent are collected in table I.4, which indicates proportions significantly different from the proportion of malnourished people. This is partly because this indicator refers only to children but also because the data are gathered in very different ways: child malnutrition is measured in household surveys that weigh individual children, while the proportion of people eating less than the dietary minimum is calculated indirectly through measures of food availability and income distribution.

For many countries, child malnutrition is disturbingly high; and surprisingly so since most households are not seriously short of food and should have enough for the small amounts that young children consume. The problems often start before and during pregnancy since malnourished mothers are more likely to produce low birth-weight babies. Then, during the first two years of life many children lose ground because they are not given sufficient high-quality food – particularly if mothers have low standards of education. Low standards of health and hygiene also play an important part since sick children are less able to absorb essential nutrients. It is also important to ensure that children receive adequate quantities of micronutrients such as iron, iodine and vitamin A. Micronutrient deficiencies represent a "hidden hunger" not evident from calorific measures.

Table I.4. Malnutrition and poverty

Country	Proportion of underweight children (percentage)	Proportion of malnourished people (percentage)	$1 per day poverty (percentage)
Nepal	48.3	16.8	
Afghanistan	48.0		
Bangladesh	47.7	30.2	36.0
India	47.0	21.4	35.3
Cambodia	45.2	32.9	
Timor-Leste	42.6		
Lao People's Democratic Republic	40.0	22.1	26.3
Pakistan	38.0	20.0	13.4
Myanmar	35.3	5.7	
Viet Nam	33.1	18.5	2.0
Philippines	30.6	22.3	15.5
Maldives	30.4		
Sri Lanka	29.4	21.9	7.6
Indonesia	26.1	5.9	7.5
Democratic People's Republic of Korea	20.8	36.4	
Bhutan	18.7		
Thailand	18.6	19.8	2.0
Mongolia	12.7	27.8	27.0
Malaysia	12.4	2.4	2.0
Turkmenistan	12.0	8.6	12.1
Kyrgyzstan	11.0	5.8	2.0
Iran (Islamic Republic of)	10.9	4.0	2.0
China	10.0	11.0	16.6
Turkey	8.3	2.7	2.0
Fiji	7.9		
Uzbekistan	7.9	26.0	17.3
Azerbaijan	6.8	15.2	3.7
Kazakhstan	4.2	12.9	2.0
Georgia	3.1	26.6	2.7
Russian Federation	3.0	3.6	2.0
Armenia	2.6	34.2	12.8

Note: This table only includes countries that have data on the proportion of underweight children.

Goal 2 – Achieve universal primary education

All Governments in the region accept not just that education is a basic right but that future national prosperity will depend on having an educated workforce – whether for boosting agricultural output or for adapting to the rapidly changing technological demands of both manufacturing and service industries. After significant investment of resources, a number of countries have already achieved the goal of universal primary education, and many others are on track to do so.

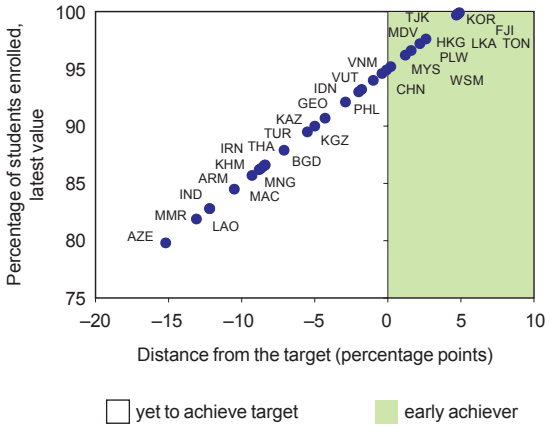
Target 3: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling

Within this target there are three indicators: the net enrolment ratio, the proportion of children starting in grade one who reach grade five, and the proportion of all children who complete a course of primary education. For net enrolment the target is conventionally considered to be 95 per cent. Most countries in the region have ratios above 80 per cent, and many above 90 per cent. Of the 33 countries with sufficient data available for estimating a trend, 8 have already achieved the target and 11 others are on track to do so. Even Pakistan, with a net enrolment ratio in 2000 of only 59 per cent, should still hit the target if it maintains its current rate of progress. Worryingly, however, 13 countries are regressing, as indicated by their position in the red zone of figure I.3b.

It should be noted that net enrolment refers only to children of primary school age and may present an over-pessimistic picture. Many schools also educate over-age children. A child of 13, for example, who is enrolled in grade 5 of primary school class would be considered over-age and not be counted even though the child could be on his or her way to successfully completing primary school.

Although many countries have succeeded in enrolling children in the different primary classes they may then struggle to prevent them from dropping out. The cumulative effect of dropout can be measured by a "cohort analysis" that follows a group of children through primary school. Only 17 countries in the region have cohort analyses suitable for the calculation of a trend. Among these, those with the highest dropouts are Papua New Guinea, where only about half of school entrants make it to grade 5, along with India, Myanmar and the Lao People's Democratic Republic, where the proportion is less than two thirds (figure I.4a).

Figure I.3. Net primary enrolment ratio, target distance and progress index



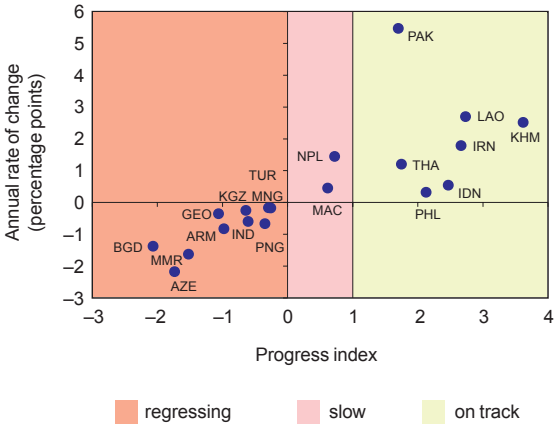


Figure I.3a shows for the 33 countries with the necessary data the current net enrolment ratio and the distance the country is from 95 per cent – the conventional cut-off point. Those in the left zone have yet to reach their target, those in the right have achieved 95 per cent or more. This chart, compared with many of the others, locates the countries along a straight line because in this case they all have the same target. Thus Azerbaijan (AZE) has both the lowest figure and is necessarily the furthest from the common target.

Figure I.3b looks only at those countries that have yet to reach the target. This shows the position of Azerbaijan (AZE) as even more alarming, being in the red zone it is actually regressing. The Philippines (PHL), however, in the green zone, is well on track: although its rate of change is quite small it is already quite close to 95 per cent and its rate of progress is more than twice that required to meet to the target by 2015.

Notes: 1. For a more detailed explanation of these charts, see box I.1.
2. For a key to the country codes, see box I.2.

Figure I.4. Children who make it to grade 5, target distance and progress index

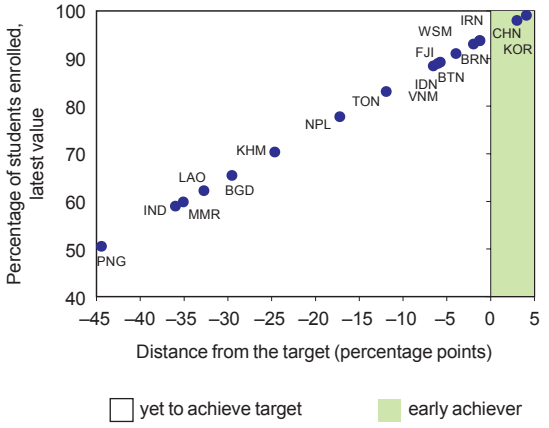


Figure I.4a shows for the 17 countries with the necessary data the current proportion of school entrants who make it to grade 5 and the distance the country is from 95 per cent – the conventional cut-off point. Those in the left section have yet to reach their target, those in the right have already achieved 95 per cent or more. Papua New Guinea (PNG) has the highest drop-out rate of this group.

Figure I.4b shows only those countries that have yet to reach 95 per cent. The position of India (IND) appears to be worrying in that it is regressing, though since the data are from two consecutive years, 1998 and 1999, they may be too close together to indicate a trend. The Lao People's Democratic Republic (LAO) and Myanmar (MMR) are indicated as "on track" and making positive progress, though again the data points may be too close to represent a real trend.

Notes: 1. For a more detailed explanation of these charts, see box I.1.
2. For a key to the country codes, see box I.2.

A third measure of success in education is the primary completion rate. This, however, is really only an indication of what happens in the final year: the primary completion rate is the total number of students successfully graduating from the final year of primary school in a given year, expressed as a proportion of the total number of children in the population who are of the correct age to do so. For the region as a whole this figure can be quite high: increasing between 1998 and 2001 from 89 to 93 per cent. It may seem strange that this is often higher than the enrolment ratio, but the number of graduates is usually swollen by over-age children so this figure probably gives an overoptimistic picture.

Why do some countries do better than others in education? Based on these data the following factors are associated with higher enrolment:

- *Higher per capita income* – This reflects, among other things, the difficulty that poor families have in paying the expenses of education or in managing without their children's work.
- *Higher government expenditure on education* – A 1 per cent increase in expenditure on education is associated with a 1.5 per cent increase in enrolment.
- *Higher literacy rate of adult women* – Mothers who themselves have been educated recognize the value of education for their children.
- *Lower rural proportion of the population* – Rural children are less likely to go to school. This may be because the school can be some distance away, or because the quality of rural education is lower, or because more rural children are needed for work.
- *Higher share of women in wage employment* – This can be taken as an indication of women's status within the home, and suggests that when they have the power to do so they will send their children to school.

Countries such as Thailand that have remained on track have done so by reducing poverty while also finding ways of encouraging children to go to school by, for example, providing the children of poor families with scholarships, lunch and transport. Children in Papua New Guinea, however, are in a more difficult situation, with much higher levels of poverty. They also face measurable cultural obstacles – having to cope, for example, with an imported education system that does not fully meet their needs, and also often having to learn in a language different from the one they speak at home.

Goal 3 – Promote gender equality and empower women

At the Millennium Summit, the world's Governments placed great importance on women's rights – aiming not just to ensure parity in service delivery but also to empower women in their families and their communities. The actual targets for this goal are, however, restricted to educational enrolment.

Target 4: Eliminate gender disparity in primary and secondary education preferably by 2005 and in all levels of education by no later than 2015

This is one of the most successful areas for the countries of Asia and the Pacific. At all three levels the target for the ratio between girls and boys' enrolment is taken to be 95 per cent. At the primary level, of the 38 countries or territories with data available, 26 have already achieved the target and 5 are on track to do so. Among the countries that have made particularly rapid progress since 1990 are Bangladesh and China, followed by the Lao People's Democratic Republic, India and Nepal. Because most countries are so close to the target and some countries of concern lie outside a usable scale, the distance and progress charts for these are not included here.

Of the 5 that are regressing, the most serious situations are in Afghanistan, where between 1990 and 1999 the ratio fell dramatically from 0.55 to 0.08, and in Pakistan, where the proportion has stalled at 0.74. In Afghanistan the situation will have improved considerably since 1999 following the restoration of democracy; the 2004 Afghanistan human development report, for example, indicates that the ratio for combined primary, secondary and tertiary enrolment is now around 0.5. In Pakistan, however, the outlook does not appear good and the Government will need to make enormous efforts to get even close to the target. The other countries that should strictly be classified as regressing are doing so very close to the target.

At the secondary level the situation also seems quite positive. Of the 36 countries with relevant data 25 have already achieved the target. And even some of those where the ratio is still quite low, such as Pakistan at 0.66 and Nepal at 0.75, have been making up ground so quickly that they are likely meet the target of 0.95 by 2015 – thus they fall into the "on track" zone in figure I.5b. Across the region, weighted for population, between 1990 and 2001 the ratio of boys to girls at the secondary level increased from 0.73 to 0.87. Of those countries in South-East Asia that are off track, 2, Myanmar and Viet Nam, are still nevertheless quite close to the target; Cambodia and the Lao People's Democratic Republic, however, are some way away and progressing too slowly. Tajikistan too needs to do much better since it is now slipping badly; in 1990 almost all children went to secondary school, but by 2002 the proportion had fallen to 90 per cent for boys and 74 per cent for girls.

Figure I.5. Gender equality in secondary education, target distance and progress index

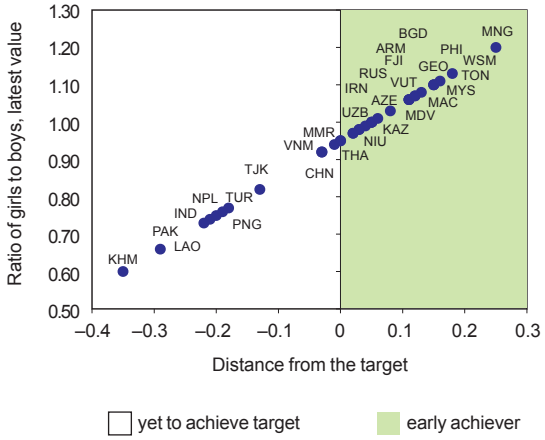


Figure I.5a shows for 30 countries with the necessary data the current ratio of boys to girls in secondary school and the distance from the target ratio of 0.95. Those in the left zone have yet to reach their target; those in the right zone have already surpassed it. Cambodia (KHM) has the lowest ratio, 0.6. Note that many countries have more girls than boys: in Mongolia (MNG) the ratio is 1.2 and in Armenia (ARM) 1.1.

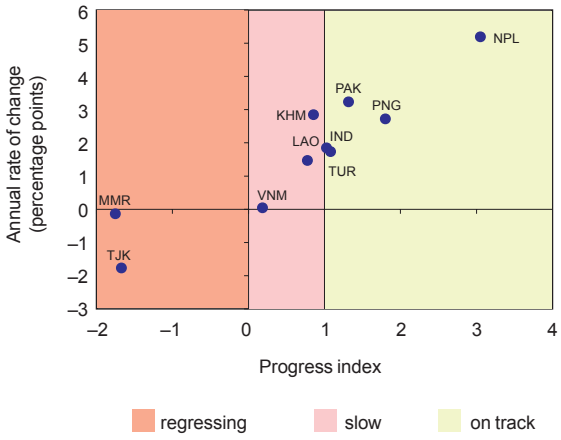


Figure I.5b shows only countries that have yet to reach 0.95. Nepal (NPL), where the ratio is still only 0.75, has nevertheless been advancing at a rate three times that required to make the target so falls within the on track zone. Cambodia (KHM), however, is proceeding too slowly to hit the target on time. Tajikistan (TJK) is regressing rapidly. Myanmar (MMR) is also regressing but is actually not far from the target.

Notes: 1. For a more detailed explanation of these charts, see box I.1.
2. For a key to the country codes, see box I.2.

For tertiary education, the picture also seems fairly positive. Of the 27 countries with the necessary data, 15 have already achieved the 0.95 target, while 5 others are on track. Overall, weighted for population, between 1990 and 2001 the ratio of girls to boys increased from 0.66 to 0.80. Indeed in a number of countries there are more girls than boys enrolling for tertiary education: twice as many in Palau, for example, and 30 per cent more in the Philippines. However, as with secondary education, there are concerns about slow progress in Viet Nam and a serious reversal in Tajikistan.

Goal 4 – Reduce child mortality

One of the most sensitive indicators of success in development is the survival rate of children, and particularly of infants under 1 year old. Across the region nearly 5 million children die before reaching their fifth birthday.

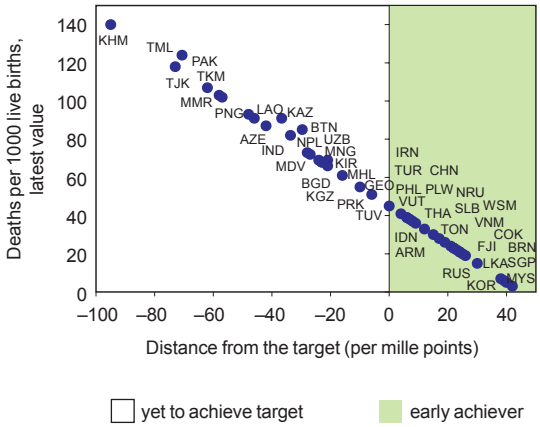
Target 5: Reduce by two thirds, between 1990 and 2015, the under-5 mortality rate

For this index the 47 countries of the region with data available divide into two halves (figure I.6a). Half have already achieved their targets, and all of these now have child mortality rates below 45 per 1,000 live births. The other half, however, are in a very different position: only 4 are on track to meet the target; 14 are off track, making progress too slowly; while 3 are regressing (figure I.6b). It should be pointed out, however, that this is slow progress against a challenging target: to reduce not by half but by two thirds.

In 2003, the largest number of child deaths was in India, 2.3 million, followed by China, 650,000, and Pakistan, 481,000. Of these countries, however, only China has been making sufficient progress on this indicator; indeed it is an early achiever. Both India and Pakistan are off track since they are progressing too slowly. The most shocking rate, however, is in Afghanistan with 257 deaths per 1,000 life births: 1 child in 4 dies before reaching the age of 5 – resulting in 2003 in 340,000 deaths – and the country seems to be making scarcely any progress. Rates are also too slow in several countries in Central Asia.

As child mortality rates come down, the majority of deaths take place in the earliest years, months, and even days, of life. Thus in India, while the child mortality per 1,000 live births in 2003 was 87, the infant mortality rate was 63, so three quarters of child deaths take place in the first year. In countries with lower rates, an even higher proportion are in the first year: in the Islamic Republic of Iran, for example, 33 out of 39. Overall therefore, the pattern for infant mortality is similar to that of under-5 mortality, though some countries that are doing well on child mortality appear to be less successful on infant mortality (figure I.7b).

Figure I.6. Child mortality, target distance and progress index



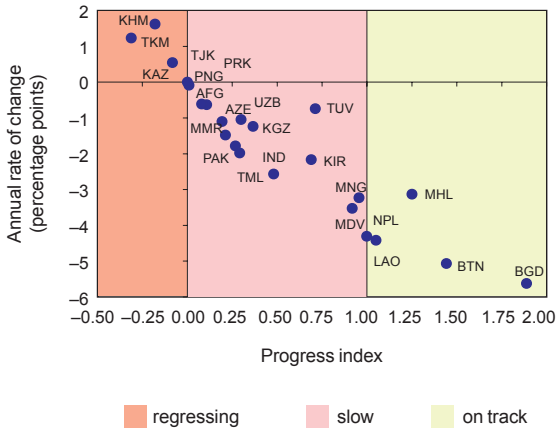
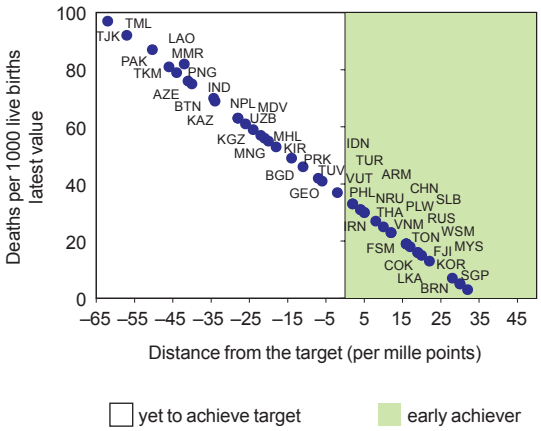


Figure I.6a shows for 47 countries with the necessary data the number of child deaths per 1,000 live births. Those in the left zone have yet to reach their target, those in the right have surpassed it. The highest rate, 257 for Afghanistan, is so high as to be outside the scale of this figure. Cambodia (KHM) has the highest rate at 140. At the other end of the scale countries such as Singapore (SGP) have surpassed their targets and have "developed country" rates.

Figure I.6b shows only countries that have yet to reach their targets. Bangladesh (BGD) is well on track, reducing at almost twice the rate needed to reach the target, as are Bhutan (BTN) and the Marshall Islands (MHL). Many countries are in the pink zone, however, progressing too slowly to meet the target by 2015, while Cambodia (KHM), Turkmenistan (TKM) and Kazakhstan (KAZ) are regressing.

Notes: 1. For a more detailed explanation of these charts, see box I.1.
2. For a key to the country codes, see box I.2.

Figure I.7. Infant mortality, target distance and progress index



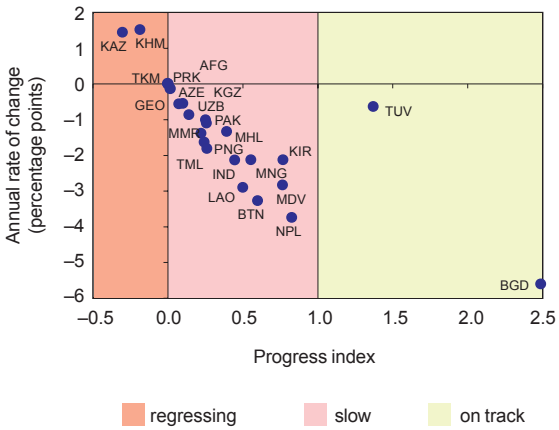


Figure I.7a shows for 47 countries with the necessary data the number of infant deaths per 1,000 live births. Those in the left zone have yet to reach their target, those in the right have surpassed it. The highest rate, 165 for Afghanistan, is so high as to be outside the scale of this figure. Cambodia (KHM) has the highest rate at 97.

Figure I.7b shows only countries that have yet to reach their targets. Bangladesh (BGD) is again well on track, reducing at almost twice the rate needed to reach the target, as is Tuvalu (TUV). However, Bhutan (BTN) and the Lao People's Democratic Republic (LAO), which were on track for child mortality, are not doing so well on infant mortality. More surprising, Georgia (GEO), an early achiever on child mortality, is regressing on infant mortality.

Notes: 1. For a more detailed explanation of these charts, see box I.1.
2. For a key to the country codes, see box I.2.

Most infant and child deaths result from a combination of malnutrition and preventable or treatable diseases such as acute respiratory infections, diarrhoea, measles and malaria. Reduction in poverty and improved living conditions, along with improved health care, would eliminate many of these deaths. The 10 countries with the highest child mortality rates include 7 of those in the top 10 for poverty. These mortality rates also correlate strongly with the share of health expenditure in government outlay, the measles immunization rate, and the extent of access to clean water. The Islamic Republic of Iran, for example, after 1980 devoted more resources to health care and to the rural areas and by 2002 it was reaching 84 per cent of communities through rural health houses and the rest through rural clinics. Cambodia, however, devotes a smaller proportion of its smaller budget to health services and its high child death rate can also be linked to poor water supplies and sanitation.

Goal 5 – Improve maternal health

A clear sign of discrimination against women is the low priority afforded in many countries to maternal health. Each year, across the region around one quarter of a million mothers die as a result of pregnancy and childbirth. Almost all these deaths can be avoided if mothers have access to emergency obstetric care.

Target 6: Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio

One of the difficulties in addressing maternal mortality is that the statistics are typically very inexact. Most of the poorest countries in the region lack effective systems for vital registration, so their data on maternal deaths typically have to come from household and other surveys. But because a maternal death is less common than other forms of death an accurate picture requires a very large sample size. Moreover, since definitions and methods of data collection have changed, comparisons across time and across countries may not be warranted.

Accepting these limitations, some the latest trends are captured in figure I.8. Even this cannot show the full scale of the problem. The highest maternal mortality rates per 100,000 live births are actually in Afghanistan (1,900), Nepal (740), Timor-Leste (660) and Pakistan (500), which are off the scale of figure I.8a, though the latter three do appear in figure I.8b.

Figure I.8. Maternal mortality, target distance and progress index

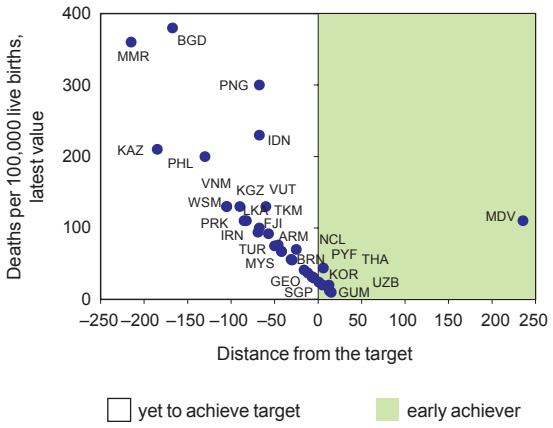


Figure I.8a shows for 42 of the countries with the necessary data the number of maternal deaths per 100,000 live births. Those in the left zone have yet to reach their target; those in the right zone have surpassed it. The worst situations are in Afghanistan, Nepal and Timor-Leste but their numbers are so high as to be beyond the boundaries of this figure. At the other end of the scale Thailand (THA), for example, has reduced its rate to 44.

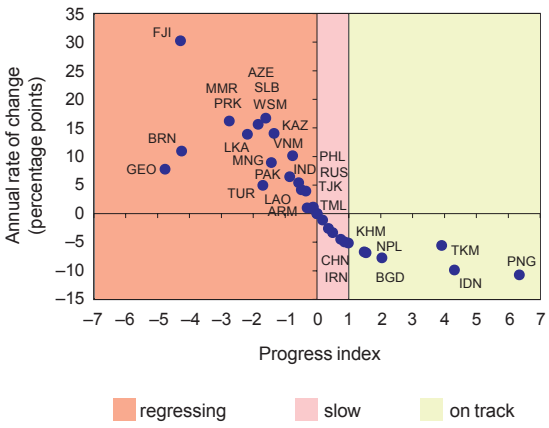


Figure I.8b shows only countries that have yet to reach their targets. Some countries with high rates evident in figure I.7a, Bangladesh (BGD) and Papua New Guinea (PNG) as well as Nepal (NPL), are nevertheless making sufficient progress to be on track for the 2015 target. Afghanistan, however, with a progress index of –8.5, is regressing so fast as to be off the scale of this figure too. There are also 22 other countries that are regressing.

Notes: 1. For a more detailed explanation of these charts, see box I.1.
2. For a key to the country codes, see box I.2.

Overall, between 1990 and 2000, the ratio in the average Asian developing country declined from 395 to 342. This is still a very high figure but, even more alarming, of the 42 countries for which data are available, maternal mortality has gone up in 22 of them so they are placed in the regressing zone of figure I.8b.

For some of these, however, the apparent increase may be the result of better reporting of deaths. Around two thirds of Asian maternal deaths, 164,000, take place in India and Pakistan, both of which are among the regressing countries.

Mothers all over the world, regardless of nationality, social class or state of health can develop childbirth complications – which globally are estimated to occur in 15 per cent of all pregnancies. These typically include haemorrhage, eclampsia, obstructed labour and the consequences of unsafe abortion. The difference between countries largely reflects the care available to deal with such emergencies – having births attended by skilled attendants who if necessary can refer women quickly to emergency obstetric care services. Bangladesh, for example, which is on track to meet the target, has done so at least partly because it has been able to bring care closer to mothers in rural communities. Currently only 14 per cent of births are attended by skilled personnel but between 1992 and 2002 Bangladesh increased the number of emergency obstetric care centres from 30 to 127. In Afghanistan only 11 per cent of births are attended by skilled personnel; most women have little access to antenatal or primary health care and live far from any emergency services.

Goal 6 – Combat HIV/AIDS, malaria and other diseases

Many countries in the region have been badly affected both by the arrival of HIV/AIDS and the resurgence of other infections such as malaria, though for some diseases such as TB they have made more progress. Within this goal there are no numeric targets; the aim is simply to reduce the prevalence, so the accompanying charts show only the latest available values and the rate of change in the prevalence.

