

# Report of the ASEAN Regional Assessment of MDG Achievement and Post-2015 Development Priorities



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# **Report of the ASEAN Regional Assessment of MDG Achievement and Post-2015 Development Priorities**

The ASEAN Secretariat  
Jakarta

The Association of Southeast Asian Nations (ASEAN) was established on 8 August 1967. The Member States of the Association are Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Viet Nam. The ASEAN Secretariat is based in Jakarta, Indonesia.

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#### Catalogue-in-Publication Data

Report of the ASEAN Regional Assessment of MDG Achievement and Post-2015  
Development  
Jakarta: ASEAN Secretariat, October 2015

362.559

1. ASEAN – Poverty Reduction
2. Social Welfare – Poverty Eradication

ISBN 978-602-0980-43-0

General information on ASEAN appears online at the ASEAN Website:  
[www.asean.org](http://www.asean.org)

Cover photos: National Tourism Organisation of Cambodia, National Tourism Organisation of Viet Nam, ASEAN Secretariat.

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## Acknowledgements

This report was jointly developed by the UNDP and ASEAN. It was initiated by the Senior Officials Meeting on Rural Development and Poverty Eradication (SOMRDPE) in its Framework Action Plan (FAP) 2011-2015, and completed under the SOMRDPE Chairmanship of the Philippines (2014-2015).

The report draws extensively on input in the form of quantitative and qualitative information on the country progress on the Millennium Development Goals, outstanding issues, and appropriate policies that were provided by ASEAN Member States through their focal points for ASEAN sectoral bodies consulted for this Report, notably:

- Senior Officials Meeting on Rural Development and Poverty Eradication (SOMRDPE)
- Senior Officials Meeting on Social Welfare and Development (SOMSWD)
- Senior Officials Meeting on Education and Development (SOM-ED)
- Senior Officials Meeting on Health Development (SOMHD)
- ASEAN Committee on Women (ACW)
- ASEAN Senior Officials on Environment (ASOEN)
- ASEAN Community Statistical System (ACSS)

It has benefited greatly from comments and suggestions made at the ASEAN Regional Assessment Workshop of the MDG Achievement and Post-2015 Development Priorities which was organised by the National Anti-Poverty Commission (NAPC) and National Economic and Development Authority (NEDA) of the Philippines on 14-15 April 2015 in Quezon City, the Philippines.

## FOREWORD

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The UNDP and the ASEAN Secretariat's work that resulted in this *"ASEAN Regional Assessment of MDG Achievement and Post-2015 Development Priorities"* demonstrates the ASEAN region's commitment to better accountability in the measurement of progress. This is an international norm that now also palpably guides the region's own conduct.

In the case of the Millennium Development Goals (MDG5) the measurement of progress was part and parcel of the commitment to act collectively in full view of the ASEAN peoples. When we measure we understand better what we are doing well and where it is being done well. We come to understand where we should look for exemplars within and outside of our states, especially when some of our efforts might be found wanting.

Significant MDG challenges remain and the report shows that more complex challenges are clearly upon us. The different ASEAN sectoral bodies have begun to describe the challenges for the region in the coming years through the medium of this report. Yet, the backward glance we are given here revealing unachieved MDGs warns of the need to first persevere further to acquire some of the seemingly more rudimentary development capabilities.

Before, or even as, the ASEAN buckles down to creating more sophisticated institutions for confronting the new challenges we are here made more than just dimly aware that it is the rudimentary capabilities after all that must stack up one upon another in order to form complex capabilities for development. Perhaps it is the juxtaposition of the remaining MDG challenges and of the Post-2015 priorities in a single report that allows for this important sort of epiphany.

We thank the UNDP for supporting and working with the ASEAN Secretariat in making this report possible, and we look forward to the continuing collaboration.

A handwritten signature in black ink, appearing to read 'Patrocinio Jude H. Esguerra III'.

**Patrocinio Jude H. Esguerra III**  
**SOMRDPE Chair/Representative of the Philippines**

## FOREWORD

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When the ten ASEAN Member States embarked on the process of building an ASEAN Community by 2015, they committed themselves to maintaining peace and promoting prosperity in the region with a promise of better quality of life, narrowed development gaps and a caring and sharing community for all ASEAN peoples. With ASEAN's Community building process closely linked to the global development agenda, all ASEAN Member States along with the international community sealed their commitment to achieve the Millennium Development Goals (MDGs) also by 2015.

To cooperate with and assist each other in fulfilling national MDG commitments, ASEAN adopted the **ASEAN Roadmap for the Attainment of the MDGs** in 2011. This is the framework for collective action to accelerate development progress in the region. Through the synergy of efforts at both national and regional levels, coupled with support from partners and stakeholders, ASEAN has achieved great strides in poverty reduction, health and education, women empowerment and partnerships for sustainable development.

With the imminent realization of the ASEAN Community by the end of this year, the regional assessment concluded that while there has been uneven progress across countries and targets, the ASEAN region as a whole has shown remarkable achievements in the attainment of the MDGs. With these significant accomplishments and lessons learned, it is hoped that this assessment report provides guideposts for key challenges to be addressed and opportunities to be seized with a view to ensuring ASEAN's resilience and competitiveness beyond 2015. Together with the international community, ASEAN will continue to play a significant role in further reducing poverty and promoting prosperity for all the peoples of the Community.



**Le Luong Minh**  
Secretary-General of ASEAN

## FOREWORD

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UNDP and the ASEAN Secretariat have common goals in Southeast Asia related to ensuring peace and security, alleviating poverty, and building prosperity. This has led to a history of close partnership, including to support the efforts of ASEAN Member States to achieve the Millennium Development Goals (MDGs).

UNDP and the ASEAN Secretariat's joint "*ASEAN Regional Assessment of MDG Achievement and Post-2015 Development Priorities*" reviews the MDG experience in the region and outlines an ambitious policy agenda for ASEAN Member States as they transition from the MDGs to the new *2030 Agenda for Sustainable Development* and the Sustainable Development Goals (SDGs). Along with taking stock of MDG achievement in the region, the assessment also looks to the future and identifies remaining and emerging challenges relevant for designing effective post-2015 development strategies. It also suggests ways that regional support and collaboration can help.

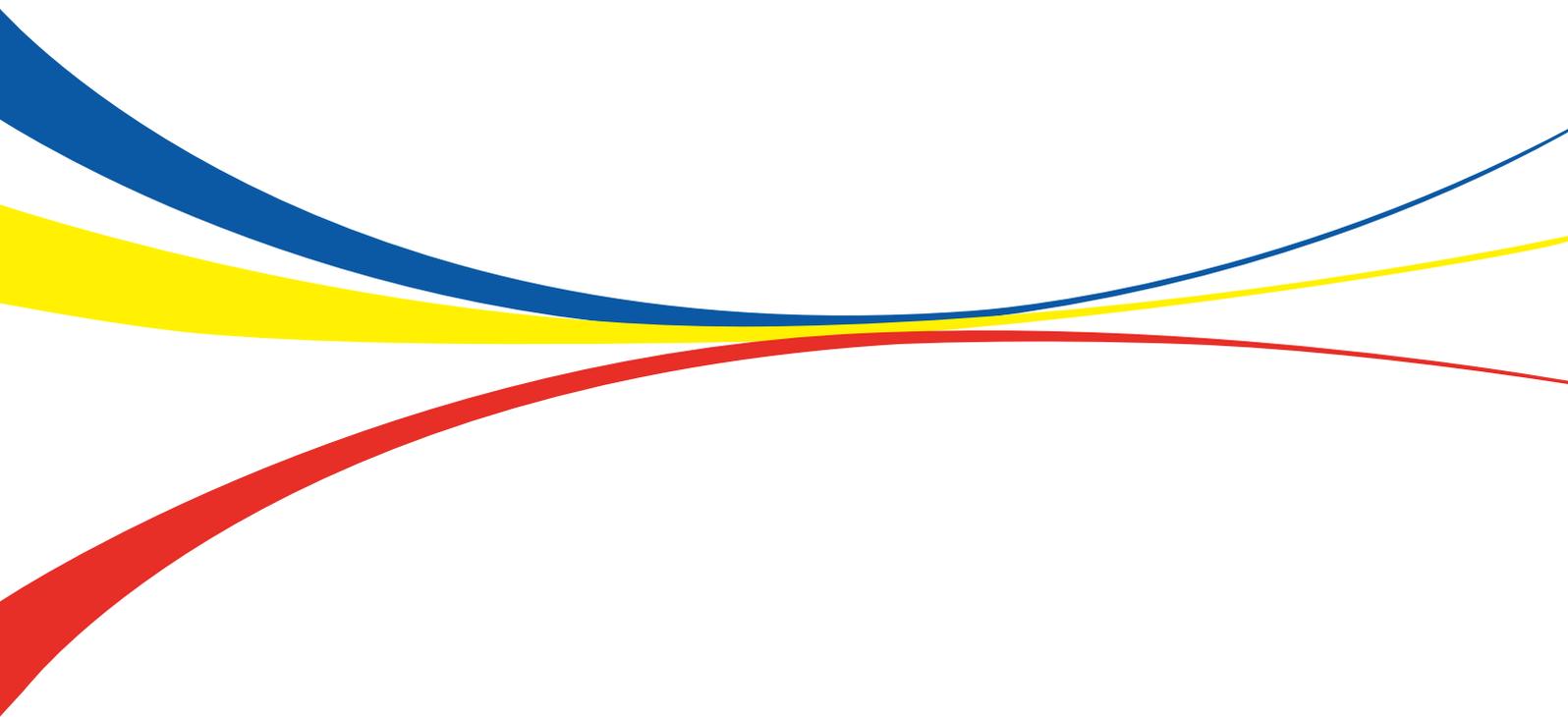
The joint assessment found that the impact of the MDGs is visible in the ASEAN region. This is especially true in terms of reducing poverty. But this progress has been uneven, with significant differences between countries and between different groups within countries. Looking ahead, the analysis points to a range of challenges broadly grouped around two themes. First, there is still a need to reach the most vulnerable and remote populations who missed out on the benefits of the MDGs. Second, many ASEAN Member States are ready to move to the next stage of sustainable development. This means confronting new challenges such as rapid urban growth and non-communicable diseases. It also means more ambitious targeting of longstanding ones, such as focusing on the quality of education and creating a high skilled labour supply to meet the demands of the market.

