

**Economic and Social Commission for Asia and the Pacific**Committee on Macroeconomic Policy, Poverty Reduction and  
Financing for Development**Second session**

Bangkok, 6–8 November 2019

Item 5 (b) of the provisional agenda\*

**Subprogramme on macroeconomic policy, poverty  
reduction and financing for development****Consideration of the future focus of the subprogramme****Note by the secretariat***Summary*

The present document contains proposals to update the terms of reference of the Committee on Macroeconomic Policy, Poverty Reduction and Financing for Development to align them with the post-2015 development agenda and its defining instruments, such as the 2030 Agenda for Sustainable Development and the Addis Ababa Action Agenda of the Third International Conference on Financing for Development. Recent developments that need to be considered as well in reviewing the proposed updates to the terms of reference of the Committee are also highlighted in the document.

The Committee may wish to provide guidance to the secretariat on this matter so that the outcome of the Committee's deliberations can be integrated into the programme plan and priorities for 2021.

**I. Introduction**

1. The Economic and Social Commission for Asia and the Pacific (ESCAP), in its resolution 71/1, reconstituted the Committee on Macroeconomic Policy, Poverty Reduction and Inclusive Development as the Committee on Macroeconomic Policy, Poverty Reduction and Financing for Development. The issues to be addressed by this reconstituted Committee were suggested prior to the adoption of the 2030 Agenda for Sustainable Development<sup>1</sup> and the Addis Ababa Action Agenda of the Third International Conference on Financing for Development,<sup>2</sup> as well as the regional road map for implementing the 2030 Agenda for Sustainable Development in Asia and the Pacific,<sup>3</sup> in which priority areas of regional cooperation on finance were identified. In addition, the references to some issues pertaining to financing for development are not fully reflective of the issues raised in the deliberations of the annual regional high-

\* ESCAP/CMPF/2019/L.1.

<sup>1</sup> General Assembly resolution 70/1.

<sup>2</sup> General Assembly resolution 69/313, annex.

<sup>3</sup> E/ESCAP/73/31, annex II.

level consultations held by the secretariat with member States since 2014, which have helped to develop regional perspectives on financing for development.

2. At the first session of the Committee, held in December 2017, the secretariat proposed that the terms of reference of the Committee be updated, with the intention of aligning them with the post-2015 development agenda and the regional road map for implementing the 2030 Agenda. At that time, the Committee took note of the proposed updates to its terms of reference and recommended that further discussions be held, including at the seventy-fourth session of the Commission.<sup>4</sup> Further consideration was given to the proposed updates at the seventy-fourth session, but no decision was taken.

3. Since then, there have been additional developments that will need to be considered as well in reviewing the proposed updates, including the following: the issuance of the Secretary-General's Strategy for Financing the 2030 Agenda for Sustainable Development (2018–2021)<sup>5</sup> and the subsequent development of the Road Map for Financing the 2030 Agenda for Sustainable Development (2019–2021);<sup>6</sup> and the adoption of Commission resolution 74/1 on supporting the smooth transition of the least developed countries in Asia and the Pacific towards a sustainable graduation. Additional guidance for the secretariat's work on macroeconomic policy, poverty reduction and financing for development has also been provided in the ESCAP programme plan for 2020.

4. In this context, the present document contains a discussion of the proposed updates to the terms of reference of the Committee. Section II contains the current mandate and terms of reference of the Committee, and section III contains the proposed updates and the rationale behind them. The main issues for consideration by the Committee are outlined in section IV.

## **II. Current mandate and terms of reference of the Committee on Macroeconomic Policy, Poverty Reduction and Financing for Development**

5. The reconstitution of the Committee was part of the Commission's broader effort, as set out in resolution 71/1, to revise its conference structure, including the role and functioning of its subsidiary structure, to better reflect the needs of its member States with regard to the post-2015 development agenda. The following areas of focus of the Committee were established in annex II to resolution 71/1:

- (a) Experiences and practices in formulating and implementing macroeconomic policies to reduce poverty and inequalities, as well as to achieve sustainable and inclusive development;
- (b) Regional economic development policies and options;
- (c) Financing for development, including enhancing domestic fiscal resources, increasing social impact investment by the private sector, and accessing regional financing vehicles, arrangements and funds;

<sup>4</sup> See E/ESCAP/CMPF(1)/6.

<sup>5</sup> United Nations, 24 September 2018. Available at [www.un.org/sustainabledevelopment/wp-content/uploads/2018/09/SG-Financing-Strategy\\_Sep2018.pdf](http://www.un.org/sustainabledevelopment/wp-content/uploads/2018/09/SG-Financing-Strategy_Sep2018.pdf).

<sup>6</sup> Available at [www.un.org/sustainabledevelopment/wp-content/uploads/2019/07/UN-SG-Roadmap-Financing-the-SDGs-July-2019.pdf](http://www.un.org/sustainabledevelopment/wp-content/uploads/2019/07/UN-SG-Roadmap-Financing-the-SDGs-July-2019.pdf).