Target 7: Have halted by 2015 and begun to reverse the spread of HIV/AIDS

Although the prevalence of HIV/AIDS is lower in this region than in Africa, or some other parts of the world, large population sizes in Asia translate into large absolute numbers. As a result, this is where the future course of the pandemic will be determined. By 2004 the Asia-Pacific region had over 9 million people living with the disease and each year half a million people die. Overall, the region is off track since between 2001 and 2003 the prevalence among those aged 15-49 in the average Asian country rose from 0.39 to 0.45 per cent.

The highest prevalences among adults aged 15-49 are all in South-East Asia: Cambodia, 2.6 per cent; Thailand, 1.5 per cent; and Myanmar, 1.2 per cent – though the first two of these have already achieved their MDG targets since they have reduced the prevalence and thus begun to reverse the spread of the disease (figure I.9). The highest numbers of infected people, however, are to be found in India, the Russian Federation and China, and disturbingly the prevalence in the first two of these is rising. China, which has kept the prevalence fairly stable, can be considered "on track".

Figure I.9. HIV prevalence among those aged 15-49

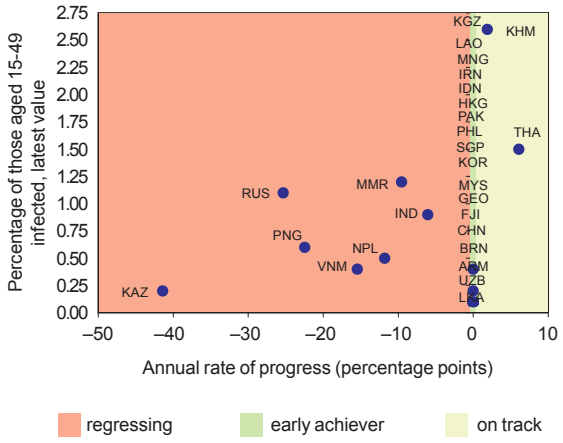


Figure I.9 bunches a large number of countries at low HIV prevalence of 0.5 per cent or lower and where the prevalence has remained the same. To the right are Cambodia (KHM) and Thailand (THA), which have high prevalences but have reversed the trend. However, both India (IND) and the Russian Federation (RUS) have large populations and are regressing. Kazakhstan (KAZ) is another of the countries regressing, though still at a relatively low prevalence.

Note: For a key to the country codes, see box I.2.

On current trends, between 2004 and 2010 around 10 million more people are likely to become infected, by which time the annual death toll would be 750,000. In the year 2001, HIV/AIDS was thought to be costing the region around $7.3 billion in loss of output and medical costs, a figure that could rise to $17.5 billion by 2010, with millions more people being pushed into poverty. However, a successful response to the pandemic should be able to contain the number of new infections at 4 million, keep the death toll at 600,000 and hold the losses to around $15.5 billion.

Other countries in the region should be able to draw inspiration from Thailand. Here strong political leadership led to an open and frank public health campaign that recognized the role of sex workers and, despite their status not being legalized, gave them information and condoms – though Thailand now perhaps needs

to restore its momentum. India, however, has yet to tackle the pandemic with the appropriate urgency and neither NGOs nor the Government seem to have found ways of discussing sex and sexuality and HIV/AIDS in an open and frank manner and using a vocabulary that is widely understood.

Target 8: Have halted and reversed by 2015 the incidence of malaria and other major diseases

Malaria remains a serious problem. Around 3.3 million people are infected and each year 73,000 people die. Although there are insufficient data to calculate trends, in some countries malaria seems to be making a comeback as mosquitoes have developed resistance to DDT and other insecticides, and the parasite has developed resistance to many of the drugs that have been used for treatment.

Table I.5 shows the prevalence and death rates across the region – though even these data will probably underestimate the extent of the problem since they are usually based on clinically reported cases. The highest prevalences are in the Pacific, notably Solomon Islands, where the disease affects 15 per cent of the population. The largest number of people sick are in Indonesia with 1.9 million people infected. The largest number of deaths are in India, more than 30,000 each year. The highest death rate, however, is in the Lao People's Democratic Republic and Papua New Guinea.

Table I.5. Malaria prevalence and death rates, per 100,000 people, 2000

Country	Prevalence	Death rate	Country	Prevalence	Death rate
Afghanistan	936.88	8	Myanmar	224.32	20
Armenia	3.72	0	Nauru		13
Azerbaijan	18.98	0	Nepal	33.05	8
Bangladesh	40.45	1	Niue		6
Bhutan	284.63	5	Pakistan	58.42	4
Brunei Darussalam		0	Palau		6
Cambodia	476.49	14	Papua New Guinea	1,688.26	28
China	1.46	0	Philippines	15.14	2
Cook Islands		6	Republic of Korea	8.86	0
Democratic People's Republic of Korea	454.39	0	Russian Federation	0.55	0
Fiji		7	Samoa		6
Georgia	4.66	0	Singapore		0
India	7.31	3	Solomon Islands	15,172.05	8
Indonesia	919.77	1	Sri Lanka	1,109.92	9
Iran (Islamic Republic of)	27.25	0	Tajikistan	303.04	0
Kazakhstan	0.23	0	Thailand	130.07	8
Kiribati		17	Tonga		9
Kyrgyzstan	0.24	0	Turkey	17.15	0
Lao People's Democratic Republic	759.03	28	Turkmenistan	0.51	0
Malaysia	57.18	1	Tuvalu		14
Maldives		3	Uzbekistan	0.51	0
Marshall Islands		15	Vanuatu		11
Micronesia (Federated States of)		10	Viet Nam	95.13	9
Mongolia		0			

A number of countries have made determined efforts to combat the disease. In Viet Nam, for example, where one third of the population live in malaria-endemic regions, the Government has, since 1992, had an extensive anti-malaria programme that includes providing insecticide-treated bednets and indoor insecticides, along with new drugs, including artemisinin. As a result it has reduced morbidity by 60 per cent and mortality by 97 per cent.

Tuberculosis (TB) too remains a major concern, though the region as a whole is making progress. Between 1990 and 2003 the number of people infected declined from 12.8 to 10.3 million and the number of people dying each year fell from 1.1 to 1.0 million. The largest number of people infected were in the most populous countries: China, 3.2 million; India, 3.1 million; and Indonesia, 1.5 million – and these countries also accounted for around 70 per cent of deaths. All three are making progress, however. In some countries, though the prevalence has been rising, particularly in Central Asia and parts of the Pacific.

Reducing the prevalence of TB depends on early detection and treatment, which is now principally through the Directly Observed Treatment Short Course strategy (DOTS), which aims to offer patients the most effective treatment and minimize the emergence of further drug-resistant strains. Some countries, however, have insufficient clinics or equipment needed for diagnosis.

Figure I.10. Tuberculosis prevalence, 2003

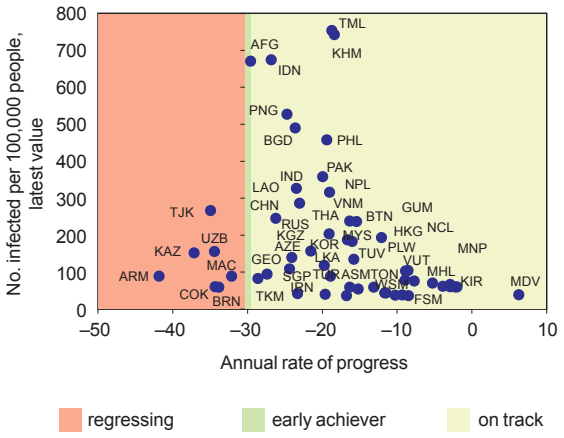


Figure I.10 shows the extent of achievement in TB control. Thus, although the prevalence is high in Timor-Leste (TML) and Cambodia (KHM), it has been falling. A number of the Central Asian republics, however, including Armenia (ARM), Kazakhstan (KAZ), Tajikistan (TJK) and Uzbekistan (UZB), have been regressing, as have Macao, China, (MAC), Cook Islands (COK) and Brunei Darussalam (BRN).

Note: For a key to the country codes, see box I.2.

Goal 7 – Ensure environmental sustainability

This goal reflects the critical relationship between people and their environment. The first target is concerned with conserving and developing environmental resources so as to maintain livelihoods. The other aims for safe water supplies and sanitation – to enable people to protect themselves from infection and pollution.

Target 9: Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources

The first half of this goal concerns policies and programmes on sustainable development. The assessment here is based on the Plan of Implementation adopted by the World Summit on Sustainable Development in Johannesburg in 2002. This called on all countries to formulate national sustainable development strategies (NSDS) and to begin implementation by 2005. Each country can therefore be placed in one of the following categories:

- NSDS being implemented
- NSDS document approved by the Government
- NSDS development in progress
- Components of sustainable development in place
- No action taken or no information available

Countries under the first two categories can be classified as early achievers; those in the third can be considered on track; while those in the fourth and fifth categories can be identified as off track: slow progress and regressing, respectively. The results are shown in table I.6. This shows 5 of the 55 Asia-Pacific countries to be early achievers – which makes this region the second after Europe in the proportion of countries implementing strategies. Nevertheless, this is also the region with the largest number of countries that have either taken no action or for which there is no information.

The second part of this goal is concerned with reversing the loss of environmental resources – a long-term process that needs to start now. Progress here is also difficult to assess because of the breadth of the target and the lack of suitable data. This section focuses initially therefore on two areas where more data are available. The first is the proportion of land covered by forests. This varies enormously across the region: from 2 per cent of national territory in Afghanistan to 96 per cent in Cook Islands. Over the period 1990-2000, in the 48 countries reporting data the proportion of land forested increased in 13, remained unchanged in 17 and decreased in 18. It should be noted, however, that "forests" here include plantations, so the best-performing countries may have been establishing plantations for timber production using faster-growing varieties while allowing the proportion of natural forests that are high in bio-diversity to decline. The most rapid rates of deforestation have been in the Federated States of Micronesia, Myanmar, Indonesia and Malaysia.

Table I.6. Implementation of national sustainable development strategies, 2004

●	Bhutan, Kyrgyzstan, Myanmar, Sri Lanka, Uzbekistan
▶	China, Hong Kong, China, India, Macao, China, Mongolia, Philippines, Republic of Korea, Russian Federation, Tajikistan, Turkey
■	Armenia, Azerbaijan, Bangladesh, Brunei Darussalam, Cambodia, Georgia, Indonesia, Iran (Islamic Republic of), Kazakhstan, Malaysia, Nepal, Pakistan, Singapore, Thailand
◀	Afghanistan, American Samoa, Cook Islands, Democratic People's Republic of Korea, Fiji, French Polynesia, Guam, Kiribati, Lao People's Democratic Republic, Maldives, Marshall Islands, Micronesia (the Federated States of), Nauru, New Caledonia, Niue, Northern Mariana Island, Palau, Papua New Guinea, Samoa, Solomon Islands, Timor-Leste, Tonga, Turkmenistan, Tuvalu, Vanuatu, Viet Nam

Figure I.11. Proportion of land covered by forests

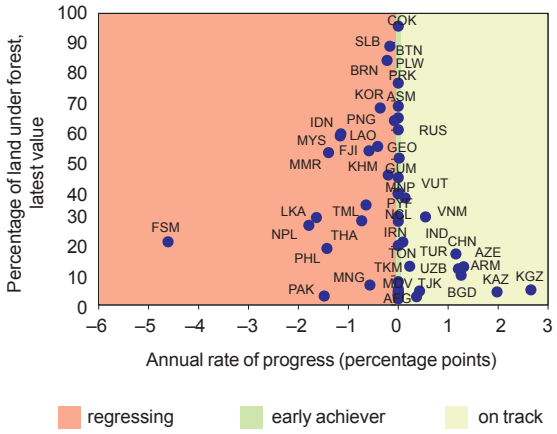


Figure I.11 shows the extent of forest cover and also the current rate of change. The rate of deforestation is highest in the Federated States of Micronesia (FSM). Probably the largest number of trees, however, are disappearing in Indonesia (IDN). A number of countries have managed to increase their forest cover, if only marginally, including China (CHN) and Viet Nam (VNM).

Note: For a key to the country codes, see box I.2.

Among the on-track countries is Bhutan, where the King and the Government have been determined to protect the environment and have defined the minimum forest cover by law at 60 per cent, a policy that has strong local support and is monitored by voluntary forest guards. Indonesia, though, which also has a policy to protect its forests, has been unable to enforce it and has suffered from widespread illegal logging.

Another, related indicator is the proportion of land that has been designated for protection in order to maintain biological diversity. No countries report that they have reduced this proportion so all would be considered as on track or early achievers.

Intensive deforestation can also result in an increase in the amount of carbon dioxide in the atmosphere as people burn wood and also remove the trees that can act as "carbon sinks". Between 1990 and 2002, average per capita CO_2 emissions increased across the region from 2.2 to 2.5 tons. Of the 50 countries for which data are available, 30 are regressing, while 20 are early achievers since they have managed to reduce output. Most of the increase in carbon dioxide production is the result of energy-intensive economic growth and particularly the burning of fossil fuels – as in China, for example, as well as in Malaysia and Thailand. However, most of the North and Central Asian States have reduced their emissions dramatically as a result of a contraction in economic activity and the shift away from heavy industry following the collapse of the Soviet Union. More impressive therefore is the achievement of Singapore, which, although it still has relatively high emissions, has been successfully reducing them by, among other things, switching from fuel oil to natural gas, enforcing strict vehicle emission standards and carrying out energy audit programmes for industry, as well as encouraging consumers to reduce their emissions through various "green" labelling schemes. Across the region, however, it will be important to step up advocacy for measures to prevent the devastation that can come from climate change.

Figure I.12. Carbon dioxide emissions per capita

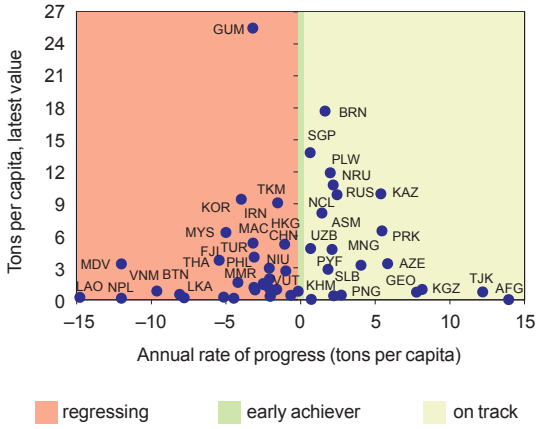


Figure I.12 shows both the current levels of emissions and the rate of change. Many countries are clustered along the bottom since their levels of CO_2 emission are very low, so even if, as in the Lao People's Democratic Republic (LAO), they are regressing this will not represent a very large increase in output. This is the case in most Pacific islands, except for Guam (GUM), where between 1990 and 2002 output increased from 17 to 22 tons per capita as a result of using imported oil for military installations, industry and transport.

Note: For a key to the country codes, see box I.2.

Target 10: Halve, by 2015, the proportion of people without sustainable access to safe drinking water and sanitation

The Asian and Pacific region is well endowed with water resources, yet millions of people do not have access to clean water – and are exposed to many kinds of water-borne diseases. These pressures are bound to grow: the expansion of human populations and the increasing demands of both industry and agriculture are not only going to make water far scarcer they are also going to increase the dangers of pollution.

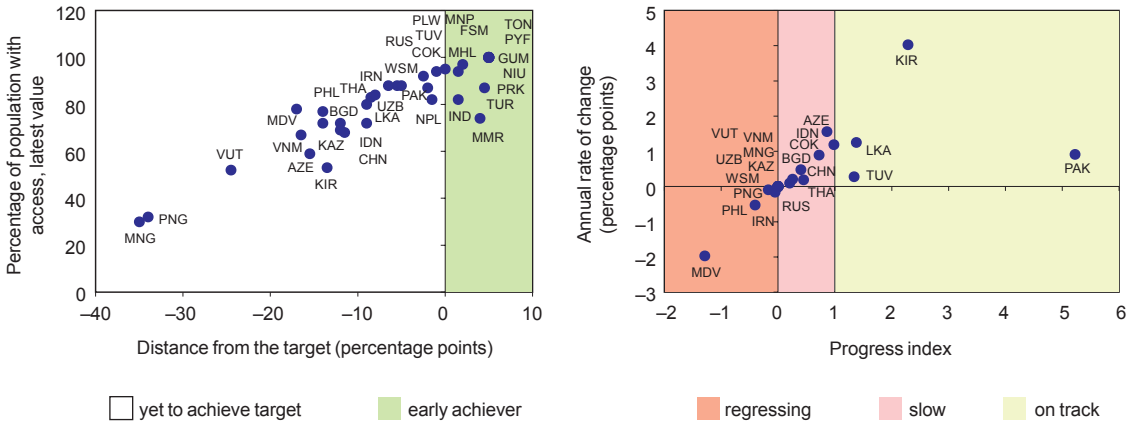
While the problems of both water and sanitation vary greatly from one country to another, in almost all the developing countries there is a sharp contrast between urban and rural areas, both in current availability and potential solutions.

In the case of water, for example, by 2002 typically more than 90 per cent of urban dwellers had access to safe water. Of the 40 countries offering data, 31 were early achievers or on track and even those that were regressing had achieved quite high values: Nepal, for example, is regressing slightly but still has a coverage of 93 per cent. The lowest levels, around 80 per cent, were in the smaller Pacific islands such as the Marshall Islands, Kiribati and Palau, though this may be because the distinction between urban and rural areas is quite blurred. Of the large countries, coverage is also relatively low in Bangladesh, 82 per cent, and Papua New Guinea, 88 per cent.

The situation in the rural areas is quite different, with coverage typically 10 to 20 percentage points lower. Nevertheless there has been progress and the rural-urban gaps have been narrowing. Of the 34 countries with data available, 11 are early achievers, 5 are on track and 18 are off track, of which 11 are regressing (figure I.13).

Mongolia's lack of progress reflects its sparse population and poverty in the rural areas. But even relatively prosperous Thailand is failing to offer clean water to 20 per cent of its rural population; nor is it improving sufficiently quickly to meet the target by 2015.

Figure I.13. Sustainable access to improved water sources in rural areas, target distance and progress index



Countries and territories in the left zone have yet to reach their target, whereas those in the right zone have already surpassed it. The lowest levels of coverage are in Mongolia (MNG) and Papua New Guinea (PNG), where around 70 per cent of rural dwellers lack access to clean water. Myanmar (MMR) has already achieved its target; nevertheless, coverage is still only 74 per cent.

Countries in the green zone are on track. Pakistan (PAK), for example, whose target is 89 per cent, is progressing at five or six times the rate needed to achieve it. Other large countries, like China (CHN), Indonesia (IDN) and Bangladesh (BGD), however, fall into the pink zone because they are advancing too slowly at present to meet their targets by 2015. In Maldives (MDV) coverage slipped between 1990 and 2001 from 99 to 78 per cent.

Notes: 1. For a more detailed explanation of these charts, see box I.1.
2. For a key to the country codes, see box I.2.

Access to improved sanitation is also far better in urban than rural areas, where the risks of human contact with waste are greater (73 against 31 per cent). This is illustrated in figure I.14, which shows that the latest values are much lower in the rural areas and that many countries are still some distance from their targets.

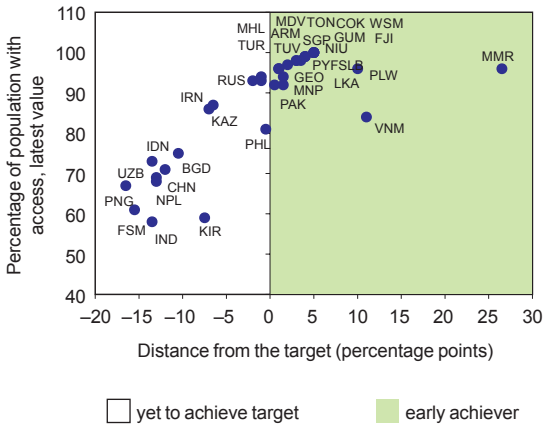
The availability of good sanitation facilities is often lower than improved water supplies. For many countries the main task in improving sanitation in both urban and rural areas is persuasion – convincing people of the value of sanitary latrines, since once they are convinced they need one, even the poorest households should be able to afford the most basic systems.

Indicators of major concern

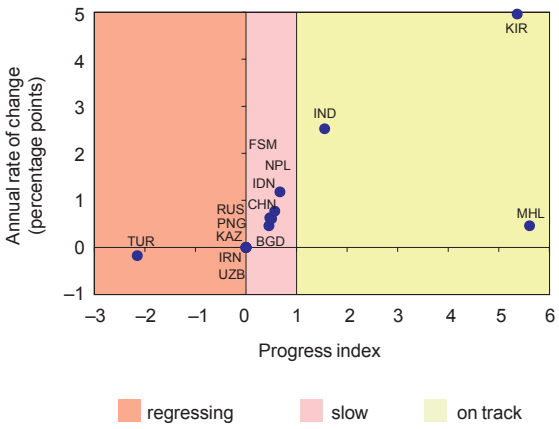
When it comes to meeting the MDGs each country will have its own priority indicators – but it should also be possible to identify those indicators that should be of greatest concern for the region as a whole. One approach would be to consider which indicators have the highest proportion of countries off track. This would of course be swayed to an unpredictable extent by data availability since while all countries provide the

Figure I.14. Access to improved sanitation, target distance and progress index

Urban

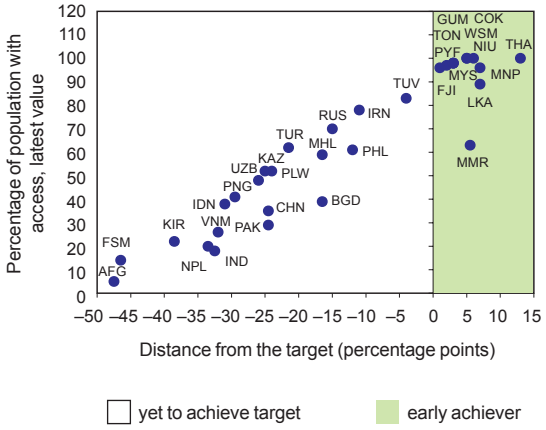


Countries and territories in the white zone have yet to reach their target, whereas those in the green zone have already surpassed it. India (IND) still has relatively low urban coverage at 58 per cent, as does China (CHN) at 69 per cent. A notable performer among the early achievers is Myanmar (MMR), which between 1990 and 2002 increased urban coverage from 39 to 96 per cent and comfortably exceeded its target.

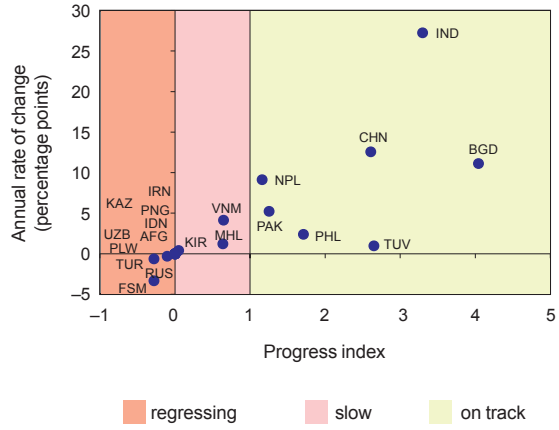


Countries in the right zone are on track. This includes India (IND), which, despite the low coverage indicated in the figure above, is just progressing fast enough to be on target for 2015. Indonesia (IDN), China (CHN) and Bangladesh (BGD), however, are progressing too slowly and will probably only hit their targets after 2015. Turkey (TUR) appears to be slipping badly, but it is doing so from a high level; coverage is still 94 per cent.

Rural



Sanitation coverage is much lower in the rural areas. Nepal (NPL), for example, which has 68 per cent coverage in the urban areas, has only 20 per cent in rural areas. Similarly in Pakistan (PAK) the proportions are 92 and 35 per cent respectively. Thailand (THA) appears to be much more successful at rural sanitation than at rural water supplies.



A number of the more populous countries, including Bangladesh (BGD), China (CHN) and India (IND), even if starting from low levels are nevertheless making progress at a pace three or four times greater than that required to hit their targets by 2015. Viet Nam (VNM) and Indonesia (IDN), however, are moving too slowly.

Notes: 1. For a more detailed explanation of these charts, see box I.1.
2. For a key to the country codes, see box I.2.

necessary data on TB, for example, fewer than one third provide data on the proportion of children reaching grade 5 in primary school. Bearing that in mind table I.7 offers a simple ranking which suggests that the most severe problems are in maternal mortality and carbon dioxide emissions, with fewer problems in TB and in gender parity in education. Another approach would be to rank the indicators according to the percentage of population in off track countries, though the resulting ranking would not offer much more information than would be gained just by looking at what is happening in China and India.

Table I.7. Indicators ranked by the percentage of countries off track

Indicator	Countries off track (percentage)	Countries with data available (percentage)	Population in off track (percentage)	Average value		
				off-track countries	non off-track countries	Target
Maternal mortality	66.7	76.4	83.6	353.4	282.9	107
CO_2 emissions	60.0	90.9	92.2	2.0	8.7	
National poverty line	53.8	23.6	17.5	34.9	17.1	13
Water rural	52.9	61.8	57.4	69.9	82.3	81
Infant mortality	46.8	85.5	50.3	69.7	29.7	35
Malnutrition	42.9	50.9	51.4	20.4	10.3	10
Sanitation rural	40.6	58.2	14.1	43.5	29.0	57
Under-5 mortality	40.4	85.5	49.8	95.8	38.5	46
Primary enrolment	39.4	60.0	46.1	83.8	89.9	95
Forest cover	37.5	87.3	24.4	36.3	30.9	
Sanitation urban	31.4	63.6	64.3	75.3	69.2	82
Water urban	30.8	70.9	49.5	91.0	96.7	95
Reaching grade 5	29.4	30.9	40.8	61.8	91.5	95
Primary completion	28.1	58.2	54.1	82.6	92.6	95
$1 poverty	26.1	41.8	5.4	29.7	19.5	17
HIV prevalence	25.9	65.5	40.5	0.9	0.2	
Gender tertiary	25.9	49.1	14.6	56.7	83.9	95
CFC consumption	20.5	70.9	18.1	16.5	14.1	
TB death rate	20.0	100.0	1.6	17.2	28.0	
Gender primary	18.4	69.1	49.6	73.3	94.1	95
Gender secondary	13.9	65.5	5.0	88.0	86.9	95
TB prevalence	12.7	100.0	1.4	163.4	289.2	

Note: See Statistical Appendix for units of the indicators.

Another factor to take into account is that some indicators may appear tougher to achieve than others: the fact that maternal mortality, for example, has to be reduced by three quarters while poverty only has to be reduced by half might make the former more difficult to achieve. These differences should, however, be considered as reflecting the emphasis that the international community placed on these targets when setting them.