The *2030 Agenda* and the SDGs can help guide longer-term development and monitoring. But countries will need to decide their own ways of integrating these aspiration targets into national plans. The joint regional assessment can help ASEAN Member States with this important task, highlighting priority areas for action to make the new global agenda relevant to national needs.

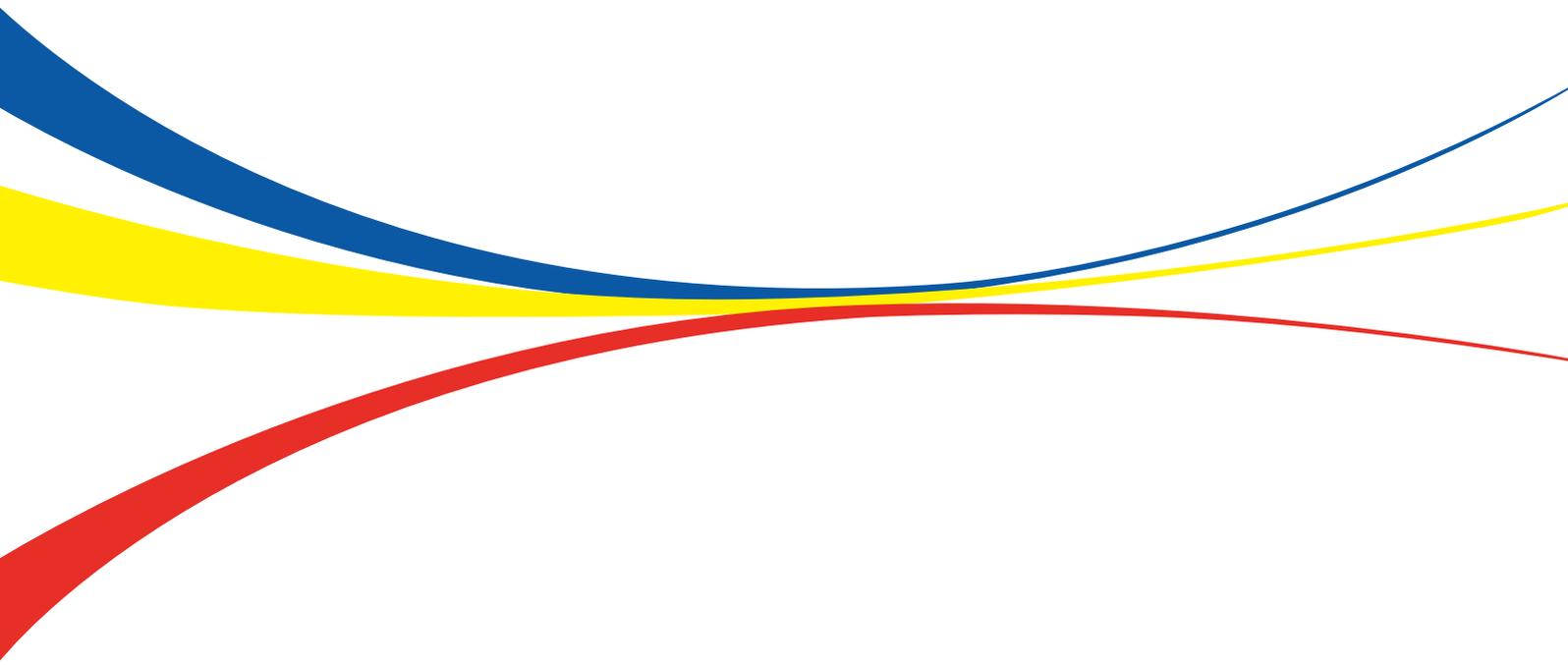
We think this report will be an important contribution to the region's development. UNDP thanks the ASEAN Secretariat for their close partnership and looks forward to further collaboration in assisting countries in the region to meet their development aspirations.

**Haoliang Xu**

UN Assistant Secretary-General,  
UNDP Assistant Administrator and Director of the Regional Bureau for Asia and the Pacific



# *Executive Summary*



## Executive Summary

### 2015 and Beyond: Setting Development Priorities

- i. 2015 represents a double milestone for the ten countries that make up the Association of Southeast Asian Nations (ASEAN). It is the target year for the establishment of an ASEAN Community. It is also the target year for the Millennium Development Goals (MDGs), which are integrated in the ASEAN Roadmap for the Attainment of the MDGs, a framework for collective action to accelerate development progress. Since their inception in 2000, the eight MDGs, encompassing a broad set of fundamental development challenges, have had a significant impact on the global agenda for development, defining priorities, measuring progress, and driving results for global poverty reduction and development (Box A).
- ii. Planning for the post-MDG era is now well underway. As the global framework is finalized and ASEAN moves towards setting its post-2015 vision, it is a good time to assess the MDG agenda and identify new strategies for further inclusive and sustainable development in the region. In this context, this report takes stock of the MDGs in ASEAN, focusing on the following questions: What progress has been made? What targets have been more difficult to reach? What new challenges and opportunities are arising that will need to be integrated in a post-2015 development strategy for ASEAN? And how can ASEAN move towards defining and implementing these strategies?

#### Box A: The Millennium Development Goals

- 
- Goal 1: Eradicate extreme poverty and hunger
  - Goal 2: Achieve universal primary education
  - Goal 3: Promote gender equality and empower women
  - Goal 4: Reduce child mortality
  - Goal 5: Improve maternal health
  - Goal 6: Combat HIV/AIDS, malaria and other diseases
  - Goal 7: Ensure environmental sustainability
  - Goal 8: Develop a global partnership for development
- 

### The MDG Agenda: Success Stories and Unfinished Tasks

- iii. This review shows that the ASEAN region has accomplished a great deal on the MDG agenda, particularly in terms of reducing poverty. There has also been some convergence in socio-economic indicators, with the poorest and in 1990 less developed countries showing particularly strong progress in many areas. But

progress is also uneven, and especially the challenge of rebalancing economic growth towards a sustainable pattern has remained a challenge universally. Moreover, there are significant differences between countries, and between different groups within countries, pointing to specific groups of vulnerable people who have not partaken in the process of human development to the same extent as others.

- iv. ASEAN's progress on **poverty reduction** is impressive by any standard. In some twenty years, the region has transformed itself from one struggling with pervasive levels of extreme poverty to one with moderate poverty levels. The share of people living in extreme poverty (defined as those living on less than one dollar per day) has fallen from one in two, to one in eight persons. But achievements are not uniform: a few countries have seen less rapid reduction than others. Translated into absolute terms, Lao PDR, Indonesia, the Philippines and Cambodia host some 160 million people living on less than two dollars per day. Poverty reduction is also uneven within countries, leaving rural populations and ethnic minorities behind. And poverty reduction has not resulted in a concomitant reduction in malnutrition, which still affects one in three children in Lao PDR and Cambodia.
- v. The value placed on **education** has been a trademark of Southeast Asia and already in the early 2000s, a vast majority of children in primary school age attended school. By now, almost all children finish primary education in Malaysia, Indonesia, Singapore, Vietnam, and Brunei Darussalam. This has paid off in high levels of foundational skills (e.g., literacy, numeracy), and top ratings for Vietnam and Singapore in international assessments of student competencies. Some specific groups, especially children from lower socio-economic backgrounds, still remain at a disadvantage, especially at post-primary levels of education. But girls and women have equal access to education compared to boys and men in most countries; female literacy rates are also high.
- vi. **Women** have become more empowered as economic development has proceeded. But there is still a significant gap between women and men in terms of political representation. Women are also less likely to be able to harness their full earnings capacity they have less access than men to paid employment outside the household.
- vii. ASEAN Member States have significantly reduced **health risks** facing their populations, especially for children and women. Poorer countries have seen significant progress, not least due to targeted prevention programs like vaccination. Nonetheless, the target of reducing child mortality by two thirds has not been reached in most countries. And in spite of increased attention given to prenatal care and safe deliveries, progress on reducing health risks to pregnant women is uneven and has even been reversed in a few countries. However, in countries severely affected by epidemics like HIV/AIDS, infection rates have been reduced.
- viii. Progress on **sustainable development**, pairing development and increased quality of life with respect for a balanced and healthy environment in the future – has been very mixed. Emissions in carbon dioxide have increased in parallel with

economic growth, and the deforestation process has been rapid in some countries. At the same time, some progress has been made on increasing access to improved water sources and sanitation systems (which in themselves are intimately linked to health and well-being).

- ix. Lastly, the review of the MDGs also showed that comprehensive and recent data are available for most parts of the monitoring exercise, suggesting that ASEAN Member States, by and large, have strong statistical systems that can provide this vital information. Nonetheless, some gaps still exist, and more disaggregated indicators will be needed in the future.

