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United Nations

**Statement
by**

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for the Least Developed Countries, Landlocked Developing Countries
and Small Island Developing States**

at the

**Sixty-Third Session of
the Economic and Social Commission
for Asia and the Pacific**

**UNESCAP 60th Anniversary Commemorative Panel Session
“Achieving the MDGs in the ESCAP Region”**

**ALMATY, KAZAKHSTAN
21 MAY 2007**

Mr. Chairman, Foreign Minister Tazhin

Mr. Moderator, my dear friend and colleague, Kim Hak-Su

Fellow panelists,

Distinguished delegates and colleagues,

It is a particular pleasure for me to join you in commemorating the 60th anniversary of the United Nations Economic and Social Commission for Asia and the Pacific. This historic session represents a major milestone in the Commission's work supporting socio-economic development in the Asia-Pacific region. I congratulate ESCAP on this accomplishment. I pay special tribute to my friend Hak-Su for his wise leadership and guidance.

Mr. Chairman,

As we celebrate the great economic success and social transformation of this vast and populous continent. But it also affords us a chance to reflect on how to tackle remaining and emerging challenges.

Over the past 60 years, the region has established itself as a global producer, trader and consumer. Its share of world exports has increased more than twofold. The emerging giants of China and India, representing nearly 40% of the world's population, rank among the fastest-growing countries, along with "tiger" economies of East and South-East Asia.

This has been accompanied by major breakthroughs in social indicators: life expectancy has increased from 41 to 68 years of age, literacy rates stand at 80 percent today and great milestones have been achieved in women's empowerment and girls' education.

The United Nations system is very proud to be the long term development partner of this dynamic region, and we look forward to ESCAP's continued leadership in facilitating and leveraging UN system expertise at the regional level.

Mr. Chairman,

As we pursue the vision of an "Asia-Pacific Century", we cannot ignore the fact that the great socio-economic transformation achieved so far is only the brighter side of the equation. On the other side stand the region's most vulnerable countries and the persistent challenges they face.

The Asia Pacific region is home to 14 Least Developed Countries, 12 Landlocked Developing Countries and 14 Small Island Developing States. While these countries are quite diverse in terms of population, economic size, institutional capacity and geography, they face common constraints in securing the level of economic and social development required to attain the MDGs. I thank Ambassadors Ito and Erna Wotoelar for highlighting the need for special attention to these countries. Also, I would add my voice to our moderator's urging for greater support by Japan to them.

The mid-term review of the Brussels Programme of Action undertaken last year September by the UN General Assembly showed that LDCs are not on track to achieve its targets and the MDGs. While there has been good progress on some targets, including school enrolment, under-5 mortality and selected health targets, most countries are not on track when it comes to crucial areas of poverty reduction, minimum nutritional needs, literacy and infant and maternal mortality.

The share of people living below the poverty line in LDCs of the region is double those of neighbouring developing countries. It is not surprising, therefore, that the region's LDCs, which account for only 7 % of the total population, have 12 percent of the region's extreme poor. This situation and rising income inequality in many LDCs of the region are a major concern.

The Brussels Programme underscores the need for pro-poor policies and cross-sectoral gender mainstreaming to move forward on poverty reduction. These must be accompanied by necessary investments in people, production, and institutions.

In this dynamic region, we must recognize that there are significant regional and global returns to investing in least developed countries. As such, the region is its own best source of future trade and investment growth. In 2003, developing countries in the region contributed more than two thirds of global South-South trade, with an annual growth rate of 11 percent per year, nearly twice the growth rate of total world exports. Strengthening existing trading arrangements and cooperation in trade and investment across the region can facilitate the integration of all countries into the global trading system.

At the same time, LDCs trade liberalization and integration policies – at both regional and global levels – must be supported by complementary policies and aid that will build up supply-side productive capacity to better utilize market opportunities. Strengthening productive capacities and financial markets through industry-specific measures can help countries diversify their export base and create linkages between productive sectors.

In this context, there needs to be a greater focus on reducing rural poverty. Greater investment is needed in agriculture, as also underscored by Ambassador Ito in his presentation, not only to provide rural employment, but also to reduce the food import bill of many LDCs in the region. As the experience of the more advanced countries in the region has shown, a green revolution is a key element in ending poverty. Equally important is the need to empower women, particularly through girls' education and microcredit, policy and institutional reforms; and participatory democracy.

Mr. Chairman,

Geographic factors present additional challenges for the landlocked and small island countries in Asia and the Pacific. Landlocked countries, without direct access to the sea, require transit transport infrastructure, market integration, and trade facilitation and harmonization measures at the regional level so that they can be meaningfully integrated in the international trading system.

The Almaty Programme of Action, effective implementation of which was emphasized by President Nazarbayev in his inaugural address earlier this morning, provides a comprehensive international framework for addressing transit policy issues as well as international trade and trade facilitation. Far-reaching trade facilitation measures and projects, such as the Asian Highway and Asian Railway, are being implemented at regional and bilateral levels to reduce transit costs for Landlocked Developing Countries. As one of the key players in these efforts, ESCAP's continued leadership is highly critical.

Small Island Developing States face challenges posed by their small size and geographic remoteness, both limiting the possibilities of diversification of their economies. The Pacific Connectivity initiative, which was discussed a few days ago here in Almaty, will considerably enhance the communication capacities amongst the small islands of the Pacific region, thereby ameliorating a major constraint.

Small islands are also particularly vulnerable to environmental risks and natural disasters. To mitigate the negative impact of environmental risks, my office is currently working with the World Bank and the Small Island Developing States in the Pacific region to develop a Catastrophe Risk Insurance Facility along the lines of the one recently launched for the Caribbean. Such a facility would bring in additional and immediate financial help in the aftermath of a disaster to help SIDS governments prior to the arrival of other international assistance.

Mr Chairman,

If the international community is committed to achieving the MDGs, it cannot afford to ignore the plight of the world's most vulnerable countries. I am confident that the products and services identified in ESCAP's Regional MDG Road Map to 2015 adequately account for the special needs of these countries so that they can make substantial headway towards achieving the MDGs by 2015 for themselves and for the region as a whole.