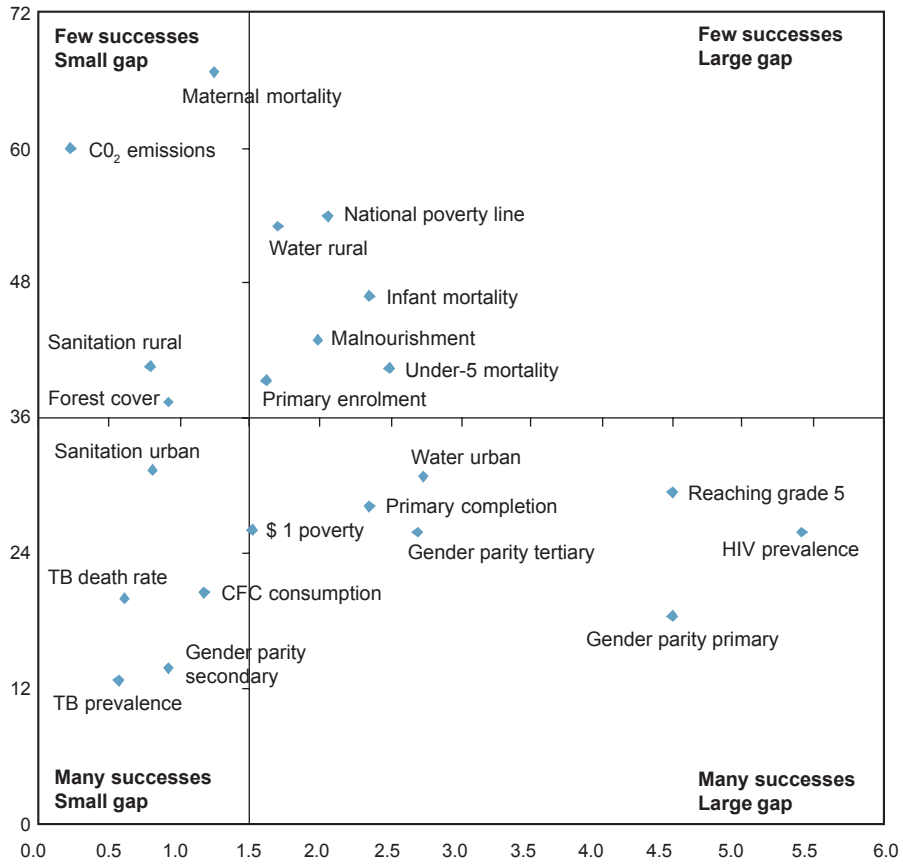
A further concern about this ranking is that some of the countries that are off track on a particular indicator may be trying to improve on already respectable values – better perhaps than those of some countries that are on track. Sri Lanka, for example, has a lower rate of poverty than Pakistan, but while Sri Lanka is drifting away from its higher target, Pakistan has already achieved its lower one. One way of taking this into account is, for a given indicator, to compare the average values of the off-track and on-track countries – if these are near each other, then all countries are more or less near the Asian average and so the countries that are off track do not face a serious problem. However, if the two averages are wide apart, then the countries that are off track are quite distant from the all-Asia average and so face a major challenge. In the case of TB prevalence, for example, the average values in the off-track countries are actually somewhat lower than those in the on-track ones, so the ratio between the two is less than one. For HIV prevalence there is a much wider gap: the prevalence in the off-track countries is more than five times greater than in the on-track ones, which indicates a far more serious problem.

These two aspects of each indicator are illustrated in figure I.15, which groups each indicator into one of four clusters, according to the proportion of countries that are having some success with that indicator (early achiever or on track) and also the severity of underachievement as expressed by the gap between successful and unsuccessful countries. Arguably the indicators of greatest concern for the region as a whole would be those in the top-right cluster since many countries are unsuccessful and are lagging far behind the others. Next, perhaps, would come those in the bottom-right cluster, which involves fewer countries, but these still lag some way behind. The fact that maternal mortality falls in the top-left cluster should not, however, diminish its importance; indeed it partly reflects the fact that maternal mortality even in the on-track countries, at an average level of 342, is still unacceptably high, so for this case the measure chosen to indicate severity may not be appropriate.

Countries of major concern

This clustering also suggests a way of identifying the countries that are having particular difficulties with the MDGs. Of the 55 developing countries in the Asia-Pacific region around half are off track for more than half their indicators. This can, however, be narrowed down still further just by considering performance on the indicators in the high-priority cluster in figure I.15.

Figure I.15. Clustering the indicators by achievement and severity



Each indicator is shown in two dimensions. Its position on the vertical axis represents the extent to which countries are unsuccessful with this indicator – the percentage that are off track. The horizontal axis indicates the severity of the problem in the off-track countries: using the ratio between their average values and those of the countries that are on track or are early achievers. On this basis, the indicators of most general concern would be those such as the infant mortality rate that fall into the top right cluster. The lines that delineate the clusters could be placed anywhere; those chosen here are on the vertical axis at the point beyond which 36 per cent of countries are off track and on the horizontal axis at the point beyond which the average value in the off-track countries is 50 per cent worse than in the on-track countries or early achievers.

The results are shown in figure I.16. Five countries are not expected to achieve a single one of their targets for all high-priority indicators – Afghanistan, Timor-Leste, Papua New Guinea, Uzbekistan and Mongolia – and 14 others are off track for more than half of them.

Analysis by subregion and level of development – LDCs, LLDCs and SIDS

The analysis in this chapter has looked at the performance of individual countries on each indicator and then at the indicators as a whole to see which are of greatest concern across the region. This section will now focus on each subregion to highlight contrasts between countries that may have a number of similar characteristics but perform differently on the MDGs. It will also highlight three important categories of countries: least developed countries, landlocked developing countries and small island developing States. These categories overlap somewhat – as indicated in table I.18.

For each region there is a chart that shows for each country the proportion of indicators on which they are reporting and the proportion on which they are off track. The countries are then ranked by the proportion of indicators on which they are reporting and are off track.

South and South-West Asia

This is the poorest-performing subregion: the only one in which a majority of its countries, 6 out of 10, are off track for more than one third of their indicators.

The slow progress here is largely because this region includes 5 of the LDCs – Afghanistan, Bangladesh, Bhutan, Maldives and Nepal – 3 of which are also landlocked and one of which is a small island developing State. The ranking shows Nepal to be in a worse position than Afghanistan though, as is also evident from the chart. Afghanistan reports on only a small number of indicators – with no data on poverty and hunger, for example, or on education or water or sanitation, on which it would certainly not fare very well.

Figure I.16. Countries off track on indicators in the high-priority cluster

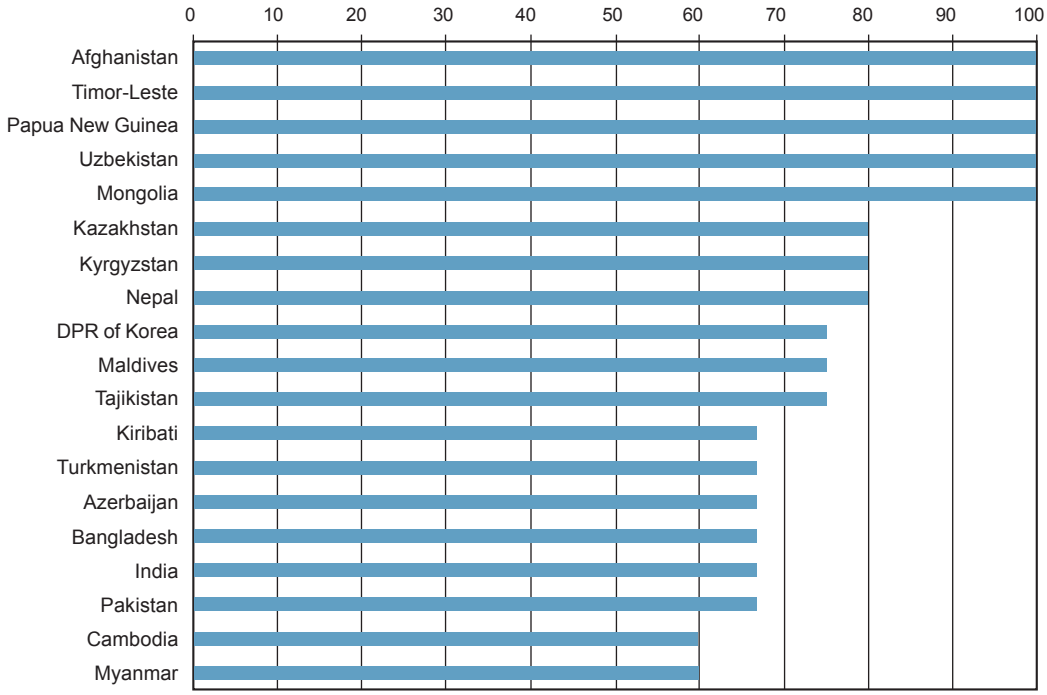
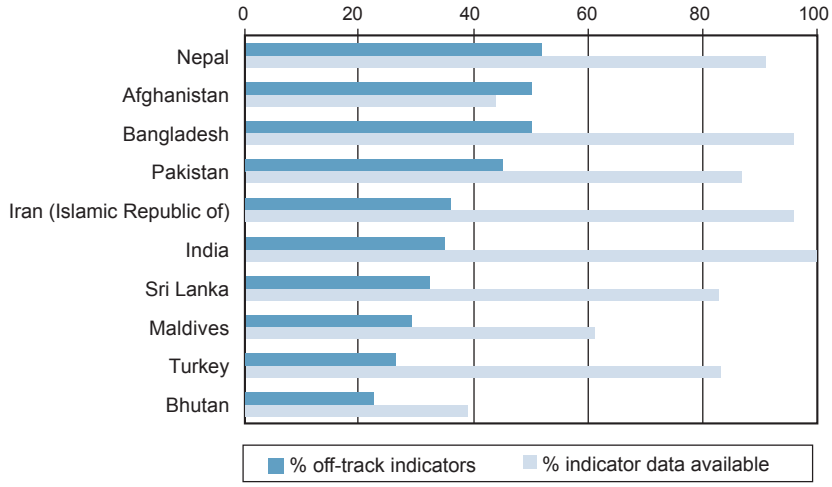


Table I.8. Least developed countries, landlocked developing countries and small island developing States

	LDC	LLDC	SIDS
Afghanistan	●	●	
American Samoa			
Armenia		●	
Azerbaijan		●	
Bahrain			●
Bangladesh	●		
Bhutan	●	●	
Cambodia	●		
Cook Islands			●
Fiji			●
French Polynesia			
Guam			
Kazakhstan		●	
Kiribati	●		●
Kyrgyzstan		●	
Lao People's Democratic Republic	●	●	
Maldives	●		●
Marshall Islands			●
Micronesia (Federated States of)			●
Mongolia		●	
Myanmar	●		
Nauru			●
Nepal	●	●	
New Caledonia			
Niue			●
Northern Mariana Islands			
Palau			●
Papua New Guinea			●
Samoa	●		●
Singapore			●
Solomon Islands	●		●
Tajikistan		●	
Timor-Leste	●		
Tonga			●
Turkmenistan		●	
Tuvalu	●		●
Uzbekistan		●	
Vanuatu	●		●

At the other end of the list the position of Bhutan, one of the LLDCs, may be boosted by its small number of reported indicators. It may also be surprising to see the Islamic Republic of Iran in a worse position than India or Sri Lanka. This is largely because, although for primary pupils reaching grade 5 and for primary completion it is actually quite close to the target, it has slipped back from earlier achievements.

Figure I.17. South and South-West Asia, off-track indicators



Most countries in South Asia, particularly some of the LDCs, will find it difficult to reach the majority of the MDGs. In this subregion, where around 60 per cent of workers still depend on agriculture for their livelihoods, growth has not been as fast as in other Asian countries and inequality is high, making it difficult to make inroads into poverty. Indeed, income poverty has gone up in Bangladesh and Sri Lanka and, on the basis of some evidence, in Pakistan as well.

There are also concerns about the social indicators. Pakistan, for example, has the lowest primary enrolment rate in the whole region and has been making no progress in achieving gender parity. Moreover, apart from Sri Lanka, all the South Asian countries have under-5 or infant mortality rates above the Asian average. For India, one of the biggest threats is HIV/AIDS.

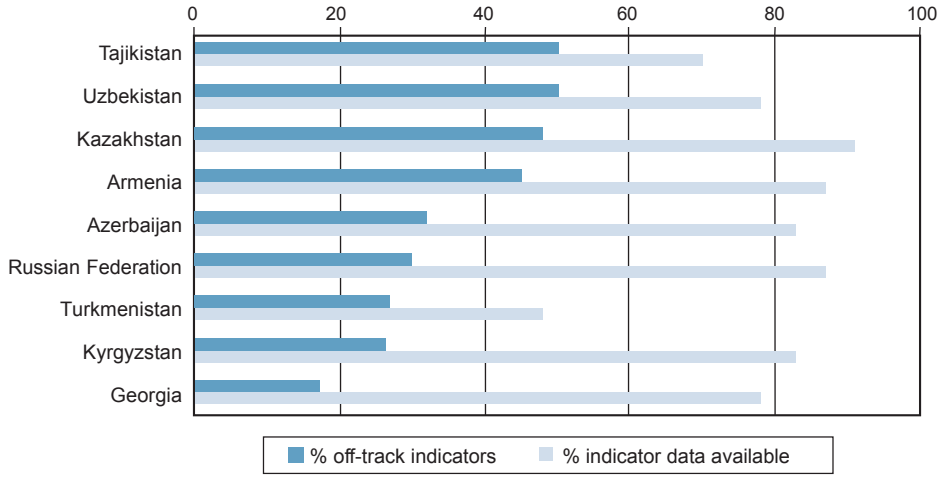
On a more positive note, the majority of South Asian countries should be able to achieve the targets on water and sanitation, and around half have also managed to halt deforestation.

North and Central Asia

This region has a high proportion of LLDCs, which have severe disadvantages because of their lack of territorial access to the sea, their remoteness and isolation from world markets and high transit costs. At the time of independence in 1990-1991 the Central Asian republics were middle-income countries with high levels of human development. The political and economic transitions since then have proved profoundly disruptive: between 1990 and 1995, per capita GDP nearly halved; social services were cut; and millions of people were plunged into poverty. In this region, achieving the MDG targets will in the first instance mean restoring earlier achievements. In recent years there has at least been stronger economic growth and GDP per capita is on average the highest in developing Asia-Pacific. Nevertheless education expenditure remains too low and public services generally are in a poor state.

As figure I.18 shows, the countries of greatest concern are Tajikistan, Uzbekistan, Kazakhstan and Armenia – all of them landlocked. The first two have high and increasing rates of malnutrition. In Armenia too the level of malnutrition is high, though here it is coming down. Educational standards have also slipped in a number of countries, with net primary enrolment falling in Armenia, Azerbaijan, Georgia and Kyrgyzstan – though, on the positive side, all the countries except Tajikistan have achieved gender parity at all levels of education. The virtual collapse of the social sector has also resulted in a general deterioration of health indicators; a number of countries have registered increases in infant mortality as well as in the prevalence of TB. And although the lack of data makes it difficult to draw overall conclusions, access to clean water and safe sanitation have also become more difficult.

Figure I.18. North and Central Asia, off-track indicators

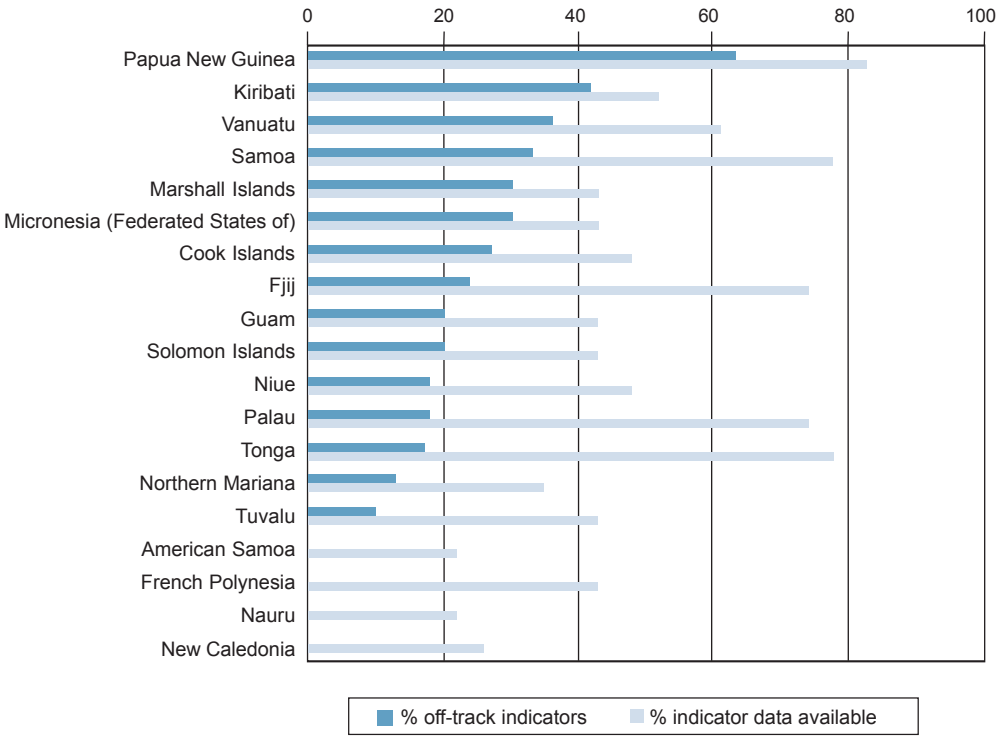


Pacific

The countries of the Pacific are in many respects very different from most of those in the other subregions. The majority are SIDS and consist of scattered islands with fragile, overexploited environments, high population densities and poor infrastructure. Economically too they are vulnerable and per capita incomes have often been sustained by international investment and aid. Most people rely heavily on the public sector for the provision of goods and services and per capita health and education expenditures are generally high.

Assessing progress towards the MDGs is hampered by the shortage of data. As figure I.19 shows, fewer than half the countries have data for the majority of indicators. None offers any information on poverty or hunger and few on education or gender. Papua New Guinea offers more information, though this shows that on most indicators it is off track – regressing on

Figure I.19. Pacific, off-track indicators



education, for example, and on water supplies and sanitation. Even on child mortality it is not making sufficient progress to be on track for 2015. It also faces a rising prevalence of HIV infection.

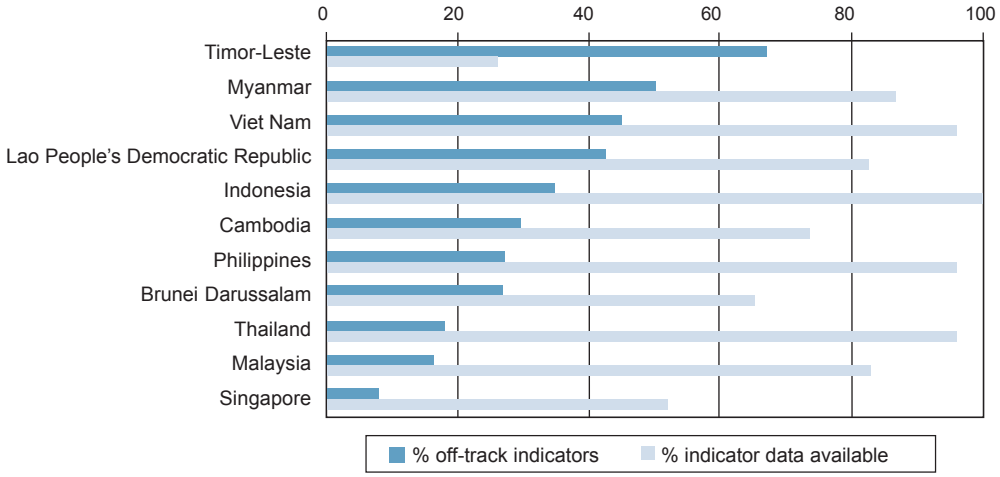
Water supplies and sanitation are a problem in many Pacific countries with a number of them regressing, though Tuvalu is a notable exception; indeed for urban sanitation it is an early achiever. It should also be noted that many have managed to halt deforestation, the exceptions being Fiji, the Federated States of Micronesia, Papua New Guinea and Solomon Islands.

South-East Asia

This includes some of the more prosperous countries in the region along with some of the LDCs, so it is no surprise that success in the MDGs largely reflects this division, with Timor-Leste as the least successful and Singapore the most.

Probably the most surprising feature of the figure I.20 is that Viet Nam, which is not classified as an LDC, is off track for a higher proportion of its indicators than is Cambodia, which is an LDC. This is largely because Viet Nam has fairly good values for many indicators but has not made much progress lately and in some cases has been sliding backwards. Thus for primary education Viet Nam has one of the highest enrolment rates in the region, but has slipped back to 94 per cent, hence is considered as regressing. Nevertheless there are some more urgent concerns in Viet Nam such as the rise in HIV prevalence.

Figure I.20. South-East Asia, off-track indicators



Cambodia, however, which through the 1990s experienced political instability, seems for one of the LDCs not to have done too badly. In some areas it has certainly advanced, notably in turning the corner on HIV infection, but elsewhere its ranking may be boosted by the lack of data for some crucial indicators, including the $1-per day poverty line and access to water and sanitation. Child and infant mortality rates are also of great concern – already the highest in the region, bar Afghanistan.

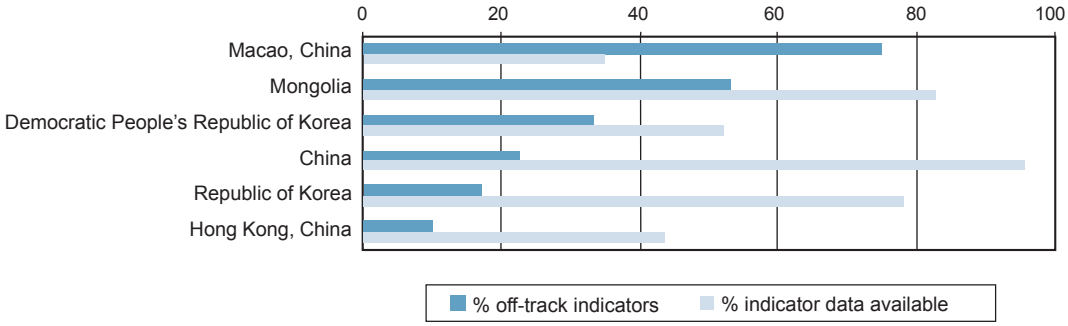
Timor-Leste, the subregion's only SIDS, and Myanmar also have high infant mortality rates, and along with the Lao People's Democratic Republic, Indonesia, the Philippines and Viet Nam, also have unacceptably high rates of maternal mortality. Another health concern is TB: prevalence in Timor-Leste, Cambodia and Viet Nam is the highest in the region.

This subregion also has severe environmental problems. Forest coverage is disappearing and carbon dioxide emissions per head are rising rapidly: in the Lao People's Democratic Republic, Malaysia, Thailand and Viet Nam, emissions per head have more than doubled.

East and North-East Asia

The experience of this region is dominated largely by that of China and its two special administrative regions. Over the past two decades, China has experienced very rapid economic growth that has lifted 168 million people out of poverty – but it has also faced rising income inequality and a widening gap between urban and rural areas. China is on track for, or has already achieved, three quarters of the indicators considered. Where it is lacking is in access to water and sanitation; indeed the proportion of urban citizens with access to clean water actually declined over the 12-year period up to 2002 – not surprising, perhaps, given the country's rapid pace of urbanization. Another area of concern is per capita carbon dioxide emissions, which since 1990 have risen by 31 per cent.

Figure I.21. East and North-East Asia, off-track indicators



The Republic of Korea has achieved most of the MDGs, though it too is lagging on environmental issues: per capita carbon dioxide emissions have risen by two thirds since 1990 and, although this is still one of the most-forested countries in the region, coverage has continued to decline. The Republic of Korea is also slow on one of the gender indicators – gender parity in tertiary education, where it ranks in the bottom quarter of all countries in the region.

Mongolia, which is one of the LLDCs, has during its period of transition struggled with most of the MDGs and is slipping backwards on poverty and hunger, universal primary education and water and sanitation, as well as environmental sustainability. It will also need to speed up progress on child mortality if it is to reach the goal by 2015. It has, however, done well on gender parity in education, for which it is an early achiever.

For the Democratic People's Republic of Korea it is difficult to assess progress since data are missing on almost half the indicators – including those on poverty and education. It is clear, however, that malnutrition has increased and that the country has made no progress in reducing child mortality.

Gender disparities in MDG achievement

A country's achievements on the MDGs give a good indication of how the nation is faring as a whole. However, national data often mask wide disparities within countries – between different regions and social groups. This uneven pattern of progress not only denies the rights of those people that it leaves behind, it also exacerbates structural problems and has a strong bearing on future national development – on its nature, its pace and its sustainability.

One of the most serious and persistent disparities is between males and females. The MDGs do address this issue with respect to education – under Goal 3. The information available on Goal 3 presents a fairly positive picture in that many countries have achieved gender parity at the primary and secondary levels; indeed in some countries secondary schools have more girls enrolled than boys. However, this goal fails to address many of the other dimensions of gender disparity.

This section will attempt to fill some of the gaps with respect to health, employment and women's opportunities to control resources and the decisions that affect their lives. It should be emphasized, however, that this is based on rather limited information. Most national data are not disaggregated by gender: poverty, for example, is based on information at the household level and does not explore the often very different experiences of individual family members. Governments also consider some issues, such as violence against women, as too private or sensitive for public enquiry.

Health

The main overall health indicator is life expectancy. Women have a biological advantage that should on average enable them to live four or five years longer than men. An advantage of less than four years can be taken as a signal that women are being treated unequally and probably that they are not getting fair and adequate access to health services. This would also incorporate the effects of high maternal mortality. The life expectancy gap would not, however, reflect the fact that in some countries selective abortion favours boys over girls.

The position on the age gap and other health indicators is summarized in table I.9. Of the 46 countries in the region with the necessary data, 18 had a life expectancy gap of less than four years. The most severe problems are evidently in South Asia: in Pakistan,

Nepal and Maldives women actually have shorter lives than men and in Afghanistan, Bangladesh and India their advantage is less than one year. The Russian Federation is notable for a very high death rate among men which is due partly at least to lifestyle issues such as alcohol consumption and smoking.

Table I.9. Key health indicators by sex

Subregion/country	Life expectancy						Child mortality per 1,000 (2002)		
	1990			2000					
	Female	Male	Gap[1]	Female	Male	Gap[1]	Female	Male	Ratio
East and North-East Asia									
China	68	66	3	72	68	4	41	31	132.3
Democratic People's Republic of Korea	74	68	6	66	61	6	7	8	87.5
Hong Kong, China	80	74	6	82	77	6			
Macao, China	79	74	5	80	76	5			
Mongolia	62	59	4	64	60	4	66	75	88.0
Republic of Korea	74	66	8	78	71	8	4	4	100.0
North and Central Asia									
Armenia	72	67	5	75	68	7	35	39	89.7
Azerbaijan	73	65	8	75	67	7	70	80	87.5
Georgia	75	68	8	77	69	8	20	26	76.9
Kazakhstan	73	64	9	71	59	12	28	38	73.7
Kyrgyzstan	71	64	8	71	63	8	55	63	87.3
Russian Federation	74	64	11	73	60	12	16	21	76.2
Tajikistan	71	66	5	70	64	6	57	68	83.8
Turkmenistan	68	61	7	69	62	7	47	63	74.6
Uzbekistan	71	65	6	71	65	6	26	37	70.3
South and South-West Asia									
Afghanistan	41	41	0	42	42	0	256	258	99.2
Bangladesh	53	53	0	59	58	1	73	71	102.8
Bhutan	54	52	3	62	60	3	92	93	98.9
India	58	58	0	63	62	1	95	87	109.2
Iran (Islamic Republic of)	64	62	2	70	67	3	36	45	80.0
Maldives	58	61	–3	65	66	–2	43	38	113.2
Nepal	51	53	–2	57	58	–1	87	81	107.4
Pakistan	55	55	0	59	59	0	115	105	109.5
Sri Lanka	72	67	5	75	69	6	16	20	80.0
Turkey	66	62	4	72	67	5	42	44	95.5
South-East Asia									
Brunei Darussalam	75	72	4	78	73	5	12	14	85.7
Cambodia	56	52	4	59	55	4	124	149	83.2
Indonesia	62	59	4	67	63	4	36	45	80.0
Lao People's Democratic Republic	50	47	3	54	51	3	131	146	89.7
Malaysia	72	68	4	75	70	5	8	10	80.0
Myanmar	56	51	4	59	54	5	94	118	79.7
Philippines	66	62	4	71	67	4	33	39	84.6
Singapore	76	71	5	79	75	4	3	4	75.0
Thailand	70	64	6	73	64	9	26	32	81.3
Timor-Leste	43	42	2	48	47	2	108	142	76.1
Viet Nam	65	61	4	70	65	5	33	41	80.5
The Pacific									
American Samoa									
Cook Islands							19	21	90.5
Fiji	69	65	4	70	67	4	27	30	90.0
French Polynesia	71	66	5	74	69	5			
Guam	74	69	5	76	71	5			
Kiribati							69	80	86.3
Marshall Islands							36	46	78.3
Micronesia (Federated States of)	67	65	1	68	67	1	51	63	81.0
Nauru							12	18	66.7
New Caledonia	73	67	6	77	72	5			
Niue							24	38	63.2
Northern Mariana Islands									
Palau							22	24	91.7
Papua New Guinea	53	51	2	57	55	2	92	98	93.9
Samoa	67	61	7	72	65	7	21	27	77.8
Solomon Islands	64	62	2	69	66	2	75	86	87.2
Tonga	67	65	1	68	67	1	15	23	65.2
Tuvalu							56	72	77.8
Vanuatu	65	61	4	69	66	3	40	40	100.0

[1] The figures representing the difference between Female and Male have been rounded off.