## Emerging Challenges

- x. Together with those parts of the MDG agenda that remain incomplete, emerging challenges form a set of leading themes for building inclusive and sustainable growth in the post-2015 era.
- xi. **Inclusive economic and social progress.** Even as poverty has fallen across the board, groups of “core poor” are emerging that are not able to benefit from economic development to the same extent as others. In parallel, inequality is increasing, and differences in opportunities according to location (rural and urban) and higher level skills (haves and have nots) are becoming accentuated.
- xii. **Balanced urban growth.** By 2013, nearly 300 million people in ASEAN Member States lived in urban agglomerations, of which more than twenty-five percent are in cities with over one million inhabitants. In the next fifteen years, ASEAN’s urban areas are expected to have to accommodate another 100 million people. Whereas this expansion represents the fact that economic opportunities have become concentrated in urban areas, it puts high pressure on urban planning for infrastructure and other public services. Currently, urban inequality is also increasing and urban development is not keeping up with the massive expansion. People living in urban areas are also increasingly at risk to natural disasters and the impacts of climate change.
- xiii. **More productive jobs and more skills adapted to those jobs.** ASEAN’s economies have seen a transformation in the structure of production and employment towards higher value added products and services. This transition towards higher productivity sources of income for individual workers and their families helps explain much of ASEAN’s success in reducing poverty. However, by the same token, uneven access to good jobs remains a critical cause of poverty. Rural populations largely depend on an agricultural sector that is marred by limited labor productivity and among the poorer member states, a majority of the population is not in secure wage employment but in informal sector jobs and/or self-employment. At the same time, youth are finding difficulties in completing the transition from school to work. Workers’ opportunities for good jobs depend partly on the skills they have and how relevant these are for labor markets. Although lack of access to education is one problem, the share of unemployed with tertiary education is also on the rise in many countries. And although countries are increasingly providing strong foundational skills, more

work is needed to build on these skills and adapt the skills sets – including technical, entrepreneurial, people and communications – to labor markets.

- xiv. **New health threats.** Non-communicable diseases were not included as priority health areas in the MDGs. However, cancer, cardiovascular diseases, chronic respiratory diseases, and diabetes are becoming increasingly significant sources of premature deaths. Their increasing significance may partly be ascribed to changing consumption and environmental patterns. At the other extreme, intensified globalization means increased threat of pandemics, such as the Avian Flu or SARS in the recent past. Strong coordination and communication are needed to manage disease outbreaks successfully.
- xv. **Climate change.** ASEAN Member States are exposed to the effects of climate change, such as rising sea levels, more frequent and more powerful floods, and risks to food security. It remains a very hazard prone area, highly vulnerable to natural disasters – some effects of which are intensified by climate change itself. There is a compelling need to work towards reversing the negative trends in terms of emissions and other effects of unsustainable consumption and production patterns. At the same time, ASEAN Member States must proactively reduce disaster risks and build more resilient communities that can resist shocks, recover from their impacts, and adapt positively to the changing environment.
- xvi. **Social protection systems.** Experiences from the recent past, in particular distress in connection with the Asian financial crisis in 1997-1998, as well as a look towards the future, provide several motivations for strong social protection systems. Solid systems help protect individuals and families, especially more marginalized groups, from economy wide shocks as well as those risks related to everyday life, including unemployment, illness, death of a family provider, droughts, and so on. A flexible social protection system can therefore help cushion shocks that are transmitted into globally and regionally integrated economies, help cope with the effects of natural disasters, and help reach those groups of core or chronically poor that are not able to benefit from economic growth. The ASEAN Declaration on Strengthening Social Protection, adopted in 2013, emphasizes that social protection is a human right and that nobody in need should be excluded from essential services (ASEAN, 2013a).

## Ways Forward

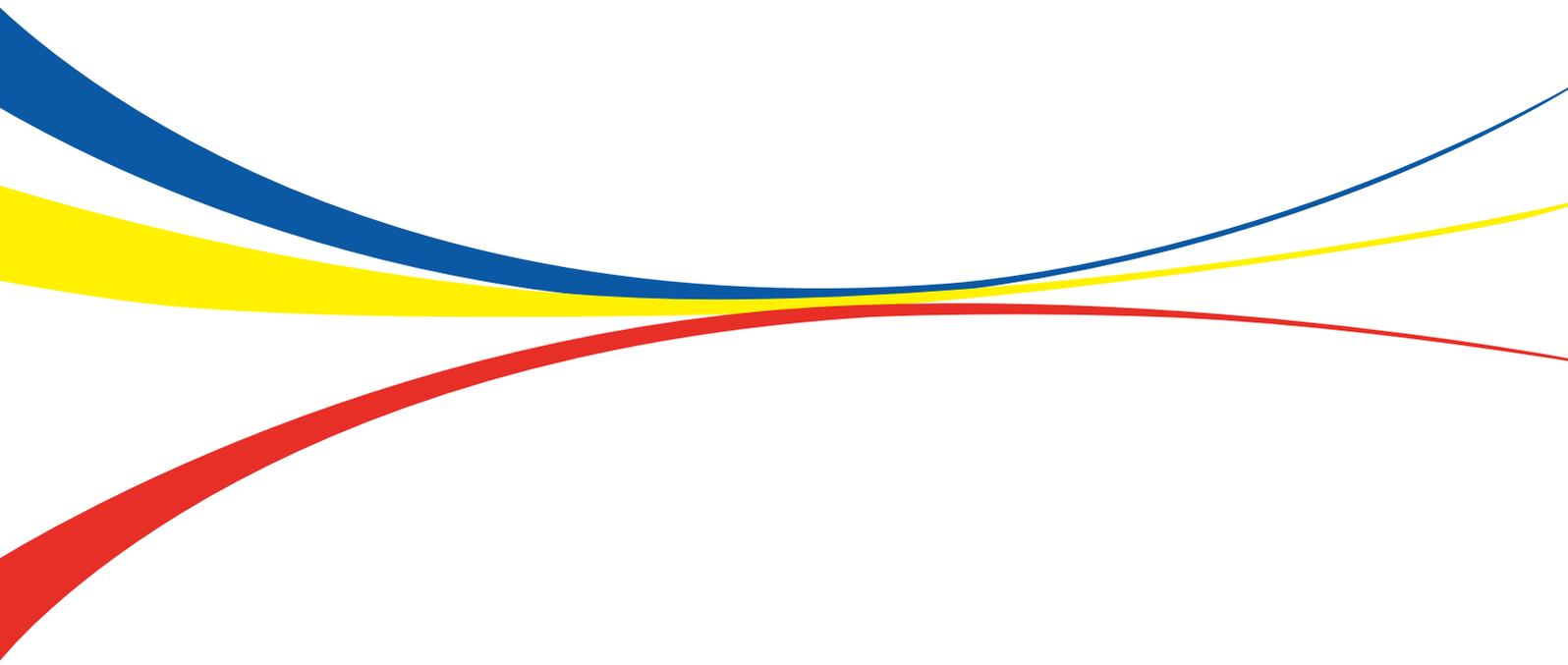
- xvii. In sum, much has been achieved in terms of the MDGs. It is now time to take the agenda forward and include new challenges and opportunities. Policy coordination and coherence is at the center of the agenda. There are strong synergies between different policy areas: skills help secure better employment which helps reduce poverty, balanced urban growth helps balance environmental concerns, and better water management improves health and nutrition. Some policy challenges are also better tackled at a regional level, including risks related to climate change and pandemics.
- xviii. ASEAN is focused on promoting and facilitating active regional collaboration around important policy issues. It will remain so going forward. Currently,

collaborative work is carried forward primarily through established focal points in ASEAN's sectoral bodies. It is a good time to consider how these activities are working, including for the purposes set out by the ASEAN Roadmap for the Attainment of the MDGs such as strengthening advocacy around development goals, building and sharing knowledge, and the identification and exchange of expertise (ASEAN, 2011). As the region turns its focus to defining a set of post-2015 priorities, it is thus appropriate to raise questions about how regional solutions might be delivered most effectively. For example, can the current implementation mechanisms be strengthened further? Is collaboration working better for some thematic areas than others? Does the availability of expertise from inside and outside the region differ? Are all countries benefitting from exchanges and tool-kits to address development policy challenges at home? Are there follow-up mechanisms in place that enhance accountability and help identify next steps? Moving forward, key activities to consider in the context of the post-2015 development agenda include:

- xix. **Identifying good practices and setting regional norms.** ASEAN can establish the principle of results-driven and results based policy, focusing on identifying good and innovative approaches, and evaluating their effectiveness. ASEAN should continue to work towards identifying best practices across the different policy areas and themes – from within the Community and from outside the region, as well as setting standards and norms.
- xx. **Promoting peer-to-peer exchanges.** Countries with different development challenges in the aggregate may nonetheless identify common areas of policy interests. ASEAN remains well placed to identify and promote bilateral exchanges around common themes. In view of emerging themes, this may include policy targeting of ethnic minorities, accessing remote populations, processes of decentralization, challenges for mega-cities, and other areas that are shared concerns for some countries and not for others.
- xxi. **Improving monitoring frameworks.** “What gets measured gets done”, and once a set of new development priorities has been established, ASEAN should have the mandate to develop a solid monitoring and evaluation framework. This report has identified significant variation in data availability across the region, probably reflecting differences in statistical capacity between countries. The task remains to build further statistical capacity, harmonize measurements, identify relevant indicators, and provide regular monitoring and evaluation of the framework.
- xxii. **Enhancing statistical capacity.** In particular, ASEAN could complement international efforts at measuring and harmonizing data, especially by focusing more on disaggregated indicators. The MDGs have been monitored by the UN agencies and while ASEAN could monitor the completion of these databases, data collection work should be coordinated and not duplicated. But a key lesson of the MDG process has been that aggregate indicators do not always capture specific vulnerable groups. This is increasingly an issue of concern in ASEAN, where significant improvements overall sometimes disguise slower progress for some core groups. While the new global framework cannot be expected to focus on all forms of disaggregation, ASEAN could take on the role of complementing the broader monitoring frameworks with such disaggregated indicators, putting

more emphasis on distinctions between rural and urban, poor and non-poor regions or population groups, and gender in a diverse set of social and environmental indicators. In addition, and as discussed above, the increasing complexity of objectives and the transition towards multi-dimensional and interdependent development goals will also require new approaches to defining indicators for concepts like productive and decent jobs, inclusive growth, and higher order skills. Such efforts should be closely coordinated with institutions like the ADB and the UN system, in particular ESCAP.