(d) Experiences and practices in developing regulations and institutions to deepen and strengthen the region's capital markets;

(e) Review of pro-poor economic growth policies, particularly in countries with special needs;

(f) Policy options and programmes for reducing rural poverty, including those with a gender dimension, through the development of sustainable agriculture.

### III. Suggestions to reorient the Committee's areas of focus

6. With the adoption of the Addis Ababa Action Agenda, the 2030 Agenda and the regional road map for implementing the 2030 Agenda, it is an opportune time to align the Committee's mandate with the post-2015 development agenda and the Committee's, and thus the Commission's, deliberations with the global as well as regional processes.

7. In 2017, the Commission, in resolution 73/1, decided to conduct a review of its conference structure at its seventy-eighth session, in 2022, with a midpoint review at its seventy-fifth session, in 2019. The latter was the first opportunity for member States to review the substantive elements of the conference structure and to make adjustments as appropriate.

8. In 2018, the Commission, in resolution 74/1, requested that the secretariat provide targeted assistance to graduating countries, through capacity-building and policy analysis, within existing mandates and resources, to support the formulation and implementation of smooth national transition strategies towards sustainable graduation, taking into account General Assembly resolutions 59/209 and 67/221 on a smooth transition for countries graduating from the list of least developed countries.

9. The Secretary-General's Strategy for Financing the 2030 Agenda and the subsequent Road Map for Financing the 2030 Agenda to implement this strategy contain three objectives: (a) aligning global economic policies and financial systems with the 2030 Agenda; (b) enhancing sustainable financing strategies and investments at the regional and country levels; and (c) seizing the potential of financial innovations, new technologies and digitalization to provide equitable access to finance.

10. As stated in paragraph 19.26 of the proposed programme plan for 2020,<sup>7</sup> the main mandates entrusted to the subprogramme on macroeconomic policy, poverty reduction and financing for development are contained in General Assembly resolutions 72/203 on the international financial system and development and 72/206 on financial inclusion for sustainable development. In 2018, new mandates were entrusted to the subprogramme in General Assembly resolution 73/246 on the Third United Nations Decade for the Eradication of Poverty (2018–2027) and Commission resolution 74/1 on supporting the smooth transition of the least developed countries in Asia and the Pacific towards a sustainable graduation.

11. The proposed updates to the terms of reference are presented below, and the current terms of reference and the proposed updates are also presented side by side in the annex for ease of comparison:

(a) Experiences and practices in formulating and implementing economic policies that ensure macroeconomic stability and promote sustainable

<sup>7</sup> ESCAP/75/26.

and inclusive development, particularly by reducing poverty, inequalities, and environmental degradation and climate risks;

(b) Policy options and strategies on financing for development, including domestic fiscal resources, infrastructure financing and public-private partnerships, climate finance and financial market development, with a focus on financial inclusion;

(c) Strengthened capacities of countries to formulate and implement inclusive and sustainable economic policies, particularly in countries with special needs;

(d) Effective implementation of global support programmes for least developed countries, landlocked developing countries and small island developing States, with a focus on strengthening the capacity of Asia-Pacific countries to manage their graduation from the category of least developed countries and supporting their smooth transition to developing country status;

(e) Analysis of policies for strengthening regional cooperation and integration on economic and financial issues.

12. These proposed areas of focus are more reflective of recent developments, both at the global and regional levels, in terms of new mandates and consultations with member States. Specific reasons for suggesting these updates are detailed in the following paragraphs.

13. The main change in proposed focus area (a) is to replace “macroeconomic policies” with “economic policies” to reflect the fact that, in addition to typical macroeconomic policies, other policies (such as monetary and fiscal policies) may be needed to better support inclusive and sustainable development. These include, but are not limited to, structural reforms in various sectors of the economy, social protection policies and policies that support environmental sustainability. Moreover, this suggested change captures the emphasis on economic development policies in current focus area (b).

14. Proposed focus area (b) merges the financing for development issues highlighted in current focus areas (c) and (d). It also captures the essence of the regional high-level consultations held since 2014 and the priority areas of regional cooperation on finance identified in the regional road map for implementing the 2030 Agenda.

15. Proposed focus area (c) updates current focus area (e) by replacing “pro-poor economic growth policies” with “inclusive and sustainable economic policies”. This change better reflects the fact that implementing the 2030 Agenda (which emphasizes inclusive and sustainable development) entails much more than just promoting economic growth. Also, “review” has been replaced with “strengthened capacities” to underscore the need for capacity-building in countries with special needs.<sup>8</sup>

16. Proposed focus area (d) makes explicit the need to provide support for the effective implementation of the global programmes of action for countries with special needs. Explicit reference to these programmes of action was missing before.<sup>9</sup> It also recognizes the progress that least developed countries have made

<sup>8</sup> See, for example, Commission resolution 72/6, para. 7 (d).