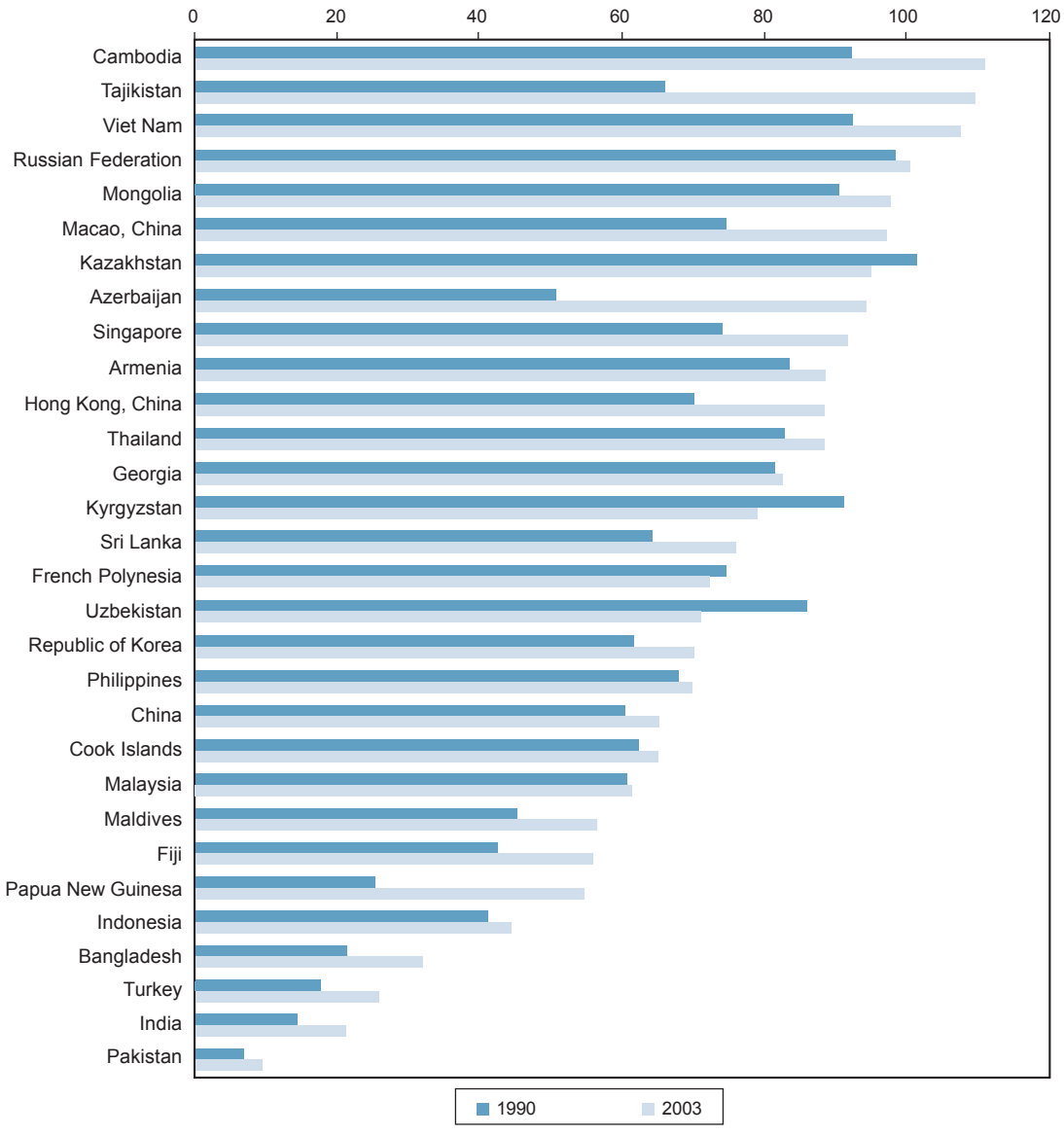
Another indicator of preferential treatment for one sex over another is the under-5 mortality rate. Infant boys are biologically at greater risk than girls so if they do not get preferential treatment the ratio between the mortality rates of boys and girls should be less than one. Of these 46 countries, 10 show rates that are abnormally high: 0.99 or above. In this case it is China that shows the highest level of discrimination, with a ratio of 1.3: the child mortality rate per 1,000 live births is 31 for boys, but 41 for girls. The neighbouring Republic of Korea shares a similar cultural attitude. Most South Asian countries also have high ratios: in Maldives, Pakistan, India, Nepal, Bangladesh, Afghanistan and Bhutan.

Employment and wages

Women's share of non-agricultural wage employment is lower than men's in every country. But it is strikingly low in some countries: in Bangladesh, for example, 24 per cent; in India, 17 per cent; in Turkey, 21 per cent; and only 9 per cent in Pakistan. Nor for most countries has the share been increasing significantly. It should be noted, however, that in a number of countries employment data for women are not fully reliable, especially when they fail to cover casual, irregular or part-time work or subsistence activities.

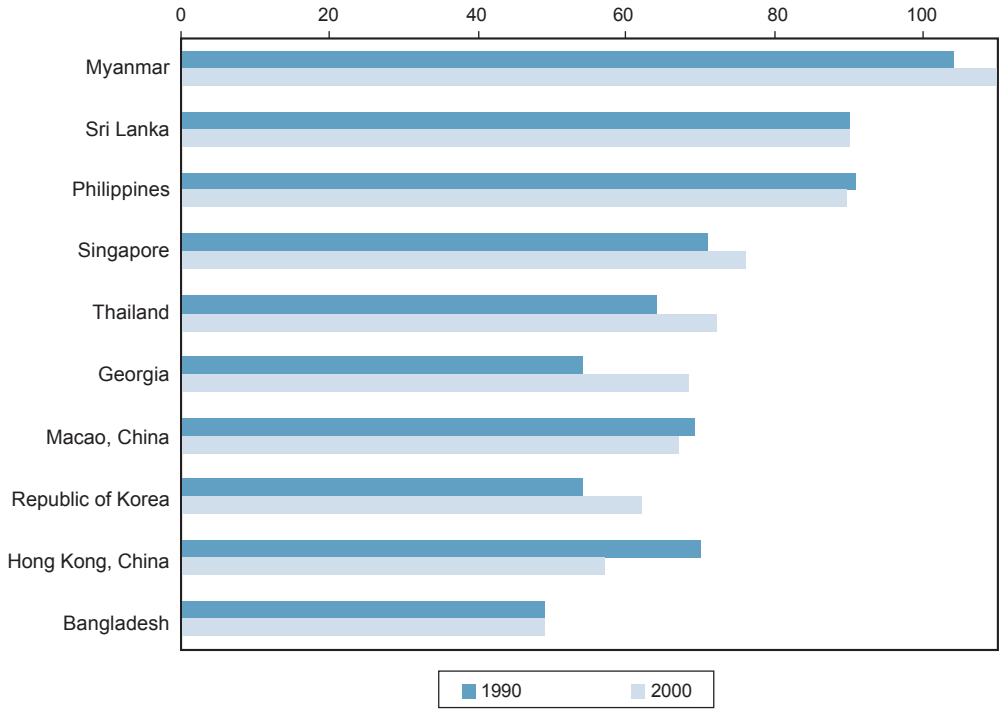
However, many of the women who are working are likely to be employed in family businesses, particularly in agriculture in the rural areas. In this case employment will not be a good pointer to empowerment. A better indicator may therefore be the extent of women's participation in waged employment outside the agricultural sector – which tends to be in the urban areas and outside patriarchal controls. Figure I.22 shows this for a selection of countries – highlighting a relatively small proportion in a number of South Asian countries with the notable exception of Sri Lanka. Encouragingly, however, overall the proportion seems to be rising: among the countries reporting data, the average rose from 28.8 to 31.1 per cent. Only four countries reported falls.

Figure I.22. Women's share of non-agricultural wage work, as a percentage of men's, 1990 and 2003



Women may be moving closer to men in terms of employment, but they still tend to earn less, either because they are doing the lower-status jobs, or because they are paid less than men even for the same work. In most Asian countries women working in the non-agricultural sector earn only around two thirds of men's incomes and in some cases less than half. This is illustrated in figure I.23, which also shows some small changes, in both directions, between 1990 and 2000.

Figure I.23. Women's wages as a percentage of men's in non-agricultural work, 1990 and 2000



Empowerment

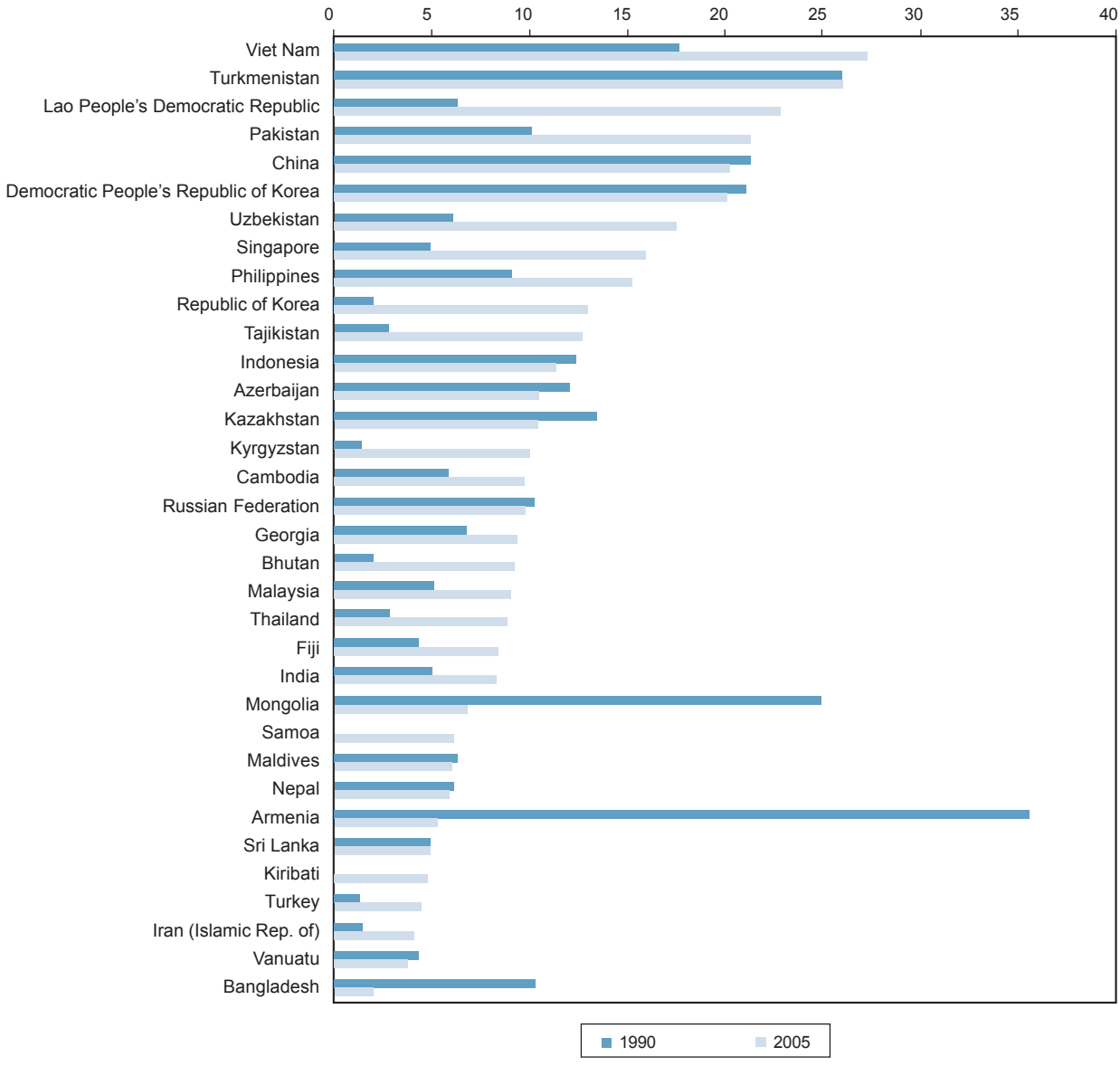
An important measure of women's empowerment is their status in employment, as it signals their access to ownership of assets, credit and markets. The presence of women in managerial positions is also a good indicator of women's general decision-making power in society. A number of these indicators are shown for a selection of countries in table I.10. This shows that women are clearly far less likely than men to be running their own businesses, either as employers or as own-account workers. They are also less likely to be employed as legislators, senior officials and managers. Here, however, it is encouraging to note that, apart from Turkey and Pakistan, women in all these countries made progress between 1996 and 2003.

Table I.10. Women as employers, own-account workers and managers

Country	Employers: women as a percentage of men		Own-account workers: women as a percentage of men		Senior officials, legislators and managers: women as a percentage of men	
	1996	2000	1996	2000	1996	2003
Bangladesh	25.4	12.8	11.1	13.3	5.0	8.0
Georgia	13.4	13.6	46.8	43.8		
Hong Kong, China	14.4	16.9	18.1	21.8	20.0	26.0
Macao, China	15.5	13.8	36.8	40.6	19.0	22.0
Malaysia	51.8	57.7	34.7	31.8	16.0	23.0
Pakistan	3.6	2.1	4.0	5.8	4.0	2.0
Republic of Korea	40.8	40.1				
Russian Federation	24.8	48.1	59.6	74.2		
Singapore	18.7	24.5	25.0	26.0	20.0	26.0
Sri Lanka					18.0	21.0
Thailand	24.7	30.3	41.9	41.5	21.0	26.0
Turkey	3.7	4.0	10.7	14.4	10.0	7.0

Another indicator commonly used to register women's decision-making power in Government is women's participation in national parliaments. This does not of course indicate how much power they have in the Government of the country. It is also quite volatile since it can change dramatically with a change of government. As figure I.24 indicates, only 6 countries had parliaments that had more than 20 per cent women, and only 2 had more than one quarter women. Surprisingly high on this list, given its slow progress on other gender indicators is Pakistan, though here the high representation of women may be due to the use of reserved seats for women in the national parliament. The most notable declines have been in former socialist countries, such as Armenia and Mongolia, where the 1990 figures were prior to their first democratic elections; previously many of the women representatives would have been appointed rather than elected.

Figure I.24. Proportion of seats held by women in national parliaments, 1990 and 2005



As this chart also indicates over the period 1990-2005 most countries have also seen an increase in women's representation – though for most the target of 30 per cent women in national parliaments established by the Beijing Platform of Action remains a distant dream.

Regional disparities

Most countries, particularly the large ones, also display significant subnational disparities. Country averages may therefore disguise the fact that a number of areas within countries are significantly off track while others

are on track. Attempting to help countries to attain their MDG targets in terms of national averages may therefore leave vast numbers of the poor and needy behind. This is an issue of considerable concern for the Asia-Pacific region. Unfortunately there are insufficient data for an extensive cross-country comparison, so this section is confined to 4 countries across a limited range of indicators.

Proportion of people below the national poverty line

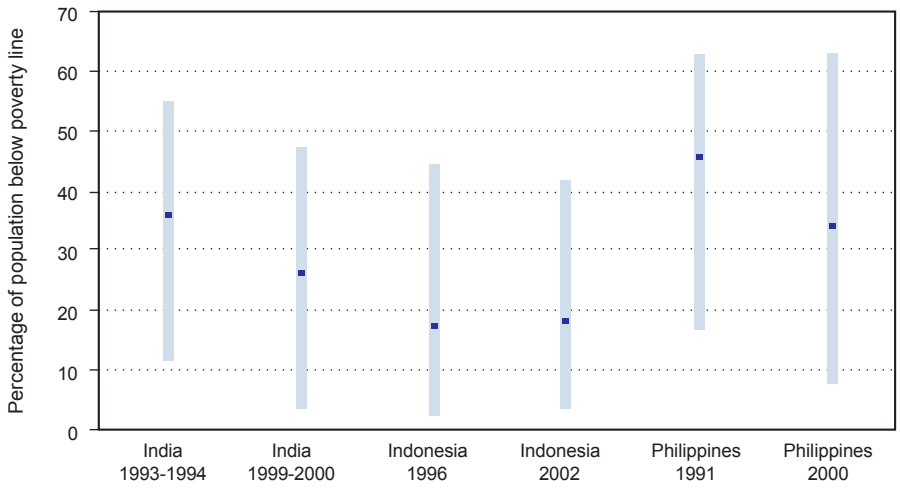
For this indicator there are regional data for India, Indonesia and the Philippines. The extremes in poverty rates are illustrated in figure I.25, which shows the average poverty rate and the extremes for each country.

India – In 1999-2000 the poverty rates ranged from less than 10 per cent in Jammu and Kashmir, Goa, Daman and Diu, Chandigarh, Punjab, Himachal Pradesh, Delhi and Haryana to well above 40 per cent in the two poorest states, Orissa and Bihar. These disparities have persisted over time: the 10 poorest states in 1993-1999 were also the 10 poorest in 1999-2002.

Indonesia – In 2002 the poverty rates were 11 per cent or less in the 5 richest provinces: Jakarta, Bali, South Kalimantan, Banten and North Sulawesi. But they were up to 42 per cent in the 5 poorest provinces: Papua, Maluku, Gorontalo, East Nusa Tenggara and Nanggroe Aceh Darussalam. Here too the disparities have persisted between 1992 and 2002: Jakarta remains by far the richest province, and the poorest remain Papua and Muluku with poverty rates above 40 per cent.

Philippines – Paralleling Indonesia, in 2001 the main imbalance is similarly between the National Capital Region, with a poverty rate of 7.6 per cent, and the rest of the country, where it ranged from 21 per cent in Central Luzon to 63 per cent in the Autonomous Region in Muslim Mindanao. Between 1991 and 2001 there was no change in the ranking of the 3 richest regions and in 4 of the 5 poorest regions.

Figure I.25. Regional disparities in poverty rates, India, Indonesia and the Philippines



Note: This chart shows the average poverty rate and also the range of poverty rates across states in India, provinces in Indonesia and regions in the Philippines.

The maximum and minimum values indicate the overall range but they do not capture distribution of poverty rates across the range: thus in principle there could be 12 very rich regions and 12 very poor ones. In fact poverty rates are distributed more evenly across richer and poorer provinces. This distribution across the regions can be captured by the "coefficient of variation" (technically, the standard deviation divided by the mean), which is high when the population is very polarized and low when most have similar values and the high and low values are exceptions. In India and the Philippines between the early 1990s and the turn of the millennium, while the national poverty rates went down the coefficients of variation went up, indicating an overall widening of disparities. In Indonesia, however, both the poverty rate and the coefficient of variation went down.

Part of the problem is that the poorest regions are often not reducing poverty even at the national average rate. In India, for example, had the poorest-performing regions done at least as well as the national average – reducing their poverty rate by the same proportion – the national average would have been almost 4 percentage points lower, India would have had 39 million fewer poor people, and it would have reached its MDG target three years earlier.

On the same principle, Indonesia would have had 2.7 million fewer poor people and instead of regressing it would have still have been off track but making slow progress. The Philippines too, on this basis, would have had a poverty rate 3 percentage points lower, 2.9 million fewer poor people, and would have been set to

reach its MDG target more comfortably, rather than with just a few years to spare.

Proportion of children underweight

Here too the picture on disparities is not encouraging. For Bangladesh, India and Indonesia the poorest regions despite starting from a lower base are not improving even by the same proportion as the national average. The disparities in the proportion of children who are either moderately or severely underweight are illustrated in figure I.26.

Bangladesh – Here the highest proportion of children underweight in 1999-2000 was to be found in Sylhet at 88 per cent, compared with just over half in Khulna. Between 1996-1997 and 1999-2000, just two of the six districts swapped rankings: Barisal and Chittagong.

India – In 1998-1999, Madhya Pradesh, Bihar, Orissa, Uttar Pradesh and Rajasthan had rates of child malnutrition in excess of 50 per cent – the first 3 of these are also the 3 poorest states. Arunachal Pradesh, Nagaland and Sikkim – small states in terms of population size – had rates below 25 per cent. Most of the states that had high rates in 1992-1993 continued to do so in 1998-1999. The exceptions were Sikkim, which improved its relative position by 25 places on a list of 36, and Rajasthan and Tripura, which lost 11 and 12 places respectively.

Indonesia – In 2002, Yogyakarta and Bali had child malnutrition rates below 18 per cent while Gorontalo and Papua had rates above 40 per cent. However, Indonesia also demonstrates that regions that start out at the bottom do not need to stay there. Between 1992 and 2002 Nanggroe Aceh Darussalam, for example, almost halved the prevalence of underweight children and moved from close to the bottom to close to the top of the ranking. The only two provinces where the proportion rose were Central Sulawesi and Papua.

As with poverty it is also possible to see what would have happened if the regions with the highest rates were able to reduce their rates by at least the same proportion as the national average. Bangladesh, which is already on track, though starting from a higher rate, would achieve the MDG target 3 years earlier. But both India and Indonesia, which at present are improving too slowly to hit the target on time, would actually achieve it 10 years earlier, and thus on time.

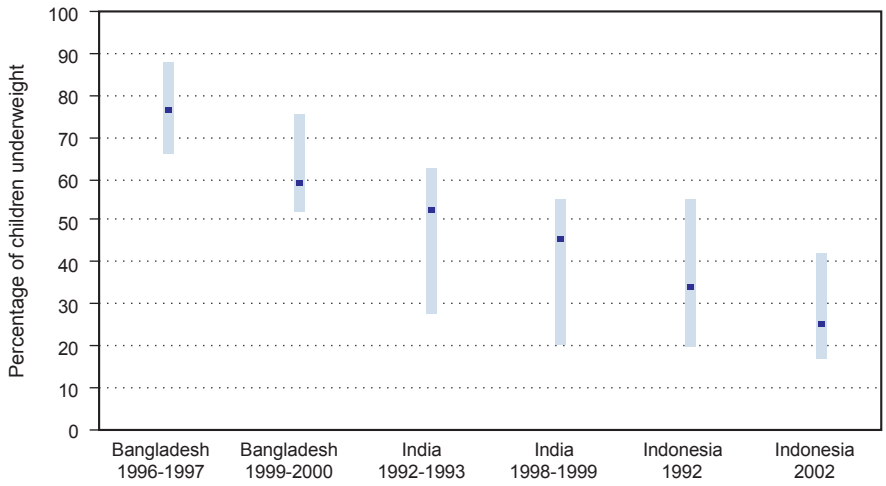
Conclusion

This brief survey has attempted to capture the progress of the countries of Asia and the Pacific towards the MDGs – highlighting which countries seem likely to succeed, and on which goal, and also looking across the region to see which goals overall need much closer attention.

Many countries are evidently making good progress on poverty. This is encouraging, and hopefully many of the countries that are currently off track on poverty will be able to make up sufficient ground to hit the target by 2015. But it is notable that some of the countries that have had reasonable economic growth and are on target for poverty seem destined to miss other important goals related to education and health.

Clearly, growth in national income and reduction in poverty, though necessary, are not sufficient. It is also vital to ensure that more of the country's resources are targeted towards achieving the MDGs. It is just as important, however, to consider the way in which these resources are invested and how progress towards the MDGs is shaped by the character and strength of national institutions. The next chapter looks more closely therefore at institutional change and specifically at the changes needed for better delivery of public services.

Figure I.26. Regional disparities in under-5 children underweight, Bangladesh, India and Indonesia



Note: Average under-5 malnutrition rates and also the range of rates across districts in Bangladesh, states in India and provinces in Indonesia.

Appendix: Methodology

Data

The analysis in chapter 1 is based on the MDG indicator database maintained by the United Nations Department of Economic and Social Affairs (DESA). The DESA database is continuously evolving; the data used include updates until 31 March 2005.

The DESA database restricts the scope of analysis. First, it contains no data on indicator 18, HIV prevalence among pregnant women aged 15-24 years, for countries in the Asia-Pacific region. This indicator has therefore been replaced with "HIV prevalence, aged 15-49 years".

Second, only one observation for each country is available for indicator 3, the share of the poorest quintile in national consumption, indicator 17, proportion of births attended by skilled health personnel, and the two series covering indicator 21, prevalence and death rates associated with malaria. Data for indicator 3 have been obtained from the World Bank's World Development Indicators (WDI) database, as have data on the Gini coefficient, which is not part of the DESA database.

Third, for some countries only one observation is available for specific indicators that are included in the analysis. These countries have been dropped from the analysis of those indicators.

The results derived in chapter 1 should be interpreted with considerable circumspection. Data definitions and methods of data collection may have changed, and or differ by country. A comparison over time and across countries may therefore not be warranted for each indicator. The sharp fluctuations within just a few years of the proportion of the population below $1 per day in the Lao People's Democratic Republic and Pakistan, for example, are surprising, as are the findings on maternal mortality for a large number of countries.

Estimation procedures

From a data analysis point of view, the chapter analyses two basic types of indicators. Indicators on poverty, enrolment rates, gender equality, mortality rates and access to water and sanitation are expressed in explicit quantitative targets. For these indicators, a historical annual rate of change is estimated for each country, and compared with the rate of change required for the country to reach the target by 2015. The countries are then classified into four groups:

- Early achievers: countries that have already met the target in the year of the latest observation, so that the required rate of change equals zero
- On track: countries for which the (absolute) estimated rate of progress is larger than or equal to the (absolute) required rate of change
- Slow progress: countries for which the (absolute) estimated rate of progress is smaller than or equal to the (absolute) required rate of change
- Retrogressive: the sign of the estimated rate of progress is the opposite of the sign of the required rate of change

For the remaining indicators, there is no explicit quantitative target, so that no required rate of change can be calculated. The classification of countries is then based on the estimated rate of change alone:

- Early achievers: countries for which the rate of change is positive (negative in case the target is to reduce from the baseline value)
- On track: countries for which the rate of change equals zero
- Retrogressive: countries for which the rate of change is negative (positive in case the target is to reduce from the baseline value)

The historical rate of change is estimated by fitting a least-squares equation of the form:

$$\ln X_t = a + bt,$$

where X is the value of the indicator, t is time and a and b are the parameters to be estimated. The estimated rate of change r is then obtained as:

$$r = \exp(\hat{b}) - 1,$$

where $\hat{b}$ is the estimate of b.