# ***Introduction***



# 1. Introduction

## 2015 and beyond

1. Since their inception in 2000, the Millennium Development Goals (MDGs) have had a significant impact on the global agenda for development: they have served to identify shared views on development priorities and have established a globally recognized framework for commitment, monitoring, and evaluation. Strong progress has also been made towards the eight goals over the past 15 years, particularly in terms of addressing extreme poverty, combating communicable diseases, and improving access to primary education.<sup>1</sup>

2. The MDGs are aligned with the purposes of ASEAN, in particular those related to alleviating poverty and promoting inclusive and sustainable development for its peoples. As a result of this shared vision, the MDGs have been integrated in the ASEAN Roadmap for the Attainment of the MDGs, a framework for collective action to accelerate development(ASEAN, 2011),and progress has been monitored and assessed.

3. 2015 represents a double milestone for ASEAN: it is the target year for the establishment of an ASEAN Community, and it is the target year for moving beyond the MDGs into the next sets of development challenges. The ASEAN charter (adopted in 2008) identifies common areas of policy priority with a strong bearing on development, but which were not explicitly included in the MDGs. These include, inter alia, ensuring safety and security from conflict; fostering democracy, good governance, and respect for human rights; and guaranteeing equitable access to opportunities. The same themes are also garnering attention globally as the post-2015 development agenda takes shape. Planning for the post-MDG era is indeed underway, including the preparation of the next generation development framework that is expected to be adopted at the Special Summit on Sustainable Development in New York in September 2015.

4. This report serves to take stock of achievements, recognize areas of the MDG agenda that will need more attention, and identify emerging challenges that were not covered by the MDGs. In doing so, it identifies both the unfinished agenda of the MDGs and new and rising challenges to help form the basis for a post-2015 set of development priorities for ASEAN. The report is based on literature review, quantitative data from a variety of sources, including an updated version of the MDG country database(United Nations Statistics Division, 2014), as well as quantitative and qualitative information from a survey distributed to ASEAN focal points (Box 1.1).

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<sup>1</sup> A list of MDGs as well as targets and indicators applicable for each Goal are provided in Annex 1.

## Box 1.1: Focal Point Questionnaire

A questionnaire was sent to ASEAN focal points in seven sectoral bodies to collect their views on the most important MDG achievements, on new challenges facing the region, and on support that might improve effectiveness. Surveyed focal points included: ASEAN Senior Officials Meeting on Rural Development and Poverty Eradication (SOMRDPE), ASEAN Senior Officials Meeting on Social Welfare and Development (SOMSWD), ASEAN Senior Officials Meeting on Education (SOMED), ASEAN Senior Officials Meeting on Health Development (SOMHD), ASEAN Committee on Women (ACW), ASEAN Senior Officials Meeting on Environment (ASOEN) and ASEAN Community Statistical System Committee (ACSS).

Thirty-one responses were received - including at least one from every ASEAN member state and at least one from every sectoral body surveyed - pointing to the following key themes:

**An unfinished agenda** in terms of difficulties in targeting the more marginalized groups within countries, gender equality, and the differences between issues for low income and middle or high income countries;

**Emerging challenges** including the sustainability of consumption patterns and the importance of building quality skills; and

**Future needs** in terms of capacity building, improved monitoring systems, and policy coordination and collaboration around the many cross-regional challenges accentuated by stronger integration of labor and capital markets.

Source: UNDP/ASEAN sectoral body focal point survey.

5. This report is organized as follows.
  - The remainder of the introduction presents economic and other events that have impacted MDG progress, particularly in recent years.
  - Section 2 assesses achievements in terms of the MDGs in ASEAN Member States, highlighting both areas of success and remaining challenges.
  - Section 3 moves to the emerging issues that need to be addressed.
  - The final and concluding section provides suggestions for areas and modes where regional support and collaboration can help countries tackle priority areas for development identified as critical for ASEAN Member States in the post-2015 era.

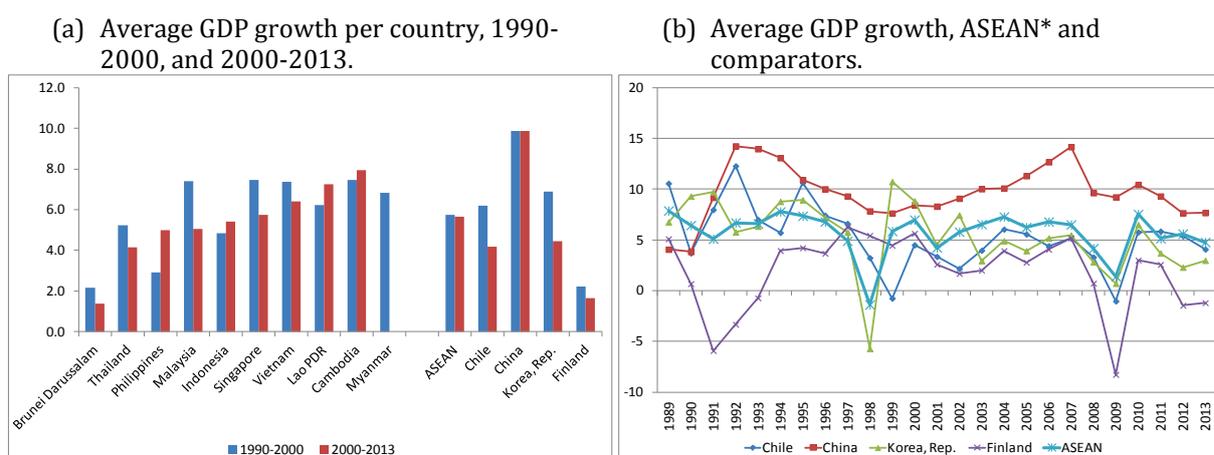
### The MDG era - growth, shocks and resilience

6. During the past 25 years – the period of evaluation for the MDGs – the ASEAN Community has seen an impressive economic transformation and has developed into a significant global economic power. If the ASEAN Member States were one economy, the combined output of the ten member states would today amount to the seventh largest economy in the world. ASEAN’s economic expansion compares well with other emerging as well as developed countries: in recent years, economic growth rates have surpassed those of Chile and Korea, and while the distance in the size of the economy to China has increased, that to developed OECD countries like Finland has fallen (Figure 1.1, a). With the exception of Brunei Darussalam, all countries have seen their economies (GDP) grow by more than four percent per year on average since 2000. At the same time, ASEAN economies have

moved up the value added ladder. Less developed countries saw a shift in production out of agriculture and into industries while more developed countries in the region transformed more decisively into service economies.

7. Moreover, since the Asian crisis, ASEAN Member States have also managed to build up stronger resilience to economic and financial shocks. These strategies paid off, as witnessed by the comparatively contained impact of the global financial crisis in 2007-2010 (Figure 1.1, b). Although ASEAN has weathered economic shocks from the international economic and financial system better than in the past, the region has also been exposed to significant climatic and health shocks in recent years. These shocks rank among the worst disasters the world has seen. Some 300,000 people estimated to have died in natural disasters between 1990 and 2013, more than half of which in the 2004 Tsunami (Guha-Sapir, Below, & Hoyois, 2015). In recent years, the 2008 cyclone Nargis in Myanmar, the 2009 Sumatra earthquake in Indonesia, and the Bopha and Haiyan Cyclones in Philippines, have also caused significant deaths, human suffering and economic damage; the direct damage from Haiyan alone is estimated to be the equivalent of 1 percent of the Philippines GDP (Guha-Sapir, Below, & Hoyois, 2015).

**Figure 1.1: Strong and increasingly resilient growth in ASEAN**



Source: Estimates based on World Bank, 2015 \*ASEAN= unweighted average.

8. In spite of some economic convergence over time, the countries in ASEAN also remain very diverse (Table 1.1). The region spans countries at vastly different levels of development, as measured by GNI per capita: two high income countries, two upper middle income countries, four lower middle income countries, and two low income countries<sup>2</sup>. The per capita income of Cambodia is roughly one-fiftieth of that of Singapore. Even countries at comparable income levels have different contexts: Indonesia accounts for two-fifths of ASEAN's total population and Lao PDR for one percent, and less than one-third of Malaysia's population live in rural areas compared to over half of Thailand's population. This diversity in size, economic

<sup>2</sup> In 2015, the World Bank established threshold levels for the classification along Gross National Income per capita in USD as follows: Low income ≤USD 1,045, lower middle income ≤USD 4,125, upper middle income ≤USD 12,755, high income USD 12,746 or above.

structure and conditions will be reflected in different challenges, especially in terms of fostering inclusive economic growth. The complexity is increased due to specific country level challenges, including differences in exposure to natural disasters and security concerns. Nonetheless, this mix of diversity and commonalities also provides rich grounds for interchange and cross-country learning.