<sup>9</sup> For additional information on the role of regional commissions in implementing the global programmes of action, see *Report of the Fourth United Nations Conference on the Least Developed Countries, Istanbul, Turkey, 9–13 May 2011 (A/CONF.219/7)*, chap. II, para. 149; and General Assembly resolutions 69/137, annex II, para. 75, and 69/15, annex, paras. 108 and 122.

in the region, with 10 of the 12 least developed countries in Asia and the Pacific meeting the criteria for graduation at the 2018 triennial review of the list of least developed countries by the Committee for Development Policy. As three of the region's least developed countries already have a confirmed date for graduation (Vanuatu in 2020, Bhutan in 2023 and Solomon Islands in 2024) and more are expected to have a date set by 2021, targeted support for graduation is required.

17. Similarly, proposed focus area (e) makes explicit the need to support aspects of regional economic cooperation and integration that pertain to economic and financial issues, as captured in the outcomes of the First and Second Ministerial Conferences on Regional Economic Cooperation and Integration in Asia and the Pacific.<sup>10</sup>

18. Since the biennium 2018–2019, the work of the Centre for Alleviation of Poverty through Sustainable Agriculture has been reported under subprogramme 4 on environment and development instead of subprogramme 1 on macroeconomic policy, poverty reduction and financing for development. Hence, the reference to the issue of rural poverty and sustainable agriculture has been removed.<sup>11</sup>

#### IV. Issues for consideration by the Committee

19. The Committee may wish to discuss and finalize its focus areas to bring them in line with the strategic direction derived from the mandates entrusted to the subprogramme on macroeconomic policy, poverty reduction and financing for development.

20. In addition, the Committee may wish to deliberate on the following issues:

(a) The role and strategic direction of the Committee in supporting member States, especially least developed countries, landlocked developing countries and small island developing States, as they implement the 2030 Agenda, as outlined in the proposed revised terms of reference of the Committee contained in section III of the present document and bearing in mind the midpoint review of the conference structure of the Commission, which took place in 2019;

(b) Substantive issues related to the programme direction and priorities of the Commission, in particular those pertaining to the subprogramme and contained in the proposed programme plan of the Commission for 2020, which is being reviewed by the General Assembly;

(c) Ways to integrate the proposed changes to the terms of reference into the programme plan and priorities for 2021, with a view to providing guidance to the secretariat.

<sup>10</sup> Building on the First Ministerial Conference on Regional Economic Cooperation and Integration in Asia and the Pacific, held in 2013, the outcome document of the Second Ministerial Conference on Regional Economic Cooperation and Integration, held from 21 to 24 November 2017, also includes references to enhancing regional economic cooperation and integration, including economic and financial issues.

<sup>11</sup> A/72/6 (Sect. 19), para. 19.75.

**Annex**

**Current and proposed terms of reference of the Committee on Macroeconomic Policy, Poverty Reduction and Financing for Development**

| <i>Current terms of reference, as established in resolution 71/1 of the Economic and Social Commission for Asia and the Pacific</i>   | <i>Proposed updates to the terms of reference</i>  |
|---|--|
| <p>(a) Experiences and practices in formulating and implementing macroeconomic policies to reduce poverty and inequalities, as well as to achieve sustainable and inclusive development;</p> <p>(b) Regional economic development policies and options;</p> <p>(c) Financing for development, including enhancing domestic fiscal resources; increasing social impact investment by the private sector; and accessing regional financing vehicles, arrangements and funds;</p> <p>(d) Experiences and practices in developing regulations and institutions to deepen and strengthen the region’s capital markets;</p> <p>(e) Review of pro-poor economic growth policies, particularly in countries with special needs;</p> <p>(f) Policy options and programmes for reducing rural poverty, including those with a gender dimension, through the development of sustainable agriculture.</p> | <p>(a) Experiences and practices in formulating and implementing economic policies that ensure macroeconomic stability and promote sustainable and inclusive development, particularly by reducing poverty, inequalities, and environmental degradation and climate risks;</p> <p>(b) Policy options and strategies on financing for development, including domestic fiscal resources, infrastructure financing and public-private partnerships, climate finance and financial market development, with a focus on financial inclusion;</p> <p>(c) Strengthened capacities of countries to formulate and implement inclusive and sustainable economic policies, particularly in countries with special needs;</p> <p>(d) Effective implementation of global support programmes for least developed countries, landlocked developing countries and small island developing States, with a focus on strengthening the capacity of Asia-Pacific countries to manage their graduation from the category of least developed countries and supporting their smooth transition to developing country status;</p> <p>(e) Analysis of policies for strengthening regional cooperation and integration on economic and financial issues.</p> |