The regression equation is run twice: once on all the available data from 1990 onwards, and then on all the available observations from that year except the first. In case the signs of b ^differ, the value generated by the second run is used to calculate r. The reason for the dual run is that the first observation is often an outlier, reversing the sign of the rate of change of recent years.

For countries not classified as early achievers, the required rate of change r^* is calculated as:

$$r^* = \left(\frac{X^*}{X_T}\right)^{1(2015\text{-}T)} - 1,$$

where X^* is the target value and T is the year of the last observation. For early achievers $r^* = 0$.

II. Rethinking service delivery

If the countries of the Asia-Pacific region are to achieve the Millennium Development Goals they will need to invest sufficient resources. But funds on their own will not be enough. Just as important, countries will need to change how they do things – developing sufficient skills and capacity and ensuring that they have national and local institutions that fit the needs and aspirations of the twenty-first century. Well-functioning institutions can help to accelerate this progress towards the MDGs – especially those that are crucial for delivering health, education and other vital services to the poor.

Achieving the MDGs ultimately depends on the efforts of communities, of families and of millions of individuals, whose determination, creativity and investment of time and resources drive countries forwards – steadily building incomes and their capacity to develop and transform their own societies. But people should also be able to rely on support from their Governments – to foster the institutions that will allow individual and community efforts to flourish while also taking responsibility for delivering or regulating the public services essential to the functioning of a modern state.

Institutions in this sense refer not just to specific organizations, governmental or non-governmental, but also to the established patterns of behaviour – cultural, economic and social – the "rules of the game". These might be expressed formally in terms of laws or regulation or informally as accumulations of customs or conventions that have evolved to allow large numbers of people to live and work together, everything from languages to markets, from festivals to religions.

The Asia-Pacific region has all of these institutions in rich profusion – and of every conceivable character and scale. They include the whole spectrum of economic systems from the transition economies of the Lao People's Democratic Republic and Viet Nam to the free market economies of Singapore or the Republic of Korea. They include thousands of languages, some spoken by many millions; others by just a handful of people on small islands. And they include multiple types of relationships between men and women, from the matriarchal systems of land inheritance in Bhutan to a number of countries in Central Asia where polygamous marriages are still evident.

All of these institutions, which can both facilitate and obstruct progress towards the MDGs, have been developed according to local situations. And they are constantly evolving to meet new conditions and opportunities. In these circumstances there is no one optimum combination; rather, a complex and shifting variety. The task for a Government, whether through leadership, or advocacy or regulation is to try to ensure that these institutions change in ways that best serve the rights of all the country's people.

At the same time, Governments themselves are institutions that have to reinvent themselves to meet their

responsibilities. This means that fulfilling the MDGs will also require playing close attention to the quality of governance. This implies openness, transparency and determination to root out corruption. In addition, many countries in the region still lack staff of the capacity or calibre needed to accelerate progress – and this along with many other factors, including weak infrastructure, limits their "absorptive capacity" – the ability to make the best use of new resources – whether generated locally, or from foreign investment or official development assistance.

Governments will therefore need to consider many types of institutional change to make the best use of funds, function effectively and more generally to fulfil the "social contract" that they have made with their citizens. This contract was echoed at the international level when all the world's Governments signed the Millennium Declaration that gave rise to the Millennium Development Goals, committing themselves to creating an environment "conducive to development and to the elimination of poverty."

Poverty means not just a shortage of income or assets but also a lack of what people need for full and satisfying lives – good health, for example, education, and clean water supplies and sanitation, as well as the opportunities and the power to participate in making the decisions that affect their daily life and work. All these aspects of poverty interact: without money it is difficult to gain access to education and health care, but without education and good health it is difficult to earn a decent income. And without power it is hard to claim access to services – which in turn undermines personal dignity, self-esteem and the ability to gain the respect of others.

One of the most direct ways in which Governments can address poverty – and meet the MDGs – is therefore by ensuring the availability of services, either providing them directly or sustaining a framework for provision through the private sector or civil society. This chapter, while accepting that achieving the MDGs will demand many kinds of institutional change, will therefore focus primarily on those changes required to produce services that meet the needs and priorities of all users, and especially the poor.

Making services available

The first task is to ensure that services are physically in place – that there is a network of schools, health facilities, and the necessary hardware for water supplies and sanitation. All countries in the region now have the basic infrastructure. Providing this is usually more straightforward in urban areas and in the more compact countries. It is a much greater challenge where the population is widely dispersed across difficult terrain or on small islands. In principle, a rights-based approach demands that everyone be covered; in practice there are trade-offs as Governments weight up how much they are prepared to spend to achieve a given level of coverage.

In some cases they will not extend services beyond the capital city – particularly for more sophisticated medical services, or for more advanced types of higher education. And they will also tend to initiate vital newer services such as the comprehensive response needed for the prevention, care and treatment of HIV/AIDS in the urban areas, leaving millions of rural dwellers for the time being to cope as best they can.

Extending services raises questions of economic efficiency: Governments set priorities according to the range and the threshold, the range being the maximum distance they expect that people will travel to make use of a service and the threshold being the minimum number of users, or buying power, they consider necessary to make the service viable. This may be economically and politically rational but can result in wide disparities – typically between urban and rural areas. This is evident, for example, in the case of water supplies. While in urban areas coverage of improved water supplies is typically more than 90 per cent, in rural areas it can be 70 per cent or less. In the Asia-Pacific region as a whole, 670 million people lack access to improved water sources – most of them in the rural areas.

Women suffer more from lack of services

Even when services appear equally close to – or distant from – everyone in a given community, in practice inaccessibility hurts some groups more than others. Planners, who are usually men, tend to cater for an "average" consumer who is probably a healthy rural male. As a result they may locate services out of reach of young children, for example, or the elderly or the disabled – and particularly of women who have different, and often greater, needs than men for most services:

Health – Women tend to use health services on a more continuous basis than men. This is partly in order to care for their children – making sure they are vaccinated against common diseases, for example, and that they receive prompt treatment for the regular illnesses of childhood, from diarrhoea, to malaria to acute respiratory infections. But women will also be intensive users of services on their own account; when it comes to pregnancy and childbirth, for example, they rely on effective reproductive health services, including antenatal care, and in the case of complications in childbirth on the availability of emergency obstetric care.

Education – Girls also have specific requirements from schools. A common problem for girls is that schools, and particularly secondary schools, may be far from their home. Parents will worry about the risks of a daily journey for their children, but particularly for adolescent girls, and as a result are more likely to keep them at home.

Water supplies – Everyone needs water, but the lack of a ready supply hits hardest at women and girls because of the distribution of the workload in the household. First, because fetching water, often from long distances over difficult terrain, is typically assumed to be a woman's job. Second, because women who are responsible for cooking and cleaning are the greatest water users. Third, because it is women who have to deal with the consequences of contaminated water when children or other family members fall sick. The lack of water thus puts a huge strain on women and also absorbs time that they could use for other purposes, for earning income, perhaps, or looking after children or for leisure and rest or, in the case of girls, for going to school.

Sanitation – Inadequate sanitation is also a serious problem for women and girls, who need more privacy than men. Often they can get sufficient privacy by relieving themselves only when it is dark and may have to wake up before dawn to defecate in fields or at roadsides – when they also risk physical attack. Many women will limit their intake of food and water during the day so that they can wait until the evening. And in schools if there are no separate facilities for boys and girls, the girls may be kept from school.

Quality

The fact that the physical facilities are in place, of course, says nothing about the quality of the services on offer. In some cases there may be nothing at all: stories abound across the region of empty schools and abandoned clinics. To some extent this may be because Governments find it easier to raise funds from national resources, or from international donors, to build facilities than to find funds for subsequent running costs, especially if users do not or cannot contribute. Indonesia, for example, during the 1970s and 1980s successfully established an impressive network of health centres, the *puskesmas,* but although these were numerous the quality of services or provision did not match up to the original promise (BAS-Statistics Indonesia, BAPPENAS and UNDP, 2001).

Services generally show deficiencies in terms of staff or supplies or in standards of supervision or quality control.

Staff – A typical problem is a lack of staff in rural areas since it is difficult to recruit people to work in remote schools or clinics. In Sri Lanka, for example, many popular schools in the urban areas have sufficient teachers, or even a surplus, while others in remote rural areas face acute shortages. But even then the low salaries on offer may force teachers to take other jobs to survive, so they can frequently be absent from their posts. One study of 3,700 schools in India found that one quarter of teachers were absent at least part of the time – and that there were no mechanisms to monitor this or punish the truants (Ordonez and Sack, 2005). Another issue is the attitude of staff to users. Government staff can be arrogant or dismissive to those whom they are supposed to serve. Or if they come from the cities they can have difficulty in communicating with rural people. There are also gender issues: in health services, for example, if all the staff are men, women will be reluctant to go there for examinations.

Supplies – Clinics in rural areas frequently lack even the most basic medicines. This may be because of inadequate national spending on the health system: in Myanmar, for example, per capita health expenditure is only $26 per year (UNDP, 2004). But stocks of effective medicines are also affected by the priorities of international research efforts, which mean there are few affordable remedies for some of the commonest diseases such as malaria and TB. Globally, less than 10 per cent of the funding for health research is directed at improving the health of 90 per cent of the world's population (Global Alliance for TB Drug Development). Between 1975 and 1997, only 1 per cent of the drugs that reached the market were for tropical infectious diseases of most relevance to the poor in developing countries (Global Forum for Health Research, 2004).

Maintenance – A regular quality problem is that buildings or infrastructure are poorly maintained. Again this may be due to a lack of investment. But it can also reflect a lack of local participation. At some point a local committee may have been established and trained to supervise a piped water supply for example. But if the committee members are not well motivated, or if they move from the area and are not replaced with newly trained people, water systems can become contaminated or fall into disrepair.

Standards – Poorly motivated staff and a lack of resources can also lead to low standards of service. For example, childbirth should be safer in hospitals than at home without a trained attendant, but often it is not, either because of low standards of hygiene, or the risks of hospital-acquired infections that are resistant to antibiotics. Similarly, standards of teaching can be

inadequate. Classrooms are often overcrowded and hours are few. In Bangladesh, for example, average class size in primary schools is 59 children and contact time with pupils is around only two hours per day (Government of Bangladesh and United Nations, 2005). In addition many countries in the region rely on rote learning with children chanting from the blackboard, rather than being encouraged to think for themselves or to solve problems. Water supplies too can be of low quality or contaminated with substances like arsenic – a problem that affects over 200 million people in nine Asian countries. In urban areas of Asia more than half of water supplies also operate only intermittently which heightens the risk of contamination (WHO and UNICEF, 2000).

Matching local needs – Another common issue is that services designed or determined centrally may not be appropriate to local needs. Children in minority ethnic groups, for example, often have to learn in what might be their second or even third language. Thus, in Viet Nam, the main language of instruction is Vietnamese, which children in minority groups may not understand. In addition teachers in many countries work from a centrally planned curriculum with elements that either conflict with local customs or needs, or teach academic subjects that are irrelevant to local conditions rather than equipping children with vital life skills – and the ability to do the work needed in the rural areas.

Expanding services while ensuring quality

With limited resources, Governments often face the difficult problem of balancing the quantity and quality of services. In the case of services that affect health, there should be no compromise in the quality of essential services. But for some other services the situation may be different: attempting to achieve very high standards can be wasteful and prevent wider coverage. A study in rural China, for example, found that when the authorities decided to replace village schools that were convenient for children and taught in local languages but did not teach the full primary course, with more distant, complete schools this effectively excluded many poor children, and those from ethnic minorities, particularly girls (Beynon and others, 2000).

Similarly in the case of water supply it is possible to distinguish between the various purposes for which water is needed. Not all water requirements are for drinking. The bulk water needs in a household are for washing and cleaning, for which use of potable quality water may be wasteful. Water providers will understandably want to offer high-quality supplies but in doing so may spend large sums that could have been used to provide less pure water to a larger number of people (Cairncross and others, 1999).

This suggests that what is required is a flexible approach that can bring suitable services within reach of scattered populations. Bhutan, for example, despite its dramatic and vertiginous terrain, has managed to extend health services to 90 per cent of its population by creating a network of hospitals, basic health units and monthly clinics run by health workers who can within a day's walk reach them, complemented by village health volunteers. This still misses out some people such as yak herding families high in the Himalayas, but most of the sedentary population have some access to health care.

Financial barriers

Many people will be unable to access services because they cannot afford them. This is most evident in the case of services provided by the private sector, where companies will want to recover costs and earn a profit – those running transport systems, for example, or private clinics or schools.

But even government-provided services that are ostensibly free can turn out to be expensive. Thus while primary education is free in most countries, parents will find themselves paying supplementary charges. In the Lao People's Democratic Republic, as in many other countries, although parents do not have to pay fees they do have to find money for uniforms, books and supplies. Similarly in Kyrgyzstan parents and children are often subject to informal and unregulated charges for textbooks and other materials (Government of Kyrgyzstan, 2003).

Patients in the "free" health systems may also have to pay fees to nurses or doctors to receive treatment. Or discover that doctors will offer only a limited service in the public clinics that they will offer to supplement from their private practices. In China, for example, health-care providers get limited funding from the Government and in order to earn a living wage health-care workers rely heavily on charging user fees to patients (Bekedam, 2004). People living with HIV/AIDS can also face severe problems since although the cost of antiretroviral treatment has come down it is still out of reach for the poor. Even urban water supplies, long thought of as a public good requiring essentially free provision, are increasingly being charged for.

In addition to direct costs, there are also opportunity costs. If people have to travel a long distance, for example, or queue for hours to use a free service they will lose valuable income-earning opportunities or work time. Similarly, if people have to walk a long way to fetch water they will use up time that could be put to better use. In India, for example, women are thought to spend around 150 million working days per year carrying water, equivalent to a loss of around $200 million.

Poor families will also have to take into account the opportunity cost of sending their children to school. Households in many countries in the region rely on children to care for younger siblings, to do household chores such as fetching water and fuelwood, to work in the family fields or to engage in casual labour to supplement household incomes. In these circumstances, sending them to school will imply significant short-term financial sacrifice.

Legal barriers

Many of the poorest families can have difficulty getting access to services because they do not have birth certificates. UNICEF estimates that in East Asia and the Pacific 19 per cent of births are unregistered, while in South Asia the proportion rises to 63 per cent. Generally, rural parents are much less likely to register: in India the proportion of children registered in urban areas is 54 per cent but in rural areas it is only 29 per cent (UNICEF, 2005).

Parents may fail to register births simply because they are unaware of the importance of this. But they can also be dissuaded by the costs if the system is highly centralized and they have to travel to a registration office. This may cause them to delay the process until they are convinced that the child will survive, or to miss it altogether. Then if they later discover that they should have registered their child they can be further discouraged by the prospect of paying a fine. However, there can also be political reasons for non-registration. Ethnic minority parents who distrust the central Government may not wish to have their details known. Even when children originally had a birth certificate, poor or migrant families may not have anywhere to store it, so it can become lost or damaged and require an expensive replacement.

The lack of a birth certificate can prevent children from getting access to school or to free health services. In Nepal, for example, a birth certificate is not officially mandatory for a child who wants to enter school, but school principals frequently insist on this. And even if a school principal allows a child without a birth certificate to attend school, he or she may not allow the child to use free books, or to sit examinations or attend higher education (Plan International, 2005).

The lack of vital registration systems can also have implications for the planning of services. If the age of the child population is unknown this makes it difficult to plan education services effectively. Also, many countries in the region do not have efficient systems for registering deaths. This makes it more difficult to know, for example, what maternal mortality rates are – and thus to estimate how much will need to be invested to save women's lives. Similarly with many immigrants unregistered it is difficult to assess the scale of their needs; following the Indian Ocean tsunami, for example, it will probably never be known even how many unauthorized immigrant workers died.

In increasingly complex urban societies, families now need a host of other documents in their daily lives. If they do not have citizenship or other official papers they may not only be harassed by law enforcement officials but be denied access to services. Thus unregistered squatter families who lack building permits will find that they cannot be connected to an urban water supply, even though they could afford to pay. Among those least likely to have sufficient documents are rural-urban migrants. This may be because they think they are only staying temporarily and do not wish to transfer their registration, but even those who intend to stay can have problems. In China, for example, millions of immigrants to the largest cities lack the permits that would allow them full access to services. In Mongolia too, migrant women have difficulty gaining access to health services (Government of Mongolia, 2004).

In practice, however, security of tenure is frequently less a legal issue than a political one. Often the only way for many people in informal settlements to protect themselves against eviction is to pay politicians or hired thugs. Similarly, the way to get services may be for local leaders to ally themselves with powerful people outside the settlement, promising votes in exchange for services. Local service providers, such as water vendors, may also have to seek patronage or protection and will pass the costs on to users.

Sociocultural barriers

Services in principle are available to all, but certain groups typically get inferior treatment, or are excluded altogether.

Gender discrimination

The largest category facing discrimination, though they can scarcely be considered a "group" since they constitute half the population, are women. Females even from birth can be excluded from health services in countries that show a strong preference for sons. In South Asia, for example, infant mortality rates for girls are 30 to 50 per cent higher than those for boys – a result in many cases of parents giving girls less care within the home and also of their being slower to seek medical attention for girls when they fall sick. One study in India, for example, found that for childhood illnesses, girls are 1.5 times less likely to be hospitalized than boys (WHO, 2005). Girls can also be poorly fed

and grow up to be undernourished mothers who deliver underweight babies in an intergenerational cycle of malnutrition.

Girls, too have historically been less likely to be sent to school – in some cases because parents consider them a less worthwhile investment, since they can have a lower earning capacity, and in any case will leave the family home at marriage. While most countries have reduced the educational disparities between boys and girls at the primary level, disparities persist in a number of countries at the secondary level: in Tajikistan in 2001, for example, while 63 per cent of boys completed secondary school, only 38 per cent of girls did so (Government of Tajikistan, 2003).

Ethnic minorities

Many countries in the region have ethnic minorities who have less access to services than the rest of the population. In Viet Nam, for example, primary education enrolment rates of children from ethnic minorities have on average been almost 10 percentage points lower than those of the majority ethnic Vietnamese population and the disparities rise the higher they go up the education system (Government of Viet Nam, 2002). Similarly in Cambodia, while the national adult literacy rate is 68 per cent it is only 27 per cent in Ratanakiri, a province with many ethnic minorities (UNICEF, 2003).

People living with HIV/AIDS

Even people within the mainstream population who have contracted HIV/AIDS can face discrimination when it comes to the use of public services. A survey in 2004 in Indonesia, the Philippines and Thailand found that one quarter of respondents told of discrimination by health-care workers, 15 per cent had been refused treatment or care and 17 per cent had experienced delays in the provision of health care. And many people found that once their condition became known they were actually turned away from health centres (APN+, 2004). One major concern for people living with HIV/AIDS is that health-care workers will not respect their right to anonymity – and thus deter them from being tested or receiving treatment. Some HIV-positive mothers, who know they may transmit the virus to their babies, will nevertheless breastfeed them to avoid being identified as HIV-positive. Discrimination is also common with education systems – both for pupils and teachers.

People with disabilities

Over 200 million people in the region are thought to be living with disabilities, of whom over 40 per cent are living in poverty (ESCAP, 2002). Their numbers are particularly high in post-disaster areas and in post-conflict countries like Afghanistan, Cambodia, Timor-Leste and Viet Nam. People with disabilities have the same needs for health and educational services as other people, but face more challenges in securing access due to physical and social barriers. Despite improvements in legislation, people with disabilities often experience discriminatory practices and deep-rooted stigmatization. In Afghanistan, for example, at least 4 per cent of the population are disabled and are generally marginalized and among the poorest sections of the population (Government of Afghanistan and UNDP, 2004). Women with disabilities are among the most marginalized of all, as they have multiple disadvantages through their status as women and as people with disabilities.

Available evidence suggests that fewer than 10 per cent of children and youth with disabilities in the region have access to any form of education, compared with an enrolment rate in primary education of over 70 per cent for non-disabled children and youth. Most education facilities for children and youth with disabilities are concentrated in special schools in urban areas, while most people with disabilities live in rural areas. Other problems include a lack of early identification and intervention, negative attitudes, exclusionary policies and practices, inadequate teacher training and inflexible curricula and classes. Accommodating children with disabilities in regular schools means removing physical obstacles and arranging suitable transport. The Lao People's Democratic Republic is one of the more advanced countries in this respect with facilities in 78 schools in 12 of 18 provinces (UNESCO, 2001).

Socially unaccepted or illegal groups

Other groups that face legal barriers in getting access to services are those whose behaviour is either considered socially unacceptable or is illegal – which could include men who have sex with men, injecting drug users or sex workers. They may have difficulty getting access to appropriate health services generally, but particularly to services that could help to slow the spread of HIV/AIDS, such as the distribution of condoms or clean syringes – even though they may subsequently qualify for antiretroviral treatment.

Political barriers

The responsibility for ensuring adequate services clearly lies with Governments. Citizens surrender many of their rights to Governments in exchange for the right to protection and preservation. These rights have been asserted, for example, in the Universal Declaration of Human Rights, article 25 (1) of which states: "Everyone has the right to a standard of living

adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control." At the Millennium Summit, countries reaffirmed their support for upholding the respect for the rights of all without distinction to race, sex, language or religion and promised to spare no efforts to safeguard civil, political, economic, social and cultural rights.

In the past many people have, however, made a distinction between the political rights, which financially are relatively easy to fulfil, and social and economic rights, which can be much more expensive. Political rights require the State and others to desist from persecuting people so need not imply any great financial burden. Fulfilling the social and economic rights may require considerable expenditure, on education, for example, or health – which, it is argued, can only be fully delivered in richer countries, where standards of living are higher and the Government has sufficient tax revenue.

However, fulfilling the social and economic rights is not as daunting as it might seem – since it is possible to unpack the duties into several discrete components. In this view, Governments have four types of obligations: to *respect* both political and property rights; to *protect* these rights from abuse by others; to *facilitate* by building infrastructure, say, or running public health campaigns, so as to improve people's capacity to raise their own standards of income or health; and finally to *fulfil* the rights of those who cannot meet their own needs by acting as the provider of last resort.

These distinctions help take the edge off Governments' fears of unlimited liability. Most Governments would willingly accept the first three types of duty. And in extreme circumstances they also take on the duty to fulfil; no democratic Government can now allow any of its citizens to starve to death in public.

It is clear therefore that Governments and citizens have considerable leeway when it comes to providing or claiming services. As a result, deciding levels of service provision is essentially a process of political negotiation. On the one hand governments will decide what they can afford and choose to whom they will give priority. On the other hand citizens will either have to accept this or try to claim their rights to services which they are being denied.

Generally, however, this process of negotiation results in much better services for the rich and powerful – and also for urban dwellers, who tend to be better organized and more able to put pressure on Governments. The poorest citizens, living in remote areas, far from the seats of power and with no political or other forms of organization, are usually excluded; they may not even know what their rights are, still less be in a position to assert them. They may also internalize this sense of powerlessness, feeling that they have no right to a say. This would extend both to national-level politics, where they have no say over the budgetary process that determines what proportion of national income goes to social services and to the local level, where even elected and other assemblies are dominated by local elites.

How can the rights of the poor be fulfilled? One of the most general requirements is a high standard of governance – to ensure that public services are delivered in an efficient, transparent and honest fashion. At present that is a distant prospect in many countries. Corruption remains a major problem across the region, where bribery and favouritism can increase the cost of public works programmes by up to 50 per cent. This is common in education, for example, not just at the top level in diverting funds that should be used for buildings, equipment or supplies, but also at the local level when teachers can demand bribes from parents for school entrance or for good exam results or for books that should be provided free.

Good governance is therefore one of the primary requirements. But what other types of institutional change will be needed to extend services to the whole of the population? These can be considered under a series of headings. The first would cover the range of providers who should be delivering the services; countries are likely to deliver services more effectively if they broaden the range of options. A second would cover the various barriers to access and consider how these might be reduced or removed. A third would consider the political factors – to see how the poorest users might be empowered to demand and receive better services.

Broadening the range of providers

In most countries the main provider of basic services – particularly health, education and water supplies – is the Government. Where the Government, at the national or local level, does indeed provide a good service it should continue to do so. Where it cannot do so, however, it should consider involving others, including private sector and community groups, not just to increase overall capacity but also better to meet the requirements of many different types of users. The relative strengths and weakness of each of these providers may be summarized as follows (Osborne and Gaebler, 1993).

Public sector – Governments are in a strong position to use the political process to set priorities, ensure equity and prevent discrimination. They can raise public funds to provide universal services – what are often termed "public goods". However, they can also be overly bureaucratic and their staff may feel little incentive to respond flexibly to the needs of users.

Private sector – Private operators tend to be more efficient at economic tasks – abandoning unsuccessful or obsolete activities while also innovating and replicating successful ones. They can thus adapt to rapid change and, since they are paid by results, they have an incentive to be responsive and customize services to the needs of users. However, since they will be seeking profits they will tend to concentrate on the lucrative markets where risks are low and there are ready revenues – and thus will generally ignore the needs of the poor.

Civil society – Groups in civil society tend to be best at performing tasks that demand compassion and commitment to individuals, require extensive trust on the part of customers and clients and need hands-on, personal attention. Their weakness is that they tend to operate on a small scale through stand-alone projects and can be overly dependent on external, and often foreign, funds. They may also lack a strong system of accountability either to their users or to donors.

The challenge for Governments which wish to fulfil the rights of their citizens is therefore to find the optimum combination of providers who can provide the most complete and responsive service at the best price.

Private sector provision

Most countries have a range of private companies which will provide services that parallel the public ones. Often these have arisen because of deficiencies in public provision: either in quality because rich users would prefer more exclusive, high-quality treatment – or because there is no public provision at all. Although private provision is more extensive for the rich, it is also available to the poor, but only for services for which they can make small payments as they go along rather than having to pay large accumulated bills on fixed dates.

Probably the most dramatic example of private sector service provision in recent years has been the expansion of mobile telephones. Here private providers have met a need that fixed public networks could not satisfy. This has made phone services much more available to the poor, either directly if they can afford a handset, or indirectly by using the phones of individuals who have set themselves up as mini-service providers. Grameen Phone, for example, a Bangladeshi company that is an offshoot of the Grameen Bank, is now the country's largest mobile phone provider. Poor women buy a handset with a loan from the Grameen Bank and then sell calls to users.

Private provision can also be quite extensive in health care. In Indonesia, for example, private expenditure accounts more than four fifths of total spending on health – even the poorest fifth of the population use private services more than public services (BPS-Statistics Indonesia, BAPPENAS and UNDP, 2004). Similarly, in India, 80 per cent of households use the private sector in the case of minor illnesses and 75 per cent for major ones (WHO, 2001a). There is also significant health provision through the informal sector, particularly for traditional medicine – though in a number of countries, including Bhutan and China, such traditional medicine is also provided through the public sector.

Private education is less extensive – but is growing – from kindergartens to private universities. Even in the more advanced countries of the region, private providers still account for a minority of schools: in Thailand, for example, they make up around 18 per cent of primary and secondary schools (Government of Thailand, 2004). Private provision is often greater at the higher levels: thus in the Philippines 80 per cent of college and university students attend private institutions (Tooley, 2001). Private schools need not just be for the poor. In Andhra Pradesh in India the Federation of Private Schools' Management has 500 private schools – with classes ranging from kindergarten to grade 10 – whose pupils come from poor villages and urban slums. Schools charge the pupils between Rs 25 (60 cents) to Rs 150 per month (about $3.50) and in addition offer up to 20 per cent of their places free to the poorest students (Tooley, 2000).