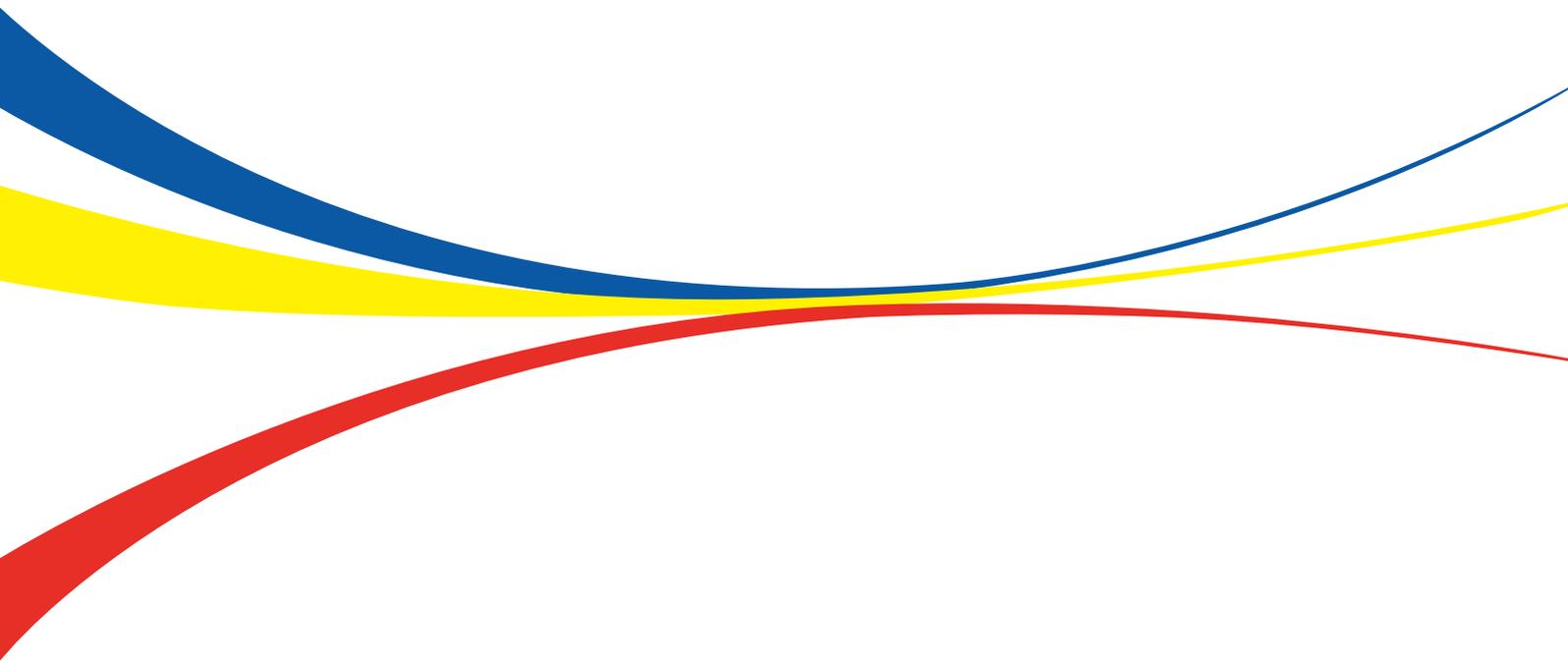
**Table 1.1: ASEAN Member States: key characteristics**

	Share of ASEAN GDP(%)	Share of ASEAN population (%)	Trade/ GDP (%)	Rural population (% of total)
<i>Highincome</i>				
Singapore	12	1	358	0
Brunei Darussalam	0.7	0	109	23
<i>Uppermiddleincome</i>				
Malaysia	13	5	154	27
Thailand	16	11	144	52
<i>Lowermiddleincome</i>				
Indonesia	36	40	49	48
Philippines	11	16	60	55
Vietnam	7	15	164	68
Lao PDR	0.5	1	83	64
<i>Low income</i>				
Cambodia	0.6	2	140	80
Myanmar	2	9	33	67

Source: Estimates based on World Bank, 2015, United Nations Population Division, IMF and data provided by Central Statistical Organization, Myanmar.



**The Millennium Development  
Goals: taking stock**



## 2. The Millennium Development Goals: taking stock

9. The 2011 ASEAN report on the MDGs pointed to significant achievements in terms of meeting the MDGs but with some variation in outcomes across different measures of development goals, across countries, and across groups. In particular, the ASEAN region as a whole has been an early achiever in reducing poverty and malnutrition, in increasing the attendance of skilled personnel at child birth, in reducing mortal diseases such as tuberculosis, and in improving access to basic sanitation. The region was, generally, on track to reduce infant and child mortality by 2015. However, the ASEAN region overall had been comparatively slower in ensuring access to basic education and in providing better sources of (drinking) water to the population. Finally, no progress had been noted on a climate issue of significant importance to the region, namely the decline in forest cover (ASEAN, 2012).

10. This current review of attainments towards each goal also shows that the ASEAN region has accomplished a great deal on the MDG agenda. In particular, remarkable progress has been made towards lifting people out of extreme poverty, defined as those living on less than one dollar per day. The number of people living on less than one dollar per day has fallen by more than 100 million since the early 1990s, during a time when the total population has increased by 100 million. None the less, other targets for deprivation and exclusion remain more elusive. Improvements in social indicators also differ significantly between countries and between different groups within countries. This section discusses progress on poverty and hunger, access to primary education, empowerment of women, health (including child and maternal health and diseases), and environmental sustainability.<sup>3</sup> Indicators presented below are drawn from a comprehensive MDG dataset prepared for the purpose of this report (Box 2.1). For each Goal, those indicators deemed most pertinent, given availability of data, are presented.

### Box 2.1: Monitoring MDG Progress –data issues

For the purpose of benchmarking and assessing achievements in the context of the MDGs, ideally, comparable data between 1990 and the present time should be used. However, because of weaknesses in statistical capacity, including regional coordination, and the time lag in processing and reconciling statistical information, providing relevant and comparable benchmarking data for ten countries invariably involves trade-offs. In order to provide a succinct overview, the report has given preference to sources of information that provide *comparable and consistent data* across countries. Because the report is focused on achievements, meaning changes over time, data sources that provide *consistent time series* have also been selected, to the extent possible.

With these constraints in mind, the data used below draw on a combination of data from national sources, provided by ASEAN Member States, and the United Nations country-level database for the Millennium Development Goals (United Nations Statistics Division, 2014), supplemented with information from the World Bank's World Development Indicators, and relevant ASEAN publications.

There is a rich set of information available for the MDG monitoring framework – a testament to the general statistical capacity that has been built up in ASEAN countries

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<sup>3</sup> Data are lacking for some countries on some indicators. Information is shown for those countries that have reasonably recent data for assessing progress.

over the past decades and the commitment to respond to the challenge of measuring development progress. Yet the exercise undertaken for this report shows that significant data and information gaps still exist. There are countries that lack information on poverty and hunger, and data collection/reporting on health indicators, especially those related to reproductive health and HIV/AIDS, is generally weak. For others, disaggregated numbers by gender or rural/urban location are not readily available. In a few cases, data exist for one year only, which permits benchmarking against other countries but does not allow for an appreciation of developments over time. Overall, this demonstrates the continued importance of strengthening statistical capacity.

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## Significant reduction in extreme poverty and hunger

11. In some twenty years, ASEAN has transformed itself from a region struggling with very high poverty to one with moderate levels of poverty. In the early 1990s, nearly one in two persons in the ASEAN region<sup>4</sup> lived in extreme poverty (defined as living on less than one dollar per day), while two in three persons lived in moderate (defined as less than two dollars per day) or extreme poverty. With the exception of a few countries in the region, notably Singapore, Malaysia and Brunei Darussalam, poverty was thus a pervasive feature, affecting a majority of the population in most Member States. In the past few decades, the number and share of people suffering from such levels of deprivation have fallen dramatically and consistently over time. Today, about one in eight persons is affected by extreme poverty, still living on less than one dollar per day, with one in three living on less than two dollars per day. ASEAN Member States have also managed to maintain momentum over time, as the strong progress registered in the 1990s also continued in the 2000s. As a result, ASEAN's poverty levels are now almost half of those of South Asia and a quarter of those of Sub-Saharan Africa, although they trail behind the outstanding pace of poverty reduction witnessed in China (Figure 2.1, a and b).

12. Much of the regional progress can be assigned to what must be considered an extraordinary process of poverty reduction in a few populous countries. In Vietnam and Thailand, extreme poverty was virtually eradicated. Vietnam and Indonesia alone shifted some 100 million people out of extreme poverty. But there has also been progress in less populous countries. In 1990, nearly half of Cambodia's population was extremely poor, compared to only 10 percent in 2011. Encouragingly, the trends in reducing two dollar per day poverty are equally steep in these countries. Economic growth has not only shifted people above subsistence minimum, but it has helped a great number of people escape poverty altogether.

13. The transformation from a region with high to low poverty is nonetheless a qualified success. First, a few countries have seen a slower pace in reduction than others. In Lao PDR and the Philippines, extreme poverty rates fell by less than half – which, although successful from a global perspective, is slow progress in the context of ASEAN – and moderate poverty rates fell by only a quarter. No internationally comparable data on poverty numbers exists for Myanmar, but estimates at a national level suggest that poverty rates remained unchanged between 2001 and 2010.<sup>5</sup> Second, in absolute terms, the region is still hosting a significant number of poor.

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<sup>4</sup> Estimated using weighted data of country level poverty head count indices.

<sup>5</sup> Information provided by Central Statistical Organization, Myanmar.

Taken together, in Lao PDR, Indonesia, the Philippines and Cambodia, some 160 million people are still living on less than two dollars per day (Figure 2.1, c and d).

**Figure 2.1: Progress on poverty reduction**



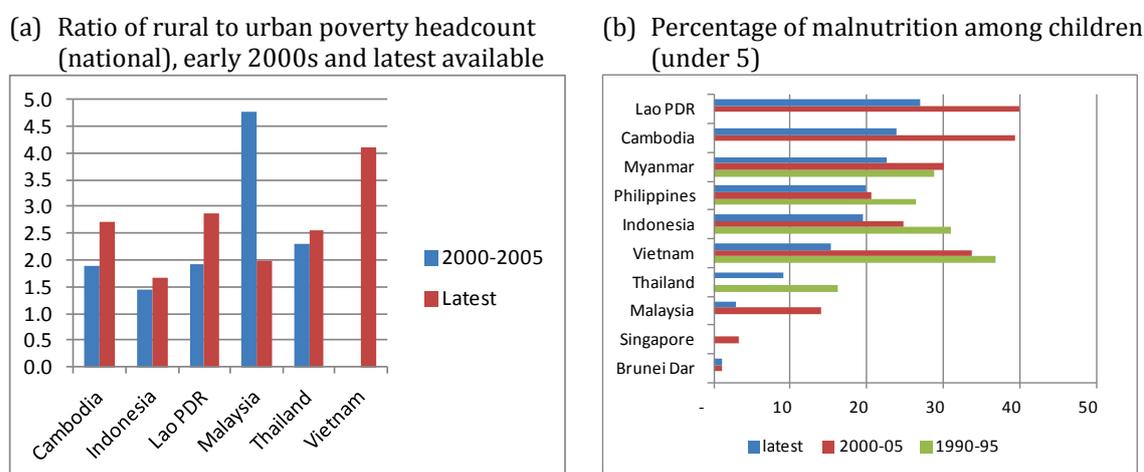
Source: Estimates based on data sources as per Box 2.1.

14. Third, progress on poverty reduction is also uneven within countries, pointing to a more unbalanced growth process than can be discerned from national level data. In particular, differences in urban and rural populations have been accentuated over time. The incidence of poverty is at least twice as high in rural areas compared to urban areas in all Member States except Indonesia, and the gap has been increasing with the notable exception of Malaysia (Figure 2.2, a). In Vietnam, while poverty has fallen for both ethnic minorities and those who belong to a majority ethnic group, the gap in poverty rates has increased (World Bank, 2012b).

15. Fourth, poverty is both a cause and result of hunger: lack of food, or lack of the right food, is stunting physical and mental development in children, lowering the earning capacity of adults, and exposing pregnant women, infants and children in particular to serious health risks. Whereas the proportion of people exposed to hunger is less today than twenty-five years ago, the incidence of malnutrition has not fallen as rapidly as poverty levels. Only Malaysia, Vietnam and Thailand have managed to halve, or more, the proportion of underweight children as set out by MDG 1. As late as 2006, three in ten Cambodian children under five remained malnourished (Figure 2.2, b). The slower progress on hunger compared to poverty is a global phenomenon, linked to a complex combination of policies and social norms,

including the context in which people make their choice of consumption expenditures, the importance of specific nutritional deficiencies (rather than only calories), and the importance of improved water and sanitation (The Economist, 2014).

**Figure 2.2: But achievements are uneven**



Source: Estimates based on data sources as per Box 2.1.

### Close to universal access to primary education

16. Education is fundamental for economic development, with the potential for raising productivity and future incomes, improving health and nutrition across generations, and helping establish democratic values. Strong emphasis on the value of education, well before the MDG agenda was defined, has been one of the most significant strengths of ASEAN Member States and part of its success story in terms of economic growth and diversification. In fact, access to primary level education was high already in the early 2000s, when over 90 percent of children in the relevant age group were enrolled in all countries but Lao PDR. The most recent data show nearly universal access in many countries (Figure 2.3, a). Almost all children in Malaysia, Indonesia, Singapore, Vietnam, and Brunei Darussalam not only enter but also complete their primary education (Figure 2.3, b). Overall, ASEAN Member States compare very favorably with South Asian, Latin American, or African countries.

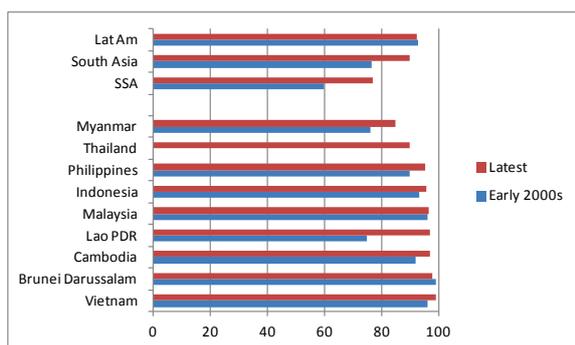
17. Access, however, is only one aspect of education: the quality of education and the learning it actually provides are what matters. From this perspective, ASEAN Member States have shown high levels of basic competences. Almost all young people aged 15-24 can now read, except in Lao PDR and Cambodia (Figure 2.3, c). The 2012 round of the OECD Program for International Student Assessment (PISA), carried out in 115 countries showed Singapore to be the second highest ranking country in the world in terms of mathematics achievements, with Vietnam at number 17, well above much wealthier nations (OECD, 2012).

18. The agenda is not finished, however. Enrolment rates remain below 90 percent in Thailand and Myanmar. In several countries, between five and ten percent

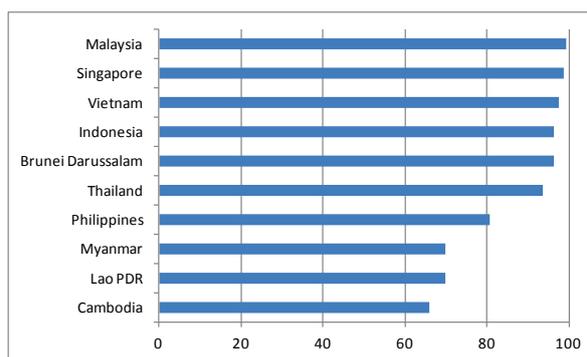
of primary school age children are not enrolled in school, and taken together, at least 3 million school age children in the ASEAN region are not in primary school. Although enrolment rates now are high in Cambodia and Lao PDR, less than seventy percent of children actually finish primary school (Figure 2.3, c), and literacy rates are considerably lower than in other ASEAN Member States.<sup>6</sup> Among other things, the high levels of malnutrition shown above are likely to influence children's ability to benefit from education, whether directly because of hunger or vulnerability to infection. And some groups remain more excluded from educational opportunities than others. For example, in Vietnam there are significant gaps in enrolment, even at primary levels, between girls from rich households and ethnic majorities, and those from poor households and ethnic minorities (Figure 2.3, d). In Malaysia, where enrolment rates are close to universal and have been for some time, the challenges in primary education now include bringing in the remaining few, dealing with undocumented children, and narrowing the gaps in access and outcomes between children with different socio-economic backgrounds (Government of Singapore, Ministry of Social and Family Development, 2013).

**Figure 2.3: Access to primary education is high, quality remains an issue**

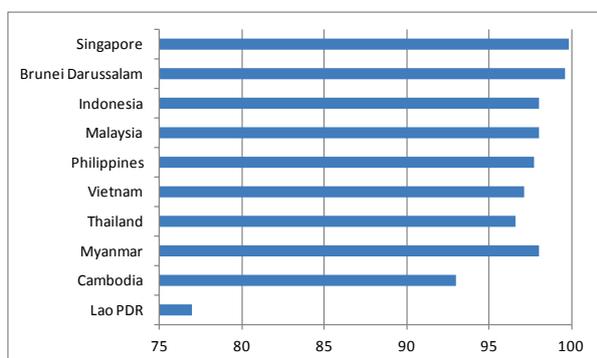
(a) Net primary enrolment rates



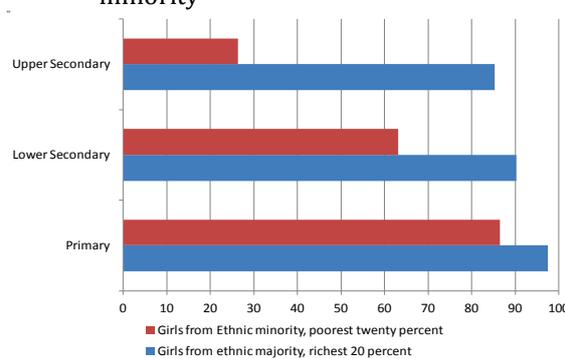
(b) Persistence to last grade of primary (% of students enrolled in first grade)



(c) Youth literacy rates (ages 15-24)



(d) Vietnam: Girls' net enrolment rates, richest twenty percent from ethnic majority vs. poorest twenty percent from ethnic minority



Source: Estimates based on data sources as per Box 2.1, ASEAN, 2013, and World Bank, 2012b. The most recent numbers for net primary enrolment rates are based on ASEAN, 2013. For the Philippines and Thailand, these numbers

<sup>6</sup> Note that literacy rates reported in ASEAN, 2013, differ (are lower) for Lao PDR than those reported in World Bank, 2015, used in Figure 2.3, c.

differ from those of the United Nations Educational, Scientific and Cultural Organization (UNESCO) as reported in World Bank, 2015 (higher for the Philippines, and lower for Thailand).

## Progress on empowering women

19. Empowering women and ensuring gender equality is both a priority in its own right and essential to inclusive and sustainable development. Ensuring the full potential of half of the population will contribute to accelerated growth and improved health and education among children. Thus, women's right to decide over their own lives and resources, their right to earn a living and educate themselves on equal grounds with men is essential to the MDG agenda. Overall, the position of women has been considerably strengthened in the ASEAN Member States.