In water supplies private involvement has historically been relatively limited. But in recent years there have been a series of partial privatizations of services in cities such as Jakarta, Phnom Penh and Manila. These have involved "public-private partnerships" in which the assets, including the network of pipes, belong to the State, which also sets the regulatory framework. The private sector then builds and operates the facility typically with a contract that runs over several decades and that sets out issues such as service quality and tariffs. Although these have improved water supplies for many people they have also created considerable controversy – particularly when companies have raised their tariffs – though these high tariffs have often been imposed by the Governments rather than by the private sector.

Faced with lack of services from either the Government or private utilities, especially in large urban settlements, many people have to rely on the informal sector. Small-scale entrepreneurs can provide water, often in carts or trucks to areas that have no piped supplies. This involves minimum investment in fixed capital and since the entrepreneurs are close to the community they can tailor their services to the needs of the poor and rely on informal enforcement mechanisms for payment. These more informal methods of distribution can nevertheless operate on quite a large scale. One family business in Manila, for example, provides water to 14 areas. This works on a pyramid system in which water from the central city supply is piped to water managers in the community, each of whom covers around 200 households, selling water to them via metered pipes or in 200-litre containers. In Sri Lanka, a similar system has been used to develop water supplies for poor communities in Colombo (box II.1).

Box II.1. A pro-poor public-private partnership in Sri Lanka

In Halgahakumbura, a squatter settlement in Colombo, 600 families used to receive their water through public standposts. But because the water was free, it was often wasted and the service generated no revenue for the National Water Supply and Drainage Board (NWSDB). The quality of the service was also poor and people wasted time queuing and carrying water home. Establishing house connections had been considered too costly and risky because it was not clear whether people would be willing or able to pay.

In 2004, under an ESCAP project, NWSDB entered into a partnership with the community, a small private company and a local NGO. The NGO first consulted the community to see to what extent they would take ownership of the scheme and be willing to pay. When this proved positive the company was awarded a concession to lay pipes in the settlement, install individual water connections and distribute water to households. The company now buys the water in bulk from NWSDB at a price set by the bidding process and then charges users for it at the official rate. Because the company is small and has low operating costs, it can make a profit on small margins. It has also opened an office close to the community to facilitate payments and deal with customers.

The scheme required all partners to learn new attitudes. The community learned that it is beneficial to pay for the water it receives. The small private company discovered that there is a market for water among the poor. NWSDB has discovered a way to be paid for the water it supplies without having to collect individual charges while also wasting less water. The Government of Sri Lanka has also realized that privatization of water supplies can benefit the poor.

Informal provision has its weaknesses. Providers have little access to capital and although they have low fixed costs their labour-intensive procedures lead to higher marginal costs, so their charges can be high. Nevertheless a study of small-scale water providers in eight Asian cities did not find any indications of profiteering or exploitation (ADB, 2004c).

In addition to large-scale public private partnerships, which have had mixed results for the poor, it is also possible to create less formal partnerships, where the public sector can help to create a demand for services that the private sector can then meet. This has been demonstrated in sanitation, for example, which has a soft component in raising awareness for behaviour change and a hard component in the provision of systems. Once the Government has helped create a demand for low-cost systems the private sector can step in and meet it. In Myanmar, for example, the Government embarked on a massive social mobilization programme: between 1996 and 2000 it implemented a campaign by health workers in 174 townships, and from 1998 it has organized an annual National Sanitation Week. In response the private sector was able to take advantage of these efforts by producing many thousands of plastic toilet pans and selling them at affordable prices. The actual construction of latrines was almost entirely the responsibility of households, which either installed them themselves or hired local builders.

Civil society provision

Responding to weak or inappropriate government-provided services, many organizations of civil society, whether community organizations or NGOs, have stepped in either to fill the gaps or to provide alternative models.

NGOs have the advantage that they are very flexible and can complement government services. However, in most countries they are typically on a small scale and offer services that are valuable but fragmented. Although some work on the basis, for example, of user payments or of types of mutual assurance often they remain dependant on external funding.

A number of Governments in the region have nevertheless recognized the strengths of NGOs and have worked in partnerships with them to extend public services. In Bangladesh, for example, the NGO BRAC works with the National TB Programme in 60 thanas covering a population of 14 million people. BRAC trains young women to become community voluntary health workers – resulting in an impressive 92 per cent completion rate for TB treatment. BRAC's health workers have also worked with the Government to extend the reach of child immunization programmes (WHO, 2001b). In Cambodia, too, there have been successful experiments in contracting health delivery in remote areas to NGOs. These resulted not just in a greater take-up of services but in savings for the users; people in contracted-out districts lost about 15 per cent less time on illness and seeking health care compared with people in other districts (Bhushan and others, 2002).

In addition, Governments have been able to enter into partnerships with community organizations. In Sri Lanka, for example, the National Housing Development Authority provided local communities with funds and technical assistance to build public toilets and other facilities. This practice has now been adopted by local bodies – on the grounds that local people are best placed to decide on where the facilities should be and how best to look after them. If a particular community does not have the labour or skills to do the work itself it can still have it done by a contractor or by another community that has already done such work (Pathirana and Yap, 1992). Another striking example of this is the Orangi Pilot Project in Pakistan, which started with the construction of a sanitation system in an informal settlement and has since expanded to other areas with health and other services (box II.2).

Box II.2. Orangi Pilot Project

The Orangi Pilot Project (OPP) was launched in 1980 by Akhtar Hameed Khan, a social scientist, to offer the 1.2 million inhabitants of the largest informal settlement in Karachi, Pakistan, more opportunities to improve their own living conditions – recognizing that neither the Government nor non-governmental organizations alone had the capacity to solve problems on the scale required, but that more progress could by made by taking advantage of the resources and knowledge of communities.

After extensive consultation, house owners in Orangi expressed their willingness to assume responsibility for the construction and maintenance of a community sanitation system that could be linked with the government-provided trunk sewers and treatment plants. They organized themselves in lanes of 20-40 houses – groups small enough to build mutual trust but large enough to introduce economies of scale – and paid for and constructed an efficient and effective system of sewerage for 90,000 families. Among other things this has contributed to a significant reduction in disease and a decline in infant mortality.

OPP has since evolved into an internationally known community development movement and has expanded into health and family planning, building technology, education, and credit and income generation. The model has also been adapted in other settlements in Karachi and elsewhere in Pakistan and it has influenced development approaches internationally. OPP has clearly demonstrated how Governments and communities can work well together by dividing their responsibilities, the Government taking on the more technically complex large-scale construction of main drains and treatment plants that are essentially public goods, while local communities and households invest in the infrastructure close by that benefits them directly.

Critics have argued that this model provides Governments with an excuse for not providing services. OPP responds that communities should only be asked to do the "internal" development, while the "external" work should be done by the Government. This requires, however, that the Government be prepared to recognize work done by community organizations in extralegal settlements.

Overcoming access barriers

As well as taking a more flexible approach to service provision Governments can also attempt to address some of the barriers that deny the poor access to services – trying to reduce financial and legal barriers while also adapting services to make them more accessible to poor users.

Removing economic barriers

Many people do not get services simply because they cannot pay or because the opportunity costs of using services are just too high. This not only denies the rights of individuals to services but also damages the prospects of the country as a whole – since future progress in human development depends on a healthy and well-

educated population. Most Governments accept this and agree that everyone should have access to primary education, basic health care (for example Thailand, box II.3) and adequate water and sanitation. They would also agree that costs to households should not be a barrier – since education, for example, brings benefits to the country as a whole. ILO has, for example, calculated that over a 20-year period the economic benefits to Nepal of 100 per cent school enrolment would be double the costs of lost child labour wages (Gilligan, 2003). Nevertheless, countries find it difficult to work out the best arrangement for achieving universal access.

Box II.3. Thailand's 30 baht health scheme

Thailand has become one of the first middle-income developing countries to introduce a universal health-care system. Previously it had six health insurance schemes that covered around 80 per cent of the population, but these tended to overlap and were not very equitable. In 2001, however, Thailand introduced a new scheme to provide all citizens with equal access to health care and protect them from financial losses due to illnesses. This also marked a shift of funding from large urban hospitals to primary health care.

Users pay only 30 baht (75 cents) per visit, though the poor pay nothing at all. The benefit package includes inpatient and outpatient treatment at a registered primary care facility and referral to secondary and tertiary care facilities, as well as dental care, health promotion and prevention services, ambulance fees and drug prescriptions. By 2004, 47 million people were getting health security from the 30 baht scheme and 13 million from other schemes – meaning that 99 per cent of the Thai population are now covered.

The scheme has proved very successful and user satisfaction is high. The main difficulty is long-term financial sustainability. Some hospitals have incurred large debts because, among other things, the number of people covered has increased much faster than the budget allocation. To reduce the financial burden and staff shortages, particularly in the rural areas, the Government has, however, started to provide additional funding to cover 21 per cent of the salaries of health workers in public health facilities.

Free services – The simplest option would be to supply all such services free. This may, however, result in considerable wastage – of water, for example. Moreover, even the poor may actually prefer to make some payment so as not to appear second-class citizens – especially if this entitles them to superior and timelier service. Nevertheless some services are generally free: for example, most countries do not charge formal fees for primary education.

General subsidies – In this case the charges are reduced for all users of the service. The charges still have to be at a significant level, since collecting small sums may cost more than the revenue. But even where charges are at a more viable level a subsidy across the board can be inefficient since it covers the whole population, poor and non-poor – and in most countries in the region the poor are actually in a minority.

Variable subsidies – This involves a variable tariff that increases with the number of units used, on the assumption that the poor will be low-volume users. This "increasing block tariff" has, for example, been used for water supplies in Bangalore, India, and in Kathmandu, Nepal; it helps at least some of the poor who have taps in their homes though in fact those who gain most are the non-poor (ADB, 2004c).

Targeted subsidies – This can be done, for example, by issuing cards or vouchers to the poor to entitle them to free or reduced services. However, it is difficult to identify the target group accurately, particularly the poorest of the poor, who may be "invisible" and difficult to reach. This is the approach typically taken with food subsidies, though the targeting is not generally very precise since vouchers and cards also finish up in the hands of the non-poor and often do not reach the poor at all. One study of the food distribution system in India, for example, found that they covered between 34 per cent and 52 per cent of the non-poor and excluded between 24 per cent and 98 per cent of the poor (World Bank, 2003).

Self-targeting – This involves providing a service that only the poor are likely to use. For food distribution, for example, this can be achieved by subsidizing the type of food the poorest are most likely to eat – such as the lower grades of rice. In the case of urban water supplies, one way of targeting is to make water free only from public tap-stands.

Community-based insurance – Wealthier patients can often buy insurance policies to meet unexpected health bills. For community health schemes, for example, this works rather like standard health insurance, except that the

schemes are small, affordable and community-managed. They have been introduced by the Grameen Bank in Bangladesh and by the NGO, SEWA, in India, as well as in Cambodia, India and Viet Nam. These provide some coverage but they can be expensive to run, suffer from poor management and also offer a small risk pool so a general epidemic in that community would soon exhaust the funds. Some of these disadvantages could, however, be overcome by networking the schemes or by linking them to formal systems.

As well as reducing the direct costs of services in these ways, Governments can also attempt to reduce the opportunity costs of services – particularly the time taken to reach them. The most direct way of doing this is by extending the network to bring services closer to communities. But it is also possible to consider mobile services, such as satellite or outreach clinics that might reach distant villages once a month. Alternatively, Governments can consider investing in better-integrated and more affordable transport networks.

Government can also address the opportunity cost of sending children to school. One option is to provide free school meals as an incentive for attendance. In India, for example, the National Mid-day Meal Programme has improved nutrition and the learning achievements of school-going children and, more importantly, their enrolment and attendance in schools (Government of India, 2002). Bangladesh has gone further with a Food for Education Programme that gives a monthly food ration to families who send their children to school; the families can either consume the food or sell it for cash. This too has been shown to boost attendance, especially by girls (Ahmed and del Ninno, 2002).

Removing legal barriers

Many poor people cannot get access because they lack the official identity papers that entitle them to health or education services. This is often the case for rural-urban migrants or for unauthorized migrants from other countries. Thailand, which is thought to have at least 1 million migrants from Myanmar and elsewhere, has addressed this through a Migrant Health Project working with NGOs and the International Organization for Migration to offer accessible and culturally sensitive health services, including treatment for TB and HIV/AIDS (IOM, 2001).

A number of countries have also engaged in birth registration drives. India, for example, has a well-established national registration campaign operating in 15 languages across almost every medium from TV spots to posters, to stickers, to billboards. The Philippines too conducts a mass campaign every February – designated "civil registration month" (UNICEF, 2002).

People in urban slum areas also have problems getting official connections to water or electricity supplies. If they cannot demonstrate ownership of a property then neither public nor private utility companies will contemplate connecting them. One option is to integrate extralegal agreements into a single formal system. However, this needs to be done carefully if it is not to undermine the existing system; as arrangements become more formal so the value of property rises and could be pushed beyond the reach of many people. Instead the aim should be to build bridges between the legal and extralegal systems, so as to draw on the benefits of both.

A useful starting point is to review the regulations on service provision to identify those elements – whether laws, regulations, standards or procedures – that tend to exclude the poor (Payne and Majale, 2004). This type of "regulatory audit" would identify the institutions involved and assess what it would cost for the poor to meet the regulatory requirements. The auditors could present their findings to all stakeholders and decision makers to explore the possibilities for adjusting the regulatory framework to the realities on the ground.

Another alternative is to work in a more flexible way when delivering services – so as to maximize the benefits for the society as a whole. Thailand, for example, has taken this approach when confronted with the HIV/AIDS epidemic. Prostitution is illegal in Thailand; nevertheless, the Government, accepting that one of the main routes of transmission was through commercial sex, ran a high-profile campaign to get sex workers and their clients to use condoms. Similarly, in Bangladesh, the NGO, CARE, while not condoning illegal behaviour has recruited injecting drug users to educate others about the dangers of HIV/AIDS (box II.4).

Making services more appropriate

Another way of connecting people better with services is to make them as appropriate as possible to local needs. While it is useful to set national standards to guarantee quality these will be counterproductive if they actually discourage people from using services. This can happen in education systems, for example, when timetables and curricula that have been set centrally do not meet local circumstances. A better approach is to mandate only some core standards and parameters while giving local schools the flexibility to adapt other lessons to local needs.

It is also important to teach children as far as possible in the language that they use at home, so it is often better to recruit local teachers who are familiar with the language and customs – and who will be more acceptable and accountable to the local community. As many teachers as possible should also be women since this will make it easier for girls to attend school.

Box II.4. Drug users as outreach workers

The NGO, CARE Bangladesh, has demonstrated the value of employing drug users to contact other drug users to transmit important health messages. CARE identified 42 locations in Dhaka that were being used for selling and injecting drugs. Then it trained 12 of the active injecting drug users to serve as outreach workers – providing other users with information on HIV/AIDS and sexually transmitted diseases while also distributing condoms and clean syringes. The NGO stipulated, however, that the workers followed strict rules: don't inject while working; don't carry drugs while working; and don't get involved in criminal activities.

By June 1999, the project had reached some 2,000 injecting drug users per day and subsequently grew to include 11 drop-in centres and 50 peer outreach workers. It also trained 160 volunteers as peer educators as well as 20 medicine-shop sellers. After the Dhaka experience, CARE Bangladesh launched similar programmes in Rajshahi, Chapai Nawabganj and Char Narendrar.

Parents will also be more likely to send their children to school if they are being taught skills that will be useful in their daily lives – if, as well as acquiring basic literacy and numeracy, children are learning about the local environment, for example, or issues related to health, hygiene and sanitation.

Teachers and parents can also consult on the most appropriate school timetables and vacation periods which could take into account demands on children's time for fetching water in the morning, perhaps, or for selling goods on the weekly market day.

They can also discuss how to make the school a safer environment for girls, with adequate fencing and security and separate toilet facilities.

As well as making government schools more appropriate it is also possible to improve standards in other traditional forms of education as in Islamic madrasas or Buddhist temple or monastery schools. Koranic schools in Uttar Pradesh in India, for example, have introduced a literacy component.

In addition, children and young adults who have missed out on primary education should have the option of attending non-formal schools whether run by the Government or NGOs. Mostly these concentrate on functional literacy and numeracy. Non-formal education should, however, always be considered as complementary to formal primary education, rather than as a replacement for it, and children who enrol in NFE classes should then be able to move to formal education when the opportunity arises.

Health systems too can be better adapted to local needs if local people, and particularly women, are closely involved – helping to identify the health requirements, influence the range of services that are provided and take responsibility for management. Thailand and many other countries in the region train village health volunteers to provide both preventive and simple curative services.

Local medical services can also make use of paramedics. In India, the Small Scale Rural Surgical Clinics in West Bengal are usually run by a single experienced doctor who builds up a local team of paramedics (Government of India, 2002). In Bangladesh the NGO Gonoshasthaya Kendra, or People's Health Centre, has trained young unmarried women as agents of change within their own communities; they can speak to rural women directly and address their specific needs.

Employing non-professionals does bring some risks, so workers will need to be closely monitored and evaluated to ensure that they give high-quality care. To ensure that they keep working, it is also important to make the non-professionals know they are valued. They should therefore also be offered suitable salaries and good working conditions along with opportunities for career development (UNFPA, 2005).

Empowering users

The most effective way to ensure that local services are appropriate and effective is to empower the users. But local involvement should not be seen as a way for central Government to reduce costs or to disregard its responsibility to ensure access to services for all. Rather the aim should be to develop the capacity of communities to establish their own priorities, make their own plans and then claim their entitlements from the Government.

Empowerment involves the acquisition of new capacities, the establishment of new institutions, the promotion of new ways of working within existing organizations and the provision of new rules for inter-organizational relationships. It requires changes in values and norms regarding respect and the distribution of power between social groups, so that none is marginalized and loses the right to be heard.

NGOs have often served as catalysts in this process – adopting a rights-based approach as "claim-making" organizations for the poor, arguing for better access to

services and generally for a more inclusive style of development. They can also help to organize the poor to carry out small-scale self-help projects that can help to overcome psychological barriers and build self-confidence. But this should only be a transitional phase. Eventually communities have to link all their initiatives with government policies and large-scale programmes from which they can draw financial resources and technical assistance.

Community involvement should also extend to implementation. When there are public works to be carried out, such as the building of new schools, communities should be able to adopt their own approach. They should, for example, be able to choose the contractors. This not only guarantees a better result but also generates a sense of pride and ownership. The same should apply to the running of services. As far as possible, schools for example, should be under the control of the local community, through parent-teacher associations and other groups that can work in cooperation with teachers and also hold them to account.

All this will only be possible, however, if communities have the capacity for this degree of supervision and monitoring – to be able to talk on an equal footing with teachers, for example, or medical staff (box II.5). They should therefore be able to benefit from education and other capacity-building programmes.

Box II.5. Involving temples and mosques in health care

For its health-care programme in Kirivong district of Cambodia an NGO has established a network that includes 91 temples and five mosques. Each health centre has a management committee (HCMC) consisting of commune chiefs, health centre staff and one male and one female representative from each temple and mosque. Each temple and mosque has a health action group, which consists of two HCMC members, a monk and a nun at temples or the imam and two mosque volunteers.

The system promotes sound management, accountability and community ownership and facilitates communication between the community and the health centre. In consultation with village chiefs, the HCMC coordinates an equity fund, managed by the temple or mosque and financed by community contributions, to exempt the poorest from user fees. The health action group encourages better utilization of preventive health-care services, leads peer group discussions and supplements their income by social marketing of home-birth kits and oral rehydration solutions (Jacobs, 2002).

One way of monitoring services is through customer surveys. Some Indian cities have experimented, for example, with sample surveys whose results can then be presented in the form of a "report card", not just to the service providers but also to the press, NGOs and other interest groups (Paul, 1998). The aim is to increase public awareness about the performance of providers while also challenging them to be more efficient and responsive (box II.6).

Box II.6. Holding Indian contractors to account

Parivartan is a Delhi-based citizens' movement that aims to promote just, transparent and accountable governance through social audits. Its website opens with the statement: "India is a democracy. People are masters. Government exists to serve the people. It is the primary duty of any master to take a look at the accounts of the servant at regular intervals and hold the servant accountable. A social audit is a step in that direction."

Parivartan takes advantage of India's freedom of information laws to gather data on public works. In 2002, for example, it collected copies of all the civil works done by the Municipal Corporation of Delhi in the areas of Sundernagari and New Seemapuri and asked local people what had actually happened – discovering that much of the work was incomplete or of low quality. Then it organized a public hearing *(jansunwai)* attended by over 1,000 local residents along with journalists and eminent personalities. Contracts were read out and residents testified on the results. The audit found, for instance, that although 29 handpumps with electric motors were supposed to have been installed, in fact only 14 handpumps – and no electric motors – had actually been installed.

Since then local people have insisted on monitoring construction work and in a number of cases have had it stopped because of low quality or the use of substandard materials. The Delhi Government and the Municipal Corporation have also passed orders that all contracts must now be made public before the work is carried out.

Users also need more information generally about government performance in order to hold it accountable. Efforts to assess progress towards the MDGs have highlighted the need for good data – for Governments to be able to plan their work and for the public to be able to hold them to account. It is particularly important that data be disaggregated by sex, region, income and ethnic group in order to be able to judge the impact of policies and investments on different population groups.

Decentralization and local governance

Ultimately, all services are delivered locally so should work best if they are under democratic local control. One way of achieving this is to decentralize authority to the lowest level possible. Many Governments in the region have been carrying out programmes of decentralization. One of the most sudden and dramatic was in 2001, when Indonesia reassigned 2.2 million central civil servants to the districts and municipalities, which then took over responsibility for over 16,000 service facilities (UNDP, 2004). Here, as elsewhere the results have been mixed. As with public-private partnerships, many Governments have decentralized without establishing the necessary institutions and regulatory frameworks.

Broadly, there are three overlapping types of decentralization (Mehrotra, 2005). The first, and weakest, form is *administrative* decentralization when the Government transfers responsibility for carrying out centrally directed policies to local bodies that may simply be the local representatives of sectoral ministries. The second is *political* decentralization where those who are in charge are elected locally rather than being appointed by the centre; even so they may not have very much say over how services are delivered and may still have to follow central mandates. The third, and strongest, form is *fiscal* decentralization where an elected local body also can collect local taxes and set its own budget, which could also include freedom in the use of block grants received from the centre. In practice many programmes have not moved much further than administrative decentralization, leaving local bodies relatively little freedom to develop services in the way they see fit. Governments have a number of reservations about full decentralization:

Exacerbating inequalities – A centralized system allows the Government to redistribute national income so that some regions effectively subsidize others. To avoid this, a decentralized system needs a consistent way of equalizing expenditures. Viet Nam, for example, has a system of interprovincial transfers though these still need to be further refined and targeted to those in greatest need in the most isolated parts of the country (Government of Viet Nam, 2002).

Lack of capacity – A second concern about decentralization is that locally elected politicians or administrators may not have the skills to manage what could be quite large sums of money or the skills to supervise the work of employees in different sectors. Most decentralization programmes recognize this and include an element of capacity-building. Capacity-building is also needed higher up the system – to train people at the centre how to devolve power effectively.

Irresponsibility – A third concern is that local leaders may act irresponsibly – overspending while undertaxing or using funds to construct impressive buildings or infrastructure rather than for the less visible but more valuable development of services. Countering such tendencies again means ensuring an open and transparent system that empowers users, particularly women. A study of women representatives in Bangladesh, Nepal and Pakistan, for example, has shown that they have effectively mobilized resources for employment, health, sanitation, small roads and educational opportunities (ADB, 2004b).

Corruption – Finally there is the risk that local governments may be captured by local elites or that funds will disappear through corruption. This is true even at the lowest levels. The poor are no more or less altruistic than the non-poor.

Decentralization can thus improve delivery of services to the poor. But there is no guarantee. To ensure that it works in favour of the poor, decentralization has to be a balanced process. It needs to be accompanied by extensive capacity-building for both the local government and citizens. And it must take into account subnational inequalities in capacity and resources.

Especially important is the quality of governance at both the national and local levels. For service delivery this will also mean ensuring that a higher proportion of women are elected to what are often male-dominated assemblies.

Decentralization therefore needs to be accompanied by a realistic assessment of community dynamics and motives and an effective process of capacity-building, not just for local officials but also the communities themselves, and particularly their women members, so that they are sufficiently empowered to hold local officials to account.

Conclusion: an adaptive approach

Conceptually at least, the simplest approach is to set national standards and then extend the corresponding government services across the country until everyone is covered. The poor, however, are not a homogeneous

group and in many countries the demands of economic efficiency would entail reaching the poor last of all. Instead, Governments should consider an adaptive approach. This will require a series of institutional changes to make essential services available everywhere while also being more flexible and responsive.

1. *Broaden the range of providers* – Governments have the responsibility to ensure that everyone has access to basic services, but they may not be the most appropriate providers. Instead, Governments should identify their own strengths and weaknesses, along with those of other providers, private and non-governmental, and plan for a combination of service deliverers. In addition to providing, Governments should also concentrate more on facilitating.

2. *Establish standards* – Governments should establish key national standards along with consultations through which service provision can be adapted to local conditions so as to provide everyone with coverage that both the provider and the user can afford without compromising quality. In the case of education, for example, this might involve incomplete schools that have one or two teachers covering a range of classes – or even a system of distance learning. However, this should not be seen as a cheap or easy option that would offer a poor service. In fact under these circumstances ministries of education would need to give extra training to teachers, who have to be highly skilled to be able to cope with multiple grades in the same classroom; they would also need to pay them more if they were working in remote communities far from home. Similarly, in health services, some rural communities would receive their first line of services from outreach clinics or paramedics who would also need commensurate training and support.

3. *Plan linkages and upgrades* – The different levels of services should always be interlinked. Thus children who are receiving non-formal education should have the opportunity to transfer to formal schools through a system of equivalency in examinations. Correspondingly, within the health services, women giving birth at home should nevertheless have access to systems of emergency obstetric care. These incremental approaches should also be set within a longer-term strategy: of replacing incomplete community schools with full primary schools; of replacing paramedics with fully trained health workers; and of replacing rural tap stands with regular piped water supplies.

4. *Devise relevant regulations* – The regulatory framework should always ensure public health and safety and be enforced and applied consistently. But it should also be relevant and realistic and sufficiently dynamic to adapt to ever-changing realities on the ground. Thus, Governments should not demand of private providers standards so high as to stifle the emergence, say, of private kindergartens or primary schools for poor children. Inevitably, as with drug abuse and sex work, for example, there will also be cases where policy objectives in one area conflict with regulations in another. This will requires clear vision and decisive leadership to determine how the public interest might best be served.

5. *Keep learning* – Governments which want to ensure the best-possible service provision need to become dynamic learning institutions, constantly gathering the necessary data and experience, and disseminating and using it at all levels – local, national and international.

6. *Empower users* – The most important step, however, is to empower users to hold Governments and service providers to account. This will mean making systems and planning for service provision much more open and transparent – disclosing details of contracts for service provision, for example, and publishing statistics on coverage and quality. It will also mean devolving decision-making on services to lower levels of government that are more accessible to users – while also creating appropriate channels for public consultation and involvement.

As this chapter has illustrated, many of the obstacles to effective service delivery are not financial but institutional. Resources are vital and, as people's needs and aspirations change, public services will always be able to absorb more funds than are immediately available. But just as important is to improve the coverage and quality of services by opening them up to fresh options, attitudes and ideas.

III. Working together – opportunities for regional cooperation

To accelerate progress towards the MDGs, the countries of Asia and the Pacific will need to invest greater resources and reshape their institutions. Most of this action will need to take place at the national level. Nevertheless, there are also opportunities for concerted international action – for South-South cooperation across the region, as countries work together for their mutual benefit, on a whole host of issues, from trade to development assistance, to migration to countering corruption.

If countries are to be able to take full advantage of the kinds of institutional change that will promote the MDGs, particularly through the delivery of services, they will also need to invest more resources. This was highlighted in March 2005, when the Secretary-General of the United Nations presented his report to the General Assembly entitled "In larger freedom: towards development, security and human rights for all", which looked at the potential for greater flows of ODA, for debt relief and for the funds that could be generated by a more equitable system of international trade. On ODA, for example, it argued that donors should establish targets for achieving 0.7 per cent of gross national income. On trade it called for successful completion of the Doha Round of multilateral trade negotiations and also for duty-free access for all exports from the least developed countries.

However, many of these opportunities for cooperation between richer and poorer countries identified by the Secretary-General at the global level also have great resonance within this region, where countries vary enormously in their capacities. Some, like Japan, Australia, the Republic of Korea and Singapore, are well integrated into the global economic system and have substantial human and financial resources. And many others are rapidly approaching a similar status. At the same time, the region encompasses much more fragile economies, from the Central Asian republics to the Pacific islands.

Despite these differences, these countries often have a great deal in common: shared histories, for example, and common or similar languages and cultures. And as neighbours they have long experience of working together to defuse tensions, promote trade or assist in times of disaster. So too with the MDGs they can explore new options for mutual cooperation.

Some of these will involve the richer countries helping the poorer ones. Partly they will be acting out of enlightened self-interest – preferring to have neighbours that are growing, integrated and successful, rather than isolated, stagnant and unstable. But they will also feel a moral obligation to help neighbouring peoples who live in poverty and deprivation.

They will not of course be starting from scratch. The region has many well-tested subregional forums and mechanisms for cooperation, including the Association of Southeast Asian Nations (ASEAN) and the South Asian Association for Regional Cooperation (SAARC). The countries also cooperate through a

number of international institutions, including the Asian Development Bank, the United Nations Economic and Social Commission for Asia and the Pacific and the regional centres of the United Nations Development Programme and other United Nations agencies, all of which have their core areas of expertise. The purpose of this chapter is not to suggest new organizations but rather to highlight some key areas of potential cooperation that would have a strong bearing on the achievement of the MDGs.

Much of this will be in pursuit of what might be termed "international public goods" – such as monetary cooperation and environmental security – goods that once provided can be shared by everyone across the region. By analogy countries can also work together to eliminate "international public bads" such as pollution, communicable diseases or trafficking in persons.

The suggestions in this chapter deal with:

1. *Gaining more resources through trade, foreign direct investment and official development assistance*
2. *Encouraging Asian monetary cooperation*
3. *Regularizing labour migration*
4. *Creating an Asia-Pacific grain security system*
5. *Agreeing to compacts to tackle the HIV/AIDS pandemic*
6. *Aiming for green growth*
7. *Improving governance by fighting corruption and promoting e-governance*
8. *Strengthening cooperation between regional institutions*

Institutional change to gain more resources for attaining the MDGs

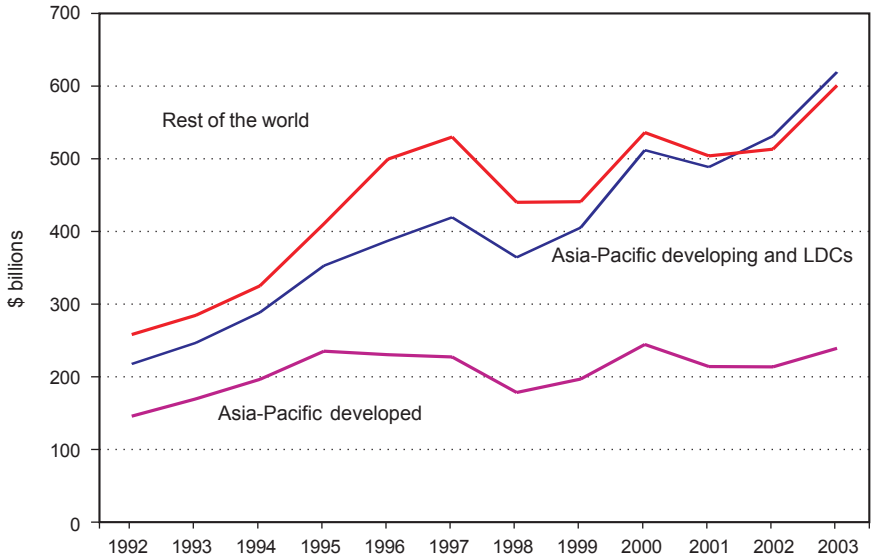
Countries that are off track on many MDG indicators often lack the necessary finance. Greater regional cooperation can increase the resources at their disposal in a number of ways: by expanding trade and increasing foreign direct investment, and through official development assistance – as well as by strengthening transport and other cross-regional infrastructure. Institutional change in all these areas can help to accelerate growth and reduce poverty, while also boosting government revenues that can be invested in better services for the poor.

Intraregional trade

The most dynamic economies of the region have built their success on trade with countries all over the world. Increasingly, however, the developing countries of Asia and the Pacific have been intensifying trade between themselves. This is evident from figure III.1 which shows that from 2001 the developing and LDCs of Asia and the Pacific were importing more from each other than they were from countries elsewhere in the world: during the 1990s, their imports from other Asia-Pacific countries grew at an annual average 10 per cent – 2 percentage points faster than imports from countries outside the region. China and India have been among the prime movers here, but many other countries have also contributed.

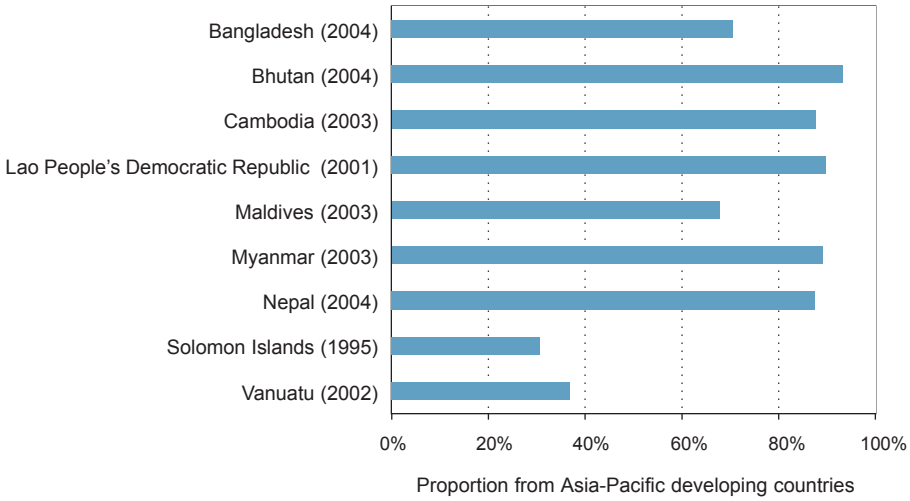
The region's least developed countries have also been participating in this intraregional trade, though primarily as importers (figure III.2). Bhutan, for example, receives most of its imports from India, while Myanmar's two main trading partners are Singapore and Thailand.

Figure III.1. Import sources for Asia-Pacific developing countries



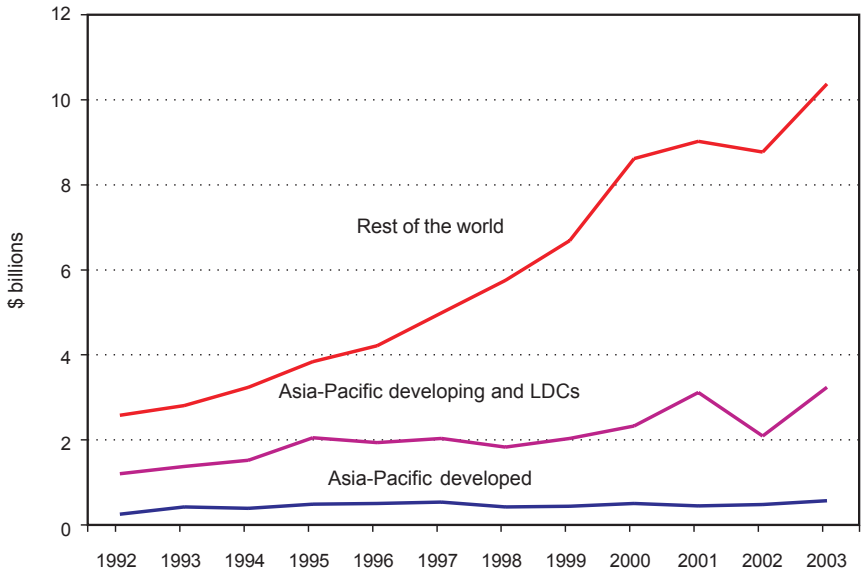
Source: Calculations from United Nations, Commodity Trade Statistics Database (Comtrade) and World Bank, World Integrated Trade Solution.

Figure III.2. Least developed countries, sources of imports



When it comes to exports, the least developed countries increasingly send most of their goods to countries outside the region (figure III.3). But for a number of these countries the export picture changes when it incorporates exports in energy and services. For energy, this would include exports of natural gas from Myanmar to Thailand and exports of electricity from Bhutan and Nepal to India and from the Lao People's Democratic Republic to Thailand. Service exports from LDCs consist primarily of tourism. For a number of countries – Bhutan, Cambodia, Lao People's Democratic Republic, Maldives and Nepal – tourism, mostly from the Asia-Pacific region, is the first or second-largest source of foreign exchange. The Lao People's Democratic Republic in 2004, for example, had energy and tourism receipts of around $200 million – far in excess of garment exports of $50 million. Service exports also include parts of the remittances of migrant workers, which are covered in a later section of this chapter.

Figure III.3. Least developed countries of Asia and the Pacific, destination of exports



Source: Calculations from United Nations, Commodity Trade Statistics Database (Comtrade) and World Bank, World Integrated Trade Solution.

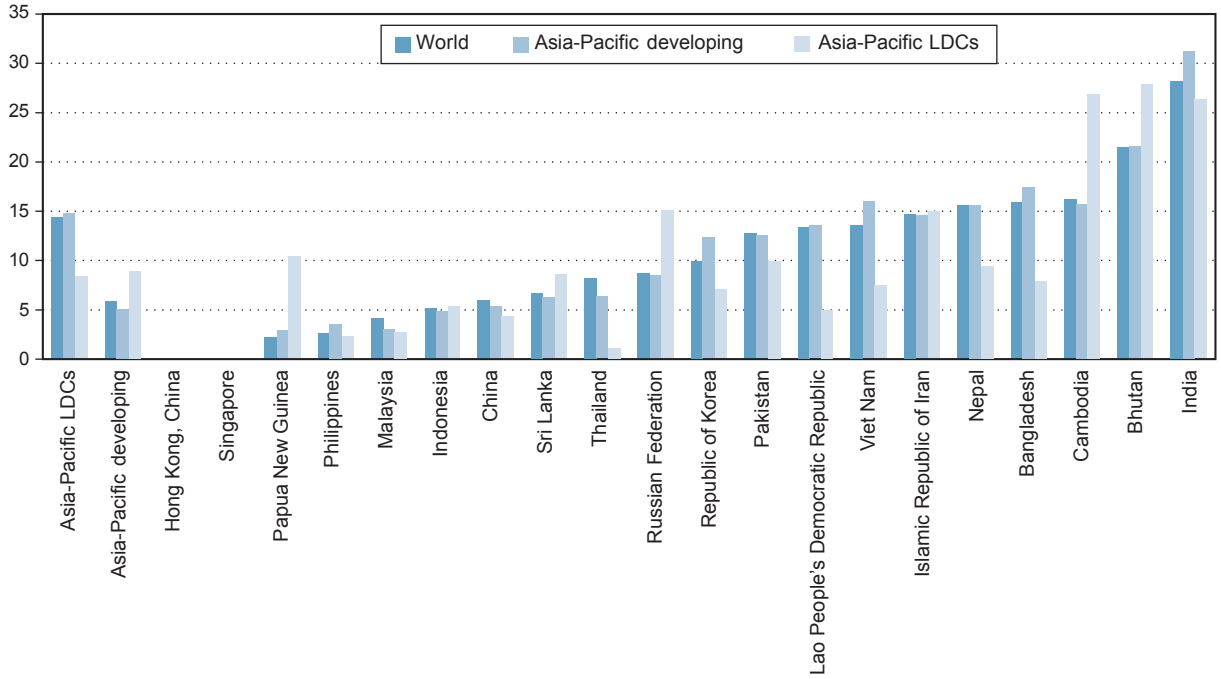
These data cover only trade reported in official trade statistics. In addition there are large informal flows of goods across the often long and porous borders in Central Asia, South Asia and the Greater Mekong Subregion.

Intraregional flows have been boosted by China's efforts to expand trade links with smaller countries. China has, for example, initiated the ASEAN-China Free Trade Agreement. Although this does not become fully effective until 2010, China has already signed a number of "early harvest" agreements that provide advance tariff elimination for most countries on some agricultural products by 2006. In addition, China has provided "most favoured nation" status to the Lao People's Democratic Republic and Cambodia without requiring reciprocal concessions.

India's contribution to intraregional trade has been smaller: it still gets more than two thirds of its imports from outside the region. Nevertheless, India too is opening up more to goods from Asia and the Pacific. On average, between 1992 and 2003 the developing countries of the region have been increasing their exports to India by 16 per cent per year and the least developed countries by 17 per cent.

Intraregional trade is thus extensive and growing. But it could be expanded still further if countries made more efforts to dismantle tariff barriers. The extent of these is illustrated in figure III.4. Trade-weighted tariffs vary greatly from one country to another, in both their sizes and patterns. India applies the highest tariffs, with rates of 25 per cent and above, while at the other end of the scale are Singapore, Hong Kong, China and Macao,

Figure III.4. Average trade-weighted tariffs imposed by selected Asia-Pacific countries



Source: Calculations from UNCTAD, Trade Analysis and information System (TRAINS). The data are from the latest available year and vary across countries.

Note: These data do not include the ASEAN Integrated System of Preferences (AISP). They include only standard Common Effective Preferential Tariff preferences under the ASEAN Free Trade Area.

China, with zero tariffs and the Philippines with rates of 4 per cent or lower. But the patterns of these tariffs also differ: surprisingly, a number of countries, including India, Bhutan, Bangladesh, Viet Nam, the Lao People's Democratic Republic and the Republic of Korea, apply higher tariffs to goods coming from the developing countries in Asia and the Pacific than they do to imports from the rest of the world. And others, including Bhutan, Cambodia, the Russian Federation, Sri Lanka and Papua New Guinea, apply especially high tariffs to goods coming from the region's least developed countries. It should be noted, though, that the available data for most LDCs are very limited and may not present the actual picture. Some, including China, Malaysia and especially Thailand, do, however, effectively apply lower tariffs to imports from the least developed countries

For imports from Asia-Pacific LDCs, the most liberal regime (after those of zero-tariff economies) is Thailand's, whose weighted average tariffs on imports from the region are less than 2 per cent. Through the ASEAN Integrated System of Preferences, for example, for goods coming from Cambodia, the Lao

People's Democratic Republic, Myanmar and Viet Nam, Thailand offers reduced tariffs of 0 to 5 per cent. This applies mainly to agricultural products and garments. It also offers concessions to Bangladesh for some of the same exports. In addition, Thailand is committed to a "one-way free trade agreement" that applies a zero tariff to nine agricultural exports from Cambodia, the Lao People's Democratic Republic and Myanmar.

Thailand's low tariffs on imports from LDCs are unprecedented for a middle-income country, especially since it is offering them on agricultural products and garments which it also produces and exports. However, there is no evidence that Thailand has been hurt by this. This is partly because goods from these countries amount to only 1.8 per cent of total imports, but also because Thailand also gains from these imports. Thai food processors benefit from agricultural imports and imported garments are part of a supply chain leading to Thai exports.

The middle-income countries and other developing countries in the region would help the least developed countries to achieve the MDGs if they emulated Thailand and reduced their barriers on imports from these countries, particularly for agricultural and labour-intensive manufactured goods.

They could also take a different attitude to trade agreements. Rather than pursuing more bilateral agreements they should put more effort into implementing the existing subregional agreements such as the ASEAN and SAARC free trade areas, while at the global level pressing for a successful conclusion of the Doha Round. They can also build on the modest progress made under existing agreements such as the Bangkok Agreement, the Bay of Bengal Initiative and the ASEAN-China FTA – as well as encourage the prospects for an ASEAN + 3 FTA and ASEAN-India FTA among others.

The least developed countries themselves should also try to consider how their own trade regimes could better promote the MDGs by, for example, collectively agreeing to lower their import duties on capital and intermediate goods.

Trade would also expand if goods could travel more rapidly and cheaply across better infrastructure. Countries should therefore work more closely together on projects such as the Asian Highway Agreement, while including feeder roads to connect isolated rural communities. Similarly in the Pacific there could be initiatives to start or expand "sea corridors". In addition, all countries would benefit from more rapid customs clearance. They could also consider linking electricity grids and water resources.

Foreign direct investment

Much of the flow of international trade in the region is linked with foreign direct investment (FDI), which likewise helps to promote economic growth, increase employment, improve infrastructure and widen access to information.

Many countries in the region have emerged as major intraregional investors such as Malaysia and Thailand, alongside the higher-income investors such as Hong Kong, China, Japan, the Republic of Korea and Singapore. But one of the largest is China itself, which has rapidly expanded its foreign direct investment in Asian countries – to $1.5 billion in 2003-2004 (*China Daily,* 2004). Cumulatively, China's investments in the developing countries in the region in recent years include (Frost, 2004):

- *Indonesia* – $600 million in the oil industry
- *Philippines* – $950 million for nickel production
- *Lao People's Democratic Republic* – $63 million for hydropower and $5 million for minerals exploration
- *Cambodia* – $40 million for garment production
- *Thailand* – $258 million for textiles, garments and home electrical appliances
- *Malaysia* – $387 million for manufactured products, including electronic parts for export to China

Table III.1 shows the importance of Asian FDI in three least developed countries and in Viet Nam. Thailand is the largest single investor in the Lao People's Democratic Republic (World Bank, 2004) and Malaysia is the largest single investor in Cambodia. Asian investors, primarily the Republic of Korea, also accounted for most of the FDI in Viet Nam. Only in Myanmar did more than half of FDI come from outside the region.

India has invested relatively little in the region. In 2002, of total approved FDI outflows of over $1.4 billion, less than $200 million went to developing countries in Asia. India has invested, for example, in power production in Bhutan and Nepal as well as in plants in Bangladesh that use natural gas to produce fertilizer and electricity.

How this investment will help to accelerate progress towards the MDGs will depend to some extent on the sectors at which it is directed. When it goes into mining or the extraction of oil or natural gas, it is likely to generate relatively little employment, but should at least boost government revenues through taxation. In-

Table III.1. Foreign direct investment in selected countries, 1995-2000

(Millions of dollars)

	Lao People's Democratic Republic	Myanmar	Viet Nam	Cambodia
Thailand	147	184	317	193
Singapore	6	717	1,567	182
Malaysia	94	57	400	1,862
Asian NIEs	115	103	4,081	935
China	29	9	92	261
Japan	15	111	1,738	16
EU-15	17	1,608	1,433	313
United States of America	3	315	459	241
All others	30	61	1,768	155
Total	455	3,164	11,856	4,158

Source: ASEAN Secretariat, ASEAN FDI Database.

Note: The Asian NIEs are Hong Kong, China, the Republic of Korea and Taiwan Province of China.

vestments in agriculture, manufacturing and tourism offer more employment opportunities. Some investment, particularly in hydroelectric power, can also improve infrastructure through rural electrification.

The least developed countries themselves can maximize the benefits by coming to more explicit agreements with investors. For mining and other natural resource investments, for example, they should agree on measures to minimize the negative environmental impacts through site restoration, as well as ensure that there are complementary investments, such as in rural electrification, that will benefit local communities.

Official development assistance

Official development assistance is assumed to originate primarily from the developed countries, either within the region or elsewhere. In fact, some of the middle-income and even lower-income countries in the region also provide substantial support to the least developed countries. Among the main donors are India, China and Thailand (table III.2). As this table indicates, most of the flows are to countries with which the donors share borders. India, for example, gives more to Bhutan alone than it gives to all non-neighbouring countries.

Table III.2. Intraregional flows of official development assistance

Donors	Recipients	Priority sectors
China	Cambodia, Democratic People's Republic of Korea, Indonesia, Lao People's Democratic Republic, Myanmar, Pakistan, Philippines, Viet Nam	Energy, health, infrastructure, agriculture
India	Bangladesh, Bhutan, Cambodia, Lao People's Democratic Republic, Myanmar, Nepal	Infrastructure, energy, health, technical assistance, training programmes, scholarships
Thailand	Cambodia, Lao People's Democratic Republic, Myanmar, Maldives, Viet Nam	Infrastructure, agriculture, education, public health, training programmes, scholarships

Sources: China: Frost, 2004; India: Government of India, 2005; Thailand: Government of Thailand and the United Nations, 2005.

Note: These flows refer to various years between 2001 and 2004, but in the case of Thailand to 2002-2003.

Unfortunately, information on ODA within the region is scarce, fragmented and incomplete. Thailand is the only developing country in the world to have, with the United Nations, published a report on its contribution to Millennium Development Goal 8, which is concerned with international cooperation (Thai Ministry of Finance and United Nations, 2005). This includes a full description of the country's development assistance programmes. China and India do not publish corresponding reports, so information on their ODA has to come largely from sources in the receiving countries.

For the LDCs concerned, China, India and Thailand are by far the largest donors. India's assistance to Nepal, for example, makes it by far the largest donor and its aid to Bhutan – $50 million in 2003-2004 – was more than that of all other foreign donors combined. India has also provided Bhutan and Nepal with large soft loans for the construction of hydroelectric projects; though the terms of these loans would qualify them as ODA the details have not been published. Similarly, China is the largest donor to Myanmar and the second-largest donor to the Lao People's Democratic Republic, and Thailand is the largest donor to the Lao People's Democratic Republic and the second-largest donor to Myanmar. Interestingly, Viet Nam, which itself receives ODA from China and Thailand, was the fifth-largest donor to the Lao People's Democratic Republic, ahead of several OECD countries.

The generosity of donors is usually measured by considering ODA as a proportion of GDP. China and India do not offer sufficient data to be able to calculate this figure. But in the case of Thailand in 2002/2003 its aid to neighbours and to Maldives, Viet Nam and the UN system totalled $208.4 million – equal to 0.16 per cent of the Thai GDP. While Thailand's percentage

is below the OECD average it is nevertheless larger than that of the largest OECD donor. In addition, 94 per cent of Thai ODA went to least developed countries, a higher percentage than all OECD donors. This is a serious aid commitment from a middle-income country. Between 1998 and 2003, Thai ODA to the Lao People's Democratic Republic alone exceeded ODA from all other countries.

For the MDGs, just as important as the volume of aid are the targets and sectors at which is being directed. ODA from China, India and Thailand to the least developed countries is generally for infrastructure, hydroelectricity, health, education and agriculture, thus helping to improve institutions and the delivery of basic services, as well as lowering access costs and improving flows of information.

Clearly, intraregional ODA has considerable potential for boosting the MDGs – and should receive much more attention. It would help if the donor countries published comparable and complete information that could be publicized. This would then enable greater analysis of how such ODA assists in the achievement of the MDGs.

In parallel with the declarations of the OECD countries, all countries in the region should now aim to increase their ODA for the landlocked and low-income countries of the region to 0.7 per cent of GDP.

Encouraging Asian monetary cooperation

One of the most serious MDG setbacks for many countries was the Asian financial crisis of 1997-1999, which pushed a number of countries off track. Countries should also therefore consider how they can cooperate better; either to prevent such a crisis recurring on such a scale or to address such crises as do emerge.

One opportunity for doing so is through monetary cooperation and the creation of facilities that would supplement assistance from the International Monetary Fund. The opportunity for creating this kind of facility has been increased as the region has steadily built up substantial reserves. China, India, Japan, the Republic of Korea and Taiwan, Province of China along with Malaysia and Thailand and some other countries now have foreign exchange reserves that collectively are worth around $3 trillion. Japan's reserves are $700 billion and China's $500 billion.

An Asian monetary facility is not a new idea. Japan first suggested something along these lines in 1998; indeed it subsequently created a bilateral swap network that may evolve into a fully fledged institution. There have also been a number of initiatives for economic cooperation that have helped to prepare the ground. In 2000, for example, the ASEAN +3 finance ministers established the Economic and Policy Dialogue, which meets every six months. In the same year they also established the Chiang Mai Initiative (CMI) to create a system of currency swap arrangements within the ASEAN +3 countries. Subsequently they set up the Asian Bond Markets Initiative to create bond markets in local currencies. Then in May 2005 they took a number of measures to strengthen the CMI, including better surveillance and collective decision-making for the 16 bilateral swap agreements that were by then in force as well as doubling the size of the swaps.

A strengthened CMI and other regional mechanisms offer great promise. During the previous financial crisis the affected countries had to turn to the IMF. In future any country in the region that anticipates difficulties should be able to turn for support to additional sources within the region to help to nip the problem in the bud.

The time is now ripe for such cooperation. As the earlier section in this paragraph indicated, the countries of Asia and the Pacific are now much more closely integrated through trade and investment. China, in particular, along with the other main trading countries in the region would have a great interest in preventing a repeat of the 1997 meltdown.

As well as using the accumulated reserves to ensure monetary stability, it should also be possible to use some of the reserves for productive investment, particularly in the region's infrastructure. This will require more attention to developing capital markets for infrastructure financing. Recent estimates suggest that around $200 billion is needed annually to upgrade and develop infrastructure, while the funds currently available from both public and private resources are only around $50 billion (Kim, 2005). If countries could devise a mechanism for switching reserve funds for this kind of investment it would have enormous benefits for trade and development, helping to reduce poverty and achieve the MDGs.

Regularizing labour migration

Millions of workers have left home for other countries within the region, either temporarily or permanently in search of work. In the past, many migrants from the region went to the Middle East and beyond. And many still do so, from Filipinos heading for the United States to Pacific islanders heading for Australia or New Zealand. But, as the demand for unskilled and semi-skilled labour in the faster-growing Asian economies increases, Asian migrants are staying closer to home.

Thailand and the Philippines, for example, now often send more workers to other Asian countries than to the Middle East. Indonesia too has as many migrant workers elsewhere in Asia as it has in the Middle East.

The scale of the flows is difficult to estimate since many of these migrations are unauthorized, but table III.3 assembles data from various sources to offer an overall picture of intra-Asian migration to the main host countries. And this covers only the main receiving countries; even some of the less developed countries also receive migrants. Bangladesh in 2002, for example, had an estimated 122,000 workers from Myanmar. Cambodia has around 1 million workers from Viet Nam, and the Lao People's Democratic Republic has around 80,000 Chinese and 15,000 Vietnamese. Migration flows also take place in multiple directions and many countries are both senders and receivers. Thailand, for example, as well as hosting over 1 million people from Myanmar, also has 340,000 Thais working in Hong Kong, China, Japan, Malaysia, the Republic of Korea, Singapore and Taiwan, Province of China.