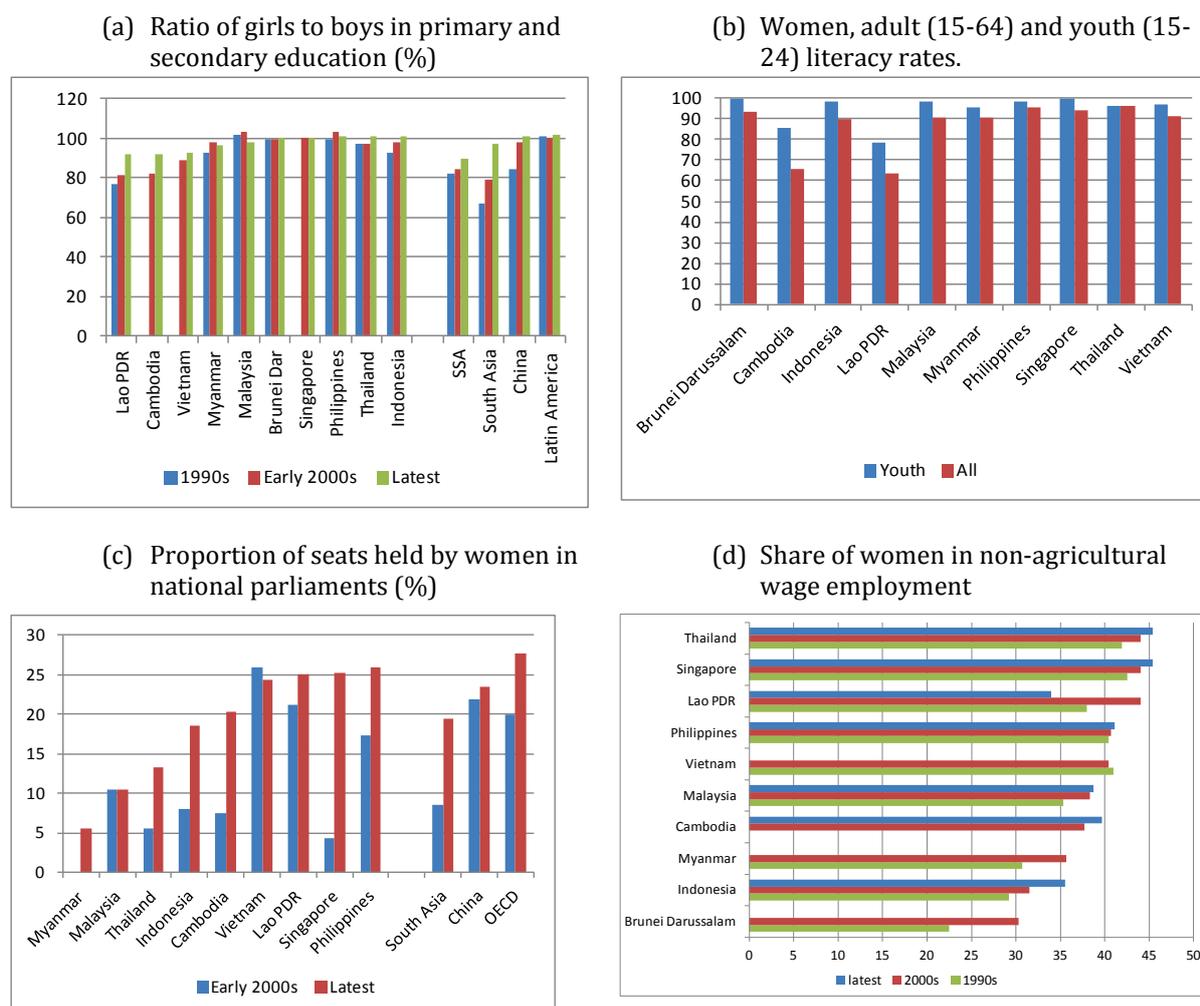
20. Girls and women have equal access to education compared to boys and men in most of the ASEAN Member States. This has been the case for many years (Figure 2.4, a and b). In fact, men now lag behind women in terms of university education in several countries. Almost all young women can read, and in most countries ninety percent or more of adult women are also literate. However, fewer girls than boys are enrolled in primary and secondary education in Cambodia and Lao PDR, and female youth literacy rates remain lower than other countries. But both countries have nonetheless shown encouraging progress on improving the situation for girls in recent years. The case of Lao PDR, in particular, shows the potential strengths of targeting excluded minorities. Based on information provided through the sectoral body focal point survey, specific efforts at targeting underserved districts increased the proportion of girls between six and ten years who reached grade five, from 40 percent in 2008/09, to 67 percent in 2013/2014.

21. At the other end of the spectrum, where education gaps have been closing, further ground remains to be covered in terms of empowering women and giving them equal voice and influence in society. Although women's participation in political life is increasing, they are still underrepresented compared to men – although it is important to point out that this low representation is a global issue, affecting OECD countries overall as well (Figure 2.4, c)<sup>7</sup>. Women are also still much less likely to access gainful employment outside of the household. Those who are employed are also more likely to be in vulnerable forms of employment, with worse job conditions including lower wages and with little or no recourse to social protection systems or basic safety nets (Figure 2.4, d). Again, specific groups are particularly at risk – including women belonging to migrant groups, ethnic minorities, and refugees – and remain outside the realm of policy focus (Jones & Stavropoulou, 2013). In more advanced economies, new challenges include the low representation of women in leadership positions, especially women on company boards. A study by GMI Ratings (a major corporate governance ratings firm) showed that as of March 2013, the percentage of board directorships held by women in Asia remains low – 3 percent and 6 percent in industrialised and emerging countries, respectively (GMI Ratings, 2013).

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<sup>7</sup>No information is available on the share of women in parliament in Brunei. However, the share of women in the top three civil service categories is roughly the same as men.

**Figure 2.4: Girls have equal access to education and women are more (but far from equally) represented in politics**



Source: Estimates based on data sources as per Box 2.1.

## Improving health for all

22. Health is a precondition for, as well as an indicator and an outcome of progress in, sustainable development (World Health Organization, 2012). It is a human right and central measure of human well-being, and it forms the basis for a productive economy. The poorest countries in ASEAN have had to combat high mortality and exposure to ill health among children and women, and the region suffered from the onslaught and rapid spread of HIV/AIDS in the late 1980s. In 1990, nearly one out of five live-born children died before reaching the age of five in Lao PDR while one out of ten boys and girls under five died in Cambodia and Myanmar. Pregnant women were at high risk with an estimated 12 mothers out of a thousand dying in connection with childbirth.

23. Overall, these different health risks have been reduced, especially in those countries where, twenty-five years ago, the population was most exposed. As a result, the gap between countries in terms of health outcomes has been reduced,

although differences persist between poorer and richer ASEAN economies. Whereas the target of reducing child mortality by two-thirds has not been reached in most countries, those countries with higher initial mortality rates for infants and children – Lao PDR, Cambodia, Myanmar – have reduced the gap to other countries significantly. Among other things, this progress is related to efforts to reduce exposure to diseases like diphtheria and measles. For example, Lao PDR and Cambodia increased the share of children receiving immunization for DPT to 90 percent from under 20 and 40 percent, respectively. Nonetheless, there is significant room for progress. One out of 20 boys in Myanmar and Lao PDR still do not survive until their fifth birthday, a level just below those of Sub-Saharan African countries and far from those in more developed countries and regions (Figure 2.5, a and b). More generally, large multi-country outbreaks of infectious diseases (e.g., measles, diphtheria, etc.) reflect inadequate coverage and coordination at all levels in most countries.

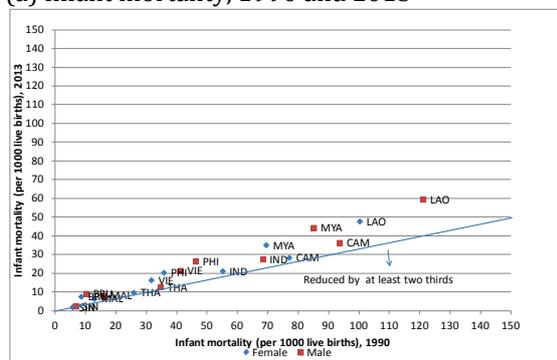
24. At the same time, while measures towards improving reproductive health have paid off in many countries, in others the health risks involved with child birth remain high and have actually worsened. According to national estimates, maternal mortality ratios have fallen significantly in Lao PDR, Cambodia and Vietnam. However, changes in Indonesia and the Philippines are a cause of concern, as maternal mortality ratios (based on national estimates) have increased. The discrepancies to the modeled estimates<sup>8</sup> are significant. A majority of, albeit not all, women give birth in the presence of skilled health staff, except in Lao PDR, and the share has increased everywhere, including the Philippines and Indonesia. However, the latter two countries also display large inequalities in access to health services across provinces and regions (UNICEF Indonesia, 2012). Although women are less likely than before to have children under the age of 20, adolescent pregnancies, which are a significant risk factor for child and maternal health, remain high. Moreover, five countries – Cambodia, Indonesia, Lao PDR, Myanmar and the Philippines – still have high maternal mortality ratios and adolescent birth rates compared with most middle-income countries globally. Among other things, the contraceptive needs of adolescent groups – not always a culturally accepted area of discussion – are often left out of the agenda (Figure 2.5, c and d).

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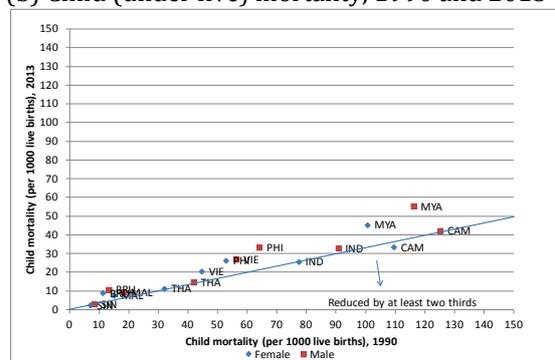
<sup>8</sup> Modelled maternity ratios are estimated with a regression model using information on the proportion of maternal deaths among non-AIDS deaths in women ages 15-49, fertility, birth attendants, and GDP (World Bank, 2015).

**Figure 2.5: Many more children survive their infancy and fragile first five years of life, but women’s reproductive health is not improving everywhere**

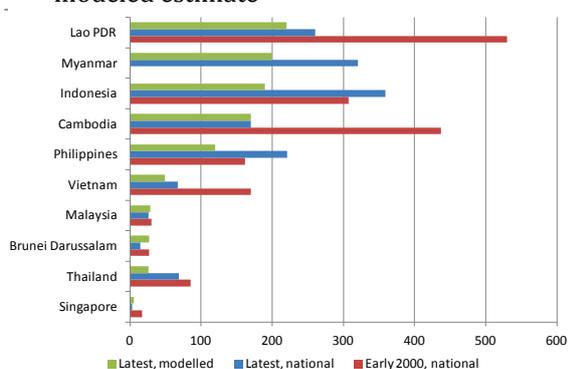
(a) Infant mortality, 1990 and 2013



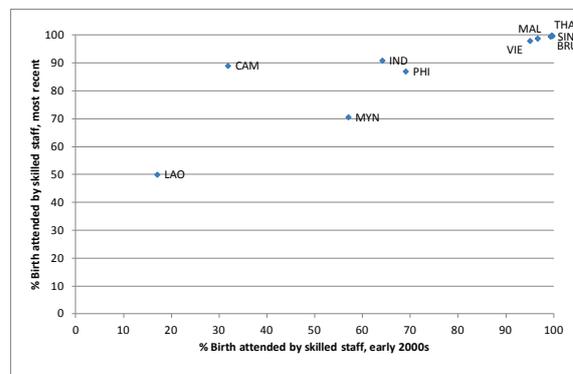
(b) Child (under five) mortality, 1990 and 2013



(c) Maternal Mortality Ratio (per 100,000), national estimates (early 2000s and latest) and latest modeled estimate



(d) Shares of birth attended by skilled health staff, early 2000s and most recent



Source: Estimates based on data sources as per Box 2.1. No national estimate available for Brunei.

25. The higher risk of dying from an often preventable disease is also a core risk for the poor. Southeast Asia has the highest infection rate of HIV/AIDS after Sub-Saharan Africa (Girard, 2013), and many of those afflicted are co-infected with tuberculosis. The spread of HIV/AIDS, however, has been contained over the past twenty years in the region.<sup>9</sup>In particular, in countries which were harder hit, in particular Thailand and Cambodia, there has been a marked slowdown in infection rates after a peak at the end of the 1990s (Figure 2.6, a). These countries also show a comparatively high share of infected persons receiving antiretroviral therapy (ART) than others. In Malaysia and Vietnam, however, where infection rates remain low but have increased, less than one-third of infected persons receive ART (Figure 2.6, b). Infections in many of Southeast Asia’s countries are concentrated in a few hotspots, including mobile populations along transport corridors or highly exposed communities. The effects of high infection rates are evident: nearly 60,000 children under 15 are now living with HIV/AIDS in the region<sup>10</sup> compared to less than 20,000 some ten years ago. The incidence of tuberculosis has meanwhile fallen or

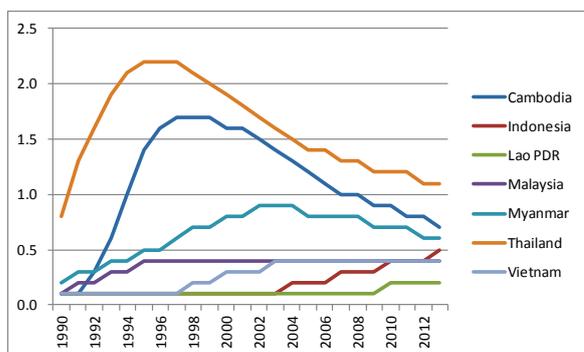
<sup>9</sup>No data are available for the incidence of HIV in Brunei’s population aged 15-49. Incidence for youth (15-24) is however very low, at 0.008 percent.

<sup>10</sup>Note that no data are available for Brunei, the Philippines, and Singapore.

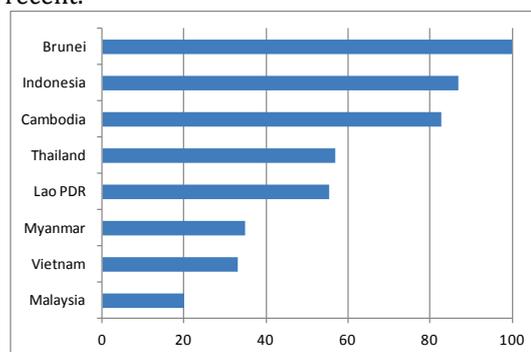
stagnated in ASEAN Member States, but the infection rate differs across countries. In all countries, however, the chances of recovery from tuberculosis are high with treatment.

**Figure 2.6: Combating AIDS in high infection countries**

Prevalence of HIV, total (% of population ages 15-49)



Percentage of persons living with HIV receiving antiretroviral therapy (ART), most recent.



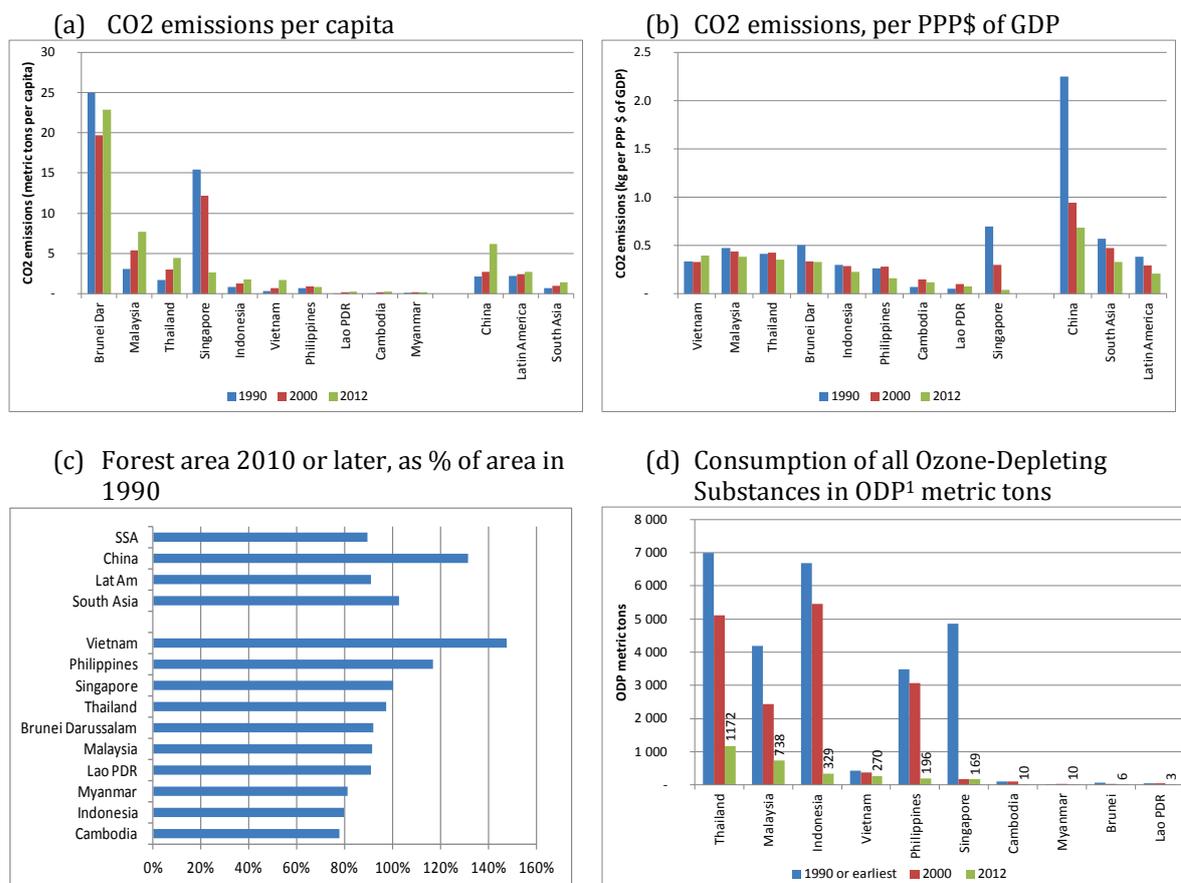
Source. Estimates based on data sources as per Box 2.1.

### Mixed success on ensuring sustainable development

26. Sustainable consumption and production translates into the challenge of using services and products that increase quality of life while minimizing the use of natural resources, toxic materials, and emissions of waste and pollutants. In ASEAN as elsewhere, the ambitions to pair development and increasing consumption levels with respect for a balanced and healthy environment have met with mixed success. Global emissions of carbon dioxide (CO<sub>2</sub>) have increased, and in ASEAN, CO<sub>2</sub> consumption, measured per capita, has increased in all countries except Singapore. Measured in relation to GDP, emissions have stagnated or fallen, however, reflecting the fact that production and consumption patterns have not become more CO<sub>2</sub> intensive but that instead emissions are the result of rapid economic growth (Figure 2.7, a and b). Deforestation is progressing rapidly in most countries except Vietnam and the Philippines, especially in Myanmar, Indonesia and Cambodia, contributing to soil erosion, impaired water cycles, and increased greenhouse effects (Figure 2.7, c). In line with a global trend, more progress has been made on reducing consumption of Ozone-Depleting Substances (ODS), i.e., man-made substances that cause ozone depletion.<sup>11</sup>

<sup>11</sup> The Montreal Protocol was established in 1987 to combat ozone depletion. A recent report shows that the protocol has been very successful in combating ozone depletion across the globe (UNDP, 2014).

**Figure 2.7: Difficulties ensuring sustainable production and consumption patterns**