Table III.3. Asian migrant workers in Asian host countries, 2002

(Thousands)

Sending countries	India	Hong Kong, China	Japan	Malaysia	Singapore	Republic of Korea	Taiwan, Province of China	Thailand	Total
Bangladesh	20,000			100		18			20,118
Cambodia				11				100	111
China			452			170	170		622
Lao People's Democratic Republic								300	300
Indonesia		85	28	378	69	24	93		677
Myanmar				50	70			1,500	1,620
Nepal	1,000	18				22			1,040
Philippines		143	199	226	128		69		765
Viet Nam			21	25		89	90		225

Sources: Asian Migrant Centre, 2003; Vietnamese Ministry of Labour, 2005.

Note: These include estimates of both official and unauthorized migration. They may also be disputed: the figures for Bangladeshis in India, for example, are from the Indian Government, whereas Bangladesh says that none of its nationals are working illegally in India. The Government of the Lao People's Democratic Republic estimates the number of its nationals in Thailand at 200,000.

Another important characteristic of flows from Asia is that a high proportion of the migrants are women, primarily for domestic work with smaller numbers for factory work and entertainment. Some of the available information is collected in table III.4. This table does not include unauthorized workers or women who have been trafficked for sex or other forms of exploitative labour.

Labour migration has many links with the MDGs. For the host country these can be both positive and negative. On the positive side, immigrants are typically doing work that nationals decline, so this new labour force should help to boost economic growth and reduce poverty. On the other hand their arrival can put pressure on services in the countries they move to – on sanitation services, for example, or water supplies –

Table III.4. Women migrants in Asia, 2002

Sending countries	Proportion of migrants who are women	Type of employment
Sending countries		
Indonesia	72	Domestic work
Lao People's Democratic Republic	55	Domestic work, restaurants, garments
Philippines	65	Domestic work, caregiving, entertainment
Sri Lanka	70	Domestic work
Host countries		
Hong Kong, China	58	Domestic work
Japan	59	Trainees, technical interns, entertainment, cooks
Republic of Korea	65	Domestic work, entertainment
Thailand	44	Domestic work, agriculture, construction, food processing, restaurants, garments

Source: Asian Migrant Centre, 2003.

Note: For sending countries includes people migrating beyond Asia.

and they add an extra dimension to the challenge of dealing with HIV/AIDS and other communicable diseases.

For the source countries too, there are losses and gains. On the one hand they may be losing skilled and educated workers who could have been contributing to national development. And the families left behind can also suffer, particularly if the mothers depart and children are neglected. On the other hand when people return from abroad they can return with new skills and knowledge – and may also have higher expectations of the quality of medical care and nutrition for their children and will press their own Governments to raise standards.

The other major benefit from international migration for the source country is remittances. The scale of remittances is also difficult to estimate since, like the workers themselves, they often move through unofficial channels. But even official flows are substantial – and frequently dwarf flows of foreign direct investment or official development assistance. Most of the remittance flows into Asian countries still come from outside the region: the Philippines, for example, gets over $7 billion in remittances each year from the United States alone and India gets around $12 billion annually from the Middle East (Asian Migrant Centre, 2003). Nevertheless the flows from other Asian countries are also considerable (table III.5). In the Lao People's Democratic Republic, for example, remittances are more than 70 per cent larger than net earnings from garment exports.

Table III.5. Migrant remittances from other Asian countries

	Millions of dollars
Lao People's Democratic Republic (2003)	100
Nepal (2002)	1,050
Philippines (2002)	810
Thailand (2002)	1,350
Viet Nam (2004)	1,500

Sources: ILO, 2005; Asian Migrant Centre, 2003; Vietnamese Ministry of Labour, 2003.

Remittances have an important bearing on the MDGs. First because they can offer direct support to families in poor rural communities, who can use them both for day-to-day survival and for investing in the health and education of their children. They can also invest funds in community enterprises: some migrants from Nepal working in India, for example, invest their earnings back home in rotating savings and credit associations (ILO, 2003). Remittances have also proved to be not just a larger, but also a more reliable, source of foreign exchange than either FDI or ODA.

Given the scale of remittances and migration and the likelihood that it will persist for some years to come, the challenge for Governments is to make the best use of them – maximizing the benefits for both source and destination countries and minimizing the risks for migrants and their families.

One of the most important steps would be to make realistic assessments of the needs for migrant labour and ensure that as much of this as possible takes place through legal channels. At present migration can be very difficult, both when departing and arriving. Most of the least developed countries in the region do not allow workers to leave without proper papers, official permission and sometimes an exit visa that is both difficult to get and expensive. Then host countries can make it even more difficult to get a work permit or other residence documents.

In trying to evade controls, many workers fall prey to unscrupulous labour agents. And if they are unauthorized immigrants they are also in danger of being exploited by employers and they will have little or no access to health care or schooling for their children.

It will always be difficult to balance the interests of both source and destination countries – and of the national and immigrant workforces. But a number of countries in the past have applied policies so restrictive that they damaged the interests of both the host country and the immigrant workforce.

It would be better if much more of today's migration were authorized and a number of countries and territories have indeed been trying to regularize at least part of their immigrant workforces. Singapore, Hong Kong, China, the Republic of Korea and Taiwan, Province of China are the most advanced in regularizing their semi-skilled and unskilled workforces. Malaysia too is trying to move toward regularization while still struggling to cope with large numbers of unauthorized migrants. Japan is now seriously considering regularization of unskilled migrant workers. Thailand also has a policy of regularizing informal migrants after the fact, as long as they register and pay for work permits. To facilitate this, Thailand has negotiated and signed memorandums of understanding on labour cooperation with Cambodia, the Lao People's Democratic Republic and Myanmar. India allows workers legally from Nepal but not from Bangladesh.

The source countries could also do much more to improve the situation of their workers. At present, only the Philippines and Thailand have regularized most or all of their nationals working in other countries in Asia and the Pacific. Viet Nam has regularized workers going to Malaysia, the Republic of Korea and Taiwan Province of China, but not those working in Cambodia or the Lao People's Democratic Republic.

The LDCs have the most work to do – but perhaps also the greatest incentive to act, since they have to deal with both the departure of their own nationals and the arrival of workers from other countries. A good first step would be to sign MOUs with the main destination countries as part of the regularization process.

This issue would also benefit from improved regional cooperation – to manage intraregional flows better and improve the welfare of migrants.

Creating an Asia-Pacific grain security system

Across the region in 2002, around 542 million people are eating less than the daily minimum energy requirement – and 104 million children under 5 are undernourished. The causes of hunger and malnutrition are many and complex. Both adults and children will often go hungry even when there is food available simply because they cannot afford to pay for it. Reducing hunger and malnutrition is thus intimately linked with a reduction in income poverty and as well as improvements in many other aspects of national development, particularly health and education and the rights of women.

Nevertheless, a number of countries in the region do actually run short of food at certain times, and in certain parts of the country. China, for example, should in normal circumstances be able to feed its people. But between 2000 and 2003 for four consecutive years it suffered from a series of natural disasters, and as result of this and a steady decline in available land the gap in food production has been around 15-20 million tons per year (Shengjun, 2004).

National Governments will, of course, have to take measures to ensure grain security in their own countries. Nevertheless, countries in the region can also cooperate for this purpose. They can, for example, make investments in and share information on technology and marketing with joint ventures to boost productivity and usher in a "second green revolution" in the Asian and Pacific region. They should also be able to cooperate on quality control, including protocols for GM foods. In addition, they can also remove various forms of protection and segmentation so as to permit farmers both to sell on their local markets and to export. And they can also improve roads and other transport infrastructure to allow for the more efficient distribution of grains around the region.

One major new initiative, however, should be to establish an Asia-Pacific International Grain Bank (APIGB). The surplus countries would be able to sell grains to this while deficit countries could access grains at times of distress – which they could distribute at least partly through public food distribution systems. APIGB would pay fair prices for grain, which is likely to be culturally acceptable in various parts of the region. Prices for both buying and selling would be determined each year by a board with members from each of the countries. Grains will be stored in the countries where they are purchased until they are needed elsewhere, perhaps in the government granaries that store national buffer stocks. Such a system could also be linked with the activities of the World Food Programme.

Initial financing for the Bank could come from the accumulated foreign currency reserves mentioned in the section on monetary cooperation. Countries could then either purchase grains, or borrow from the Bank, for later repayment in comparable grains or in hard currency. APIGB could also incorporate some of the elements of a grain market, with a credit system and spot and futures transactions.

In addition the countries of the region could establish early warning systems to notify each other of risks from natural and man-made disasters, for example, or of likely volatility in international grain markets to help them to ward off potential crises in grain security.

Tackling the HIV/AIDS pandemic and other diseases

As chapter 2 of this report has indicated, Asia and the Pacific is emerging as an epicentre of the global HIV/AIDS pandemic. Apart from imposing an enormous burden on health services, and causing very high productivity losses, as well as physical and emotional suffering, the pandemic is also pushing millions more people into poverty. Without comprehensive prevention and treatment responses, more than 2 million new infections will occur and nearly a million people will die from AIDS in 2010. The annual financial losses are expected to amount to US$ 19 billion in 2010 and US$ 27 billion in 2015 (UNAIDS, 2005). It has been estimated, for example, that in every year between 2005 and 2015, if appropriate interventions are not in place, HIV/AIDS will account for slowing poverty reduction by 23 per cent in India, 38 per cent in Thailand and by up to 60 per cent in Cambodia (UNAIDS and ADB, 2004a).

Despite the scale of the disaster, Governments in many countries have been surprisingly slow to act. In addition to taking emergency measures at the national level they should also consider the options for amplifying national actions through regional cooperation. Such measures could include:

1. Declaring HIV/AIDS a regional emergency

The regional political institutions should officially declare HIV/AIDS a regional emergency and mandate an emergency response. Immediate actions need to be

taken to scale up good practices to improve the coverage of HIV prevention and treatment services, including those for vulnerable populations in the region. Bodies such as ASEAN and SAARC can advance intergovernmental cooperation by articulating clear action plans with fixed milestones. ASEAN set a good example with its Work Programme on HIV/AIDS II (2002-2005), which supported the implementation of the 7th ASEAN Summit Declaration on HIV/AIDS (November 2001, Brunei Darussalam). The SAARC summit to be held in Dhaka in November 2005, and the ASEAN summit to be held in Kuala Lumpur in December 2005, offer further opportunities for some of the most vulnerable countries to act in concert.

2. Developing pro-poor regional compacts for prevention and treatment

By rapidly and simultaneously bringing both prevention and treatment to scale, the region could cut annual AIDS-related costs by over US$ 4 billion in 2010 and over US$ 10 billion by 2015. The countries of the region, as both producers and consumers of commodities vital for tackling the epidemic, should therefore sign compacts to ensure that these are available at affordable prices to vulnerable communities.

On the preventive side there are a number of priorities: condoms and lubricants for the promotion of safe sex; antibiotics for the treatment of the sexually transmitted infections and opportunistic infections that are often associated with HIV/AIDS; and substitute drugs for injecting drug users that they can take orally, such as methadone and buprenorphine. China, India and Thailand are major producers of these pharmaceuticals and should aim to make the region self-sufficient so as to bring down prices and make these items widely available to the poor. China, India and Thailand, the major producers of these pharmaceuticals, should enter into a compact to supply these pharmaceuticals at cost price to combat the HIV/AIDS pandemic.

As far as treatment is concerned, a number of governments have declared that they will supply anti-retroviral drugs free to all who need them. The rest should also do so – taking advantage of falling prices and the extensive international mechanisms for disseminating the necessary technical information. Many people are now concerned that international trade agreements will require countries in the region to enact patent legislation that will increase drug prices. Nevertheless, there are mechanisms within the trade-related intellectual property rights (TRIPS) agreement and the Doha Declaration that can be used to keep the prices of anti-retrovirals and related drugs within reach of the poorest countries. Again China, India and Thailand are the major producers and should, with other producers, sign a compact aiming to make the region self-sufficient and keep the prices down.

3. Creating an Asia-Pacific intergovernmental collaboration mechanism to fight HIV/AIDS

Confronting the pandemic across the region will cost at least $5 billion annually by 2007 (UNAIDS and ADB, 2004b). Considering US$ 5 billion is only 0.2 per cent of gross national income for the region, middle-income countries should be able to mobilize their own resources for comprehensive HIV/AIDS programmes. But lower-income and least developed countries would need international assistance. It is necessary therefore to create an intergovernmental collaboration mechanism like an "Asia-Pacific Facility" to fight HIV/AIDS, to mobilize funds, help to scale up prevention, treatment and care, mitigate its impact, as well as conduct monitoring and evaluation. In order to garner support for such a mechanism, which could be linked with the Global Fund to Fight AIDS, TB and Malaria, leaders from the Asian and Pacific region could take advantage of international meetings, such as the sixty-second session of ESCAP, to be held in Jakarta in April 2006, and the United Nations General Assembly special session to be held in New York in June 2006, to review progress in implementing the Declaration of Commitment on HIV/AIDS.

4. Taking concerted action on other diseases

HIV/AIDS is frequently associated with other communicable diseases such as TB, so action against HIV/AIDS should be part of a broader effort for the surveillance and control of communicable diseases generally. TB itself, after a 40-year decline, is now resurging. And since the mid-1970s over 30 new infections have been discovered, the latest of which were severe acute respiratory syndrome (SARS) and avian influenza.

The Asia-Pacific region is unique in that all its subregions shoulder a double burden of communicable and non-communicable diseases (NCDs). While communicable diseases have historically been the main cause of mortality, today 62 per cent of all deaths in the region are associated with NCDs, such as cardiovascular diseases, diabetes and cancer. With rapid urbanization, living conditions, diets and lifestyles are changing and leading to rising NCD prevalence. Left unchecked, NCDs could usurp health service resources needed for tackling communicable diseases. Furthermore, in recent decades NCDs once viewed as "affluent lifestyle" problems have also percolated to lower socio-economic groups. The rising prevalence of tobacco consumption and unhealthy diets among poorer groups are among the risk factors. Obesity, particularly child obesity, lies at the root of the alarming NCD epidemic. Today in China, 90 million people are obese and by 2010 this will rise to 200

million. Productivity losses and health-care system costs occasioned by diet-related NCDs alone already amounted to 2.1 per cent (US$ 15.1 billion) of China's GDP a decade ago. This is indicative of the damage that NCDs could wreak (Popkin and others, 2001).

To combat the double burden of communicable and non-communicable diseases, countries need to collaborate more closely to strengthen public health systems and improve surveillance and control of diseases in both human and animal populations, as well as health promotion. Such collaboration could include:

- *Standards* – Develop regional public health standards that encompass, inter alia, animal husbandry, agricultural practices, air quality, drinking water, as well as food safety and nutritional content (e.g., low salt, sugar and fat), and introduce a multi-level mechanism to monitor and promote adherence
- *Health promotion* – Share regionally experiences on the promotion – through all institutions of government, the private sector, the mass media and civil society – of responsibility for personal health measures, including healthy diets, as well as physically active and balanced lifestyles
- *Early warning systems* – Forge linkages at the regional, subregional, national and local levels to strengthen early warning systems on emerging infectious diseases in both human and animal populations, and rising NCD epidemics
- *Surveillance* – Develop tracking measures for disease surveillance to identify the social, economic and other sectoral drivers and the causes of changing patterns in old and new diseases
- *Communications* – Improve international communication mechanisms for rapid and appropriate responses to the spread of infectious diseases – so as to quell rumours while ensuring that the public have accurate information on the extent of the problems and how to respond. This should be combined with efforts to coordinate risk management – including at border checkpoints and airports

Aiming for green growth

Across the region, the rapid increase in agricultural and industrial production and the associated consumption are putting increasing pressures on the environment. For example, concentrations of suspended particles and nitrogen dioxide now exceed WHO standards in over half the reporting cities in the region. Many areas are running short of water: in South Asia alone during 2000-2004, more than 462 million people were affected by drought. And over 28 per cent of the region's land is now degraded to some degree.

Nevertheless, in order to reduce poverty and meet the needs of current and future populations the countries of the region will need to pursue even greater economic growth. Over the next 10 years the total population of the region is expected to expand by 415 million – adding to the demands for adequate food, clothing, housing, water, and environmental and transport infrastructure, along with other basic needs.

The challenge now is to find ways of achieving this growth, while limiting the use of natural resources and cutting pollution, and generally keeping within the region's ecological carrying capacity. This will mean moving on from the conventional paradigm of "grow first and clean up later" to a new paradigm of "green growth" that harmonizes economic growth with environmental sustainability. This will, however, entail fundamental changes in the way that societies produce and consume. This would include strengthening pollution control and improving eco-efficiency while also incorporating the costs of environmental protection into pricing mechanisms. And rather than seeing environmental management as a burden for business, countries should view it as an opportunity to expand employment and incomes.

At the regional level the possibilities include:

- *A policy consultation forum* – This should help the countries to integrate environmental considerations into overall development plans in support of the MDGs
- *A knowledge hub* – This would enable countries to exchange information on the best practices for achieving environmentally sustainable economic growth
- *A green growth network* – Countries should implement the proposal, made at the fifth Ministerial Conference on Environment and Development in Asia and the Pacific in 2005, for a "Network on Green Growth" – through which they can develop and implement regional, subregional and national models of policy and system change
- *Subregional bodies* – Countries should also make full use of existing subregional bodies to develop and implement regional and subregional strategies to create synergies between the environment and the economy.

Improving governance

Many countries are off track on the MDGs not just because they lack financial resources, but because they do not have the human resources to push the process forward or because they are hampered by inefficiency and corruption.

A regional convention on the elimination of corruption

One of the reasons why service delivery is poor is that resources are dissipated through corruption. The 2004 corruption perceptions ranking for countries in Asia and the Pacific produced by Transparency International is shown in table III.6 and ranks 145 countries on the basis of the perception of corruption arriving at a score between 0 and 10. Of the economies listed from Asia and the Pacific, only 5 managed scores of 5 or above.

Table III.6. Corruption Perceptions Index for economies in Asia and the Pacific, 2004

	Rank	Score
Singapore	5	9.3
Hong Kong, China	16	8.0
Japan	24	6.9
Taiwan Province of China	35	5.6
Malaysia	39	5.0
Republic of Korea	47	4.5
Thailand	64	3.6
Sri Lanka	67	3.5
China	71	3.4
Mongolia	85	3.0
Iran (Islamic Republic of)	87	2.9
India	90	2.8
Nepal	90	2.8
Russian Federation	90	2.8
Papua New Guinea	102	2.6
Philippines	102	2.6
Viet Nam	102	2.6
Uzbekistan	114	2.3
Kazakhstan	122	2.2
Kyrgyzstan	122	2.2
Indonesia	133	2.0
Tajikistan	133	2.0
Turkmenistan	133	2.0
Azerbaijan	140	1.9
Myanmar	142	1.7
Bangladesh	145	1.5

Source: Transparency International, 2005.

Note: The full ranking has 145 countries. A number of countries have the same rating and thus the same ranking.

Many countries in the region are poor not just because they have been slow to develop but because their assets are improperly used or appropriated. Indeed, often they are asset-rich and yet capital-poor because the processes for translating assets into capital are blocked by inadequate or corrupt legal systems. As a result, public servants and others can shield their activities from the public gaze and appropriate these assets for themselves. Although the scale of the ensuing damage will never be known, one estimate puts global losses from corruption at $13 trillion (De Soto, 2003) of which a substantial proportion will be in the Asia-Pacific region.

The most effective anti-corruption measures need to be taken at the national level. But these must be complemented by international cooperation. So far, one of the most important regional measures has been the Action Plan for Asia and the Pacific that was adopted in Tokyo in December 2000 by representatives from the countries in the region as a result of an ADB/OECD initiative (box III.1). This had three pillars: developing effective and transparent systems for public service; strengthening anti-bribery actions and promoting business operations; and supporting active public involvement.

The United Nations Convention against Corruption is currently in the process of ratification, but what is needed now is an Asia-Pacific convention on the elimination of corruption. This should cover agreements on, among other things:

- *Law enforcement* – Ensuring cooperation between law enforcement agencies on the apprehension and prosecution of corrupt officials
- *Information-sharing* – Allowing countries formally to share data, information and knowledge on corruption, including information on corrupt public officials and others who are likely to flee across national borders
- *Extradition and trial* – Establishing treaties to permit people charged with corruption in their country of origin to be extradited or, if they have subsequently acquired citizenship of their host country, to be tried there

Box III.1. The ADB/OECD Anti-Corruption Initiative

The ADB/OECD Anti-Corruption Initiative is helping to promote regional cooperation in the fight against corruption in the Asian and Pacific region. By bringing together major stakeholders and by pooling efforts from several countries, the Initiative promotes regional ownership; international cooperation; and involvement of business, trade unions, and non-governmental organizations in fighting corruption in Asia-Pacific.

The ADB/OECD Anti-Corruption Initiative for Asia-Pacific, at its meeting in Seoul in 2000, developed the Anti-Corruption Action Plan for Asia and the Pacific, which was endorsed by 17 Governments in Asia and the Pacific at a Tokyo conference in December 2001. The Action Plan provides a comprehensive set of actions that Governments will take to develop effective and transparent systems for public service, strengthen anti-bribery actions, promote integrity in business operations and support public involvement. To date, 21 countries (including Australia, Bangladesh, Cambodia, China, Cook Islands, Fiji, India, Indonesia, Japan, Kazakhstan, Kyrgyzstan, Malaysia, Mongolia, Nepal, Pakistan, Papua New Guinea, Philippines, Republic of Korea, Samoa, Singapore and Vanuatu) have endorsed the Action Plan and started implementing priority areas of reform to fight corruption.

The Initiative is aimed at fostering both regional and country-specific policy reforms. This strategy is tailored to policy priorities identified by endorsing countries and provides the means by which Governments, international organizations and other partners of the Initiative can review progress achieved. A key activity of the Initiative is a biannual conference bringing together representatives of governments, business, trade unions, media, and civil society from Asia-Pacific countries, ADB, OECD and other agencies. A steering group meeting is held twice a year to assess progress made in implementing the Action Plan, to facilitate policy dialogue and exchange experience among endorsing Governments on successes and problems and to promote dialogue with representatives of the international community and business sector to mobilize donor support.

To address capacity constraints and difficulties in combating corruption, the Initiative plans to undertake specifically designed training programmes on topics selected by the steering group such as forensic accounting, mutual legal assistance, public opinion surveys and public procurement. The Initiative will address the needs of endorsing Governments, which intend to ratify the United Nations Convention against Corruption by adapting the provisions to their laws and institutions.

- *Freezing assets* – Agreeing that upon conviction, the assets of corrupt officials of one country held in another should be frozen and eventually repatriated
- *Endangered species* – Eliminating collusion between corrupt officials that permits illegal international trading in endangered species

Signing such a convention would send a strong message across the region that the days of unbridled corruption are over.

Creating an e-governance coalition

Countries will be able to move more rapidly towards the MDGs if they can make better use of information and communication technology (ICT). Elements of "e-governance" can not only make services more efficient but also, by making government functions more transparently, fundamentally alter the relationship between citizens and the State. Some examples of the ways in which governments can use ICT to interact more fully with their citizens are shown in box III.2.

The countries of Asia and the Pacific do, however, differ greatly in their capacity to introduce elements of e-governance. Some are world leaders in the development of both hardware and software, while others lack not just the technology but also the infrastructure to support it. As a result while some countries have already advanced towards e-governance, others have yet to start. This suggests many areas of opportunity for regional cooperation, including:

- *Developing a coalition of providers* – Countries, such as India and the Republic of Korea, that have abundant software capabilities and those, such as China, with extensive hardware capabilities, can, in a new form of South-South cooperation, help other countries in the region to advance more rapidly and realistically. Apart from benefiting the recipient countries and helping them to initiate systems of e-governance this should also help to create new markets for the providers
- *Addressing gender gaps* – In the past, few women and girls in the region have reached positions of influence in science and technology. Even if they start out with the best of intentions they are frequently lost along the way in what has been called the "leaky pipeline". Some of this is due to social attitudes, to weaknesses in the education system or to the way academic or technical appointments are made. Institutions in the region should draw up common plans to address these issues

Box III.2. The potential of e-governance

Some example of areas in which Governments and citizens can use information and communication technology to work together more effectively:

Public grievances – electricity, water, telephone, sanitation, public transport, police

Rural services – land records, below poverty-line families

Police – lodging of first information report with the police, accessing information on lost and found valuables and persons

Social services – pension: old age and widows, ex-gratia payments, acquisition/rehabilitation and compensation, registration of licences and certificates, birth certificates, death certificates, domicile certificates, arms renewal, registration of documents, school registration, university registration, motor vehicle registration, renewal of driving licences

Public information – Employment exchange registration, employment opportunities, examination results, hospitals/beds availability/services, railway timetables, airline timetables, road transport timetables, charitable trusts, government notifications, government forms, government schemes

Employment and welfare services – Civil supplies, old age pensions, widows' pensions, handicapped pensions/services, ex-gratia payments

Agricultural sector – seeds information, pesticides, fertilizers, crop diseases, weather forecasts – short-range/district-wise, market prices

Utility payments – electricity, water, telephone, etc.

Source: E-Governance: Government Initiatives in India (New Delhi: Rajiv Gandhi Foundation), October 2003.

- *Create teleservices* – People living in remote areas should be able to take advantage of ICT to gain access to services such as medical care and schooling from a range of national and regional providers
- *Use ICT to control communicable diseases* – The diseases that threaten the region could be addressed more effectively by rapid exchange of data and information and by coordination of measures to tackle the outbreaks

These are just a few of the ways in which countries can come together at the regional level to enhance their mutual use of ICT. But this is an area of ceaseless innovation – generating new ideas and options that all countries need to monitor and take advantage of.

Enhancing regional cooperation

While Governments working closely together can increase their possibilities of attaining the MDGs, there is also an important catalytic role for the regional-level institutions. The United Nations agencies, regional development agencies such as ADB and regional trade, economic and subregional cooperation groups and institutions such as ASEAN, SAARC and GMS need to strengthen their cooperation on MDG-related issues. The regional partnership between UNDP, ESCAP and ADB for attaining the MDGs is an example – and this report is one output.

Within a framework of cooperation, regional institutions and international organizations can play the roles for which they have core competencies and enjoy comparative advantage. For example, to catalyse infrastructure projects, ADB should have a major role to play. When it comes to HIV/AIDS, the resources and expertise of UNAIDS and WHO should be brought to bear. Similarly, in matters of governance, support from UNDP would be most appropriate. Thus, a coalition of regional institutions and international organizations can support Governments throughout the Asia-Pacific region. ESCAP, as the regional arm of the United Nations, should coordinate the coalition.

A future within reach

The eight actions outlined in this chapter all have great potential for enhancing regional cooperation. Some simply highlight existing initiatives, suggesting that they be developed or expanded. Others would set the countries of the region off in new directions. But all add to the provision of international public goods – and all are doable. Experience has shown what is possible given determination and commitment at the national level. All these efforts can, however, be greatly enhanced by concerted regional action.

The Millennium Development Goals have helped many countries to galvanize their development efforts – offering a space in which all sections of society can come

together to debate national and regional priorities. But they will only finally serve their purpose if they focus attention on the remaining gaps, and on the changes needed to meet the rights of everyone – especially the poorest and most vulnerable. 2015 is only 10 years away.

Advocacy for greater resources is already under way, through the Millennium Project, for example. But these resources need to be complemented with appropriate institutional changes to ensure that all these goals are within reach.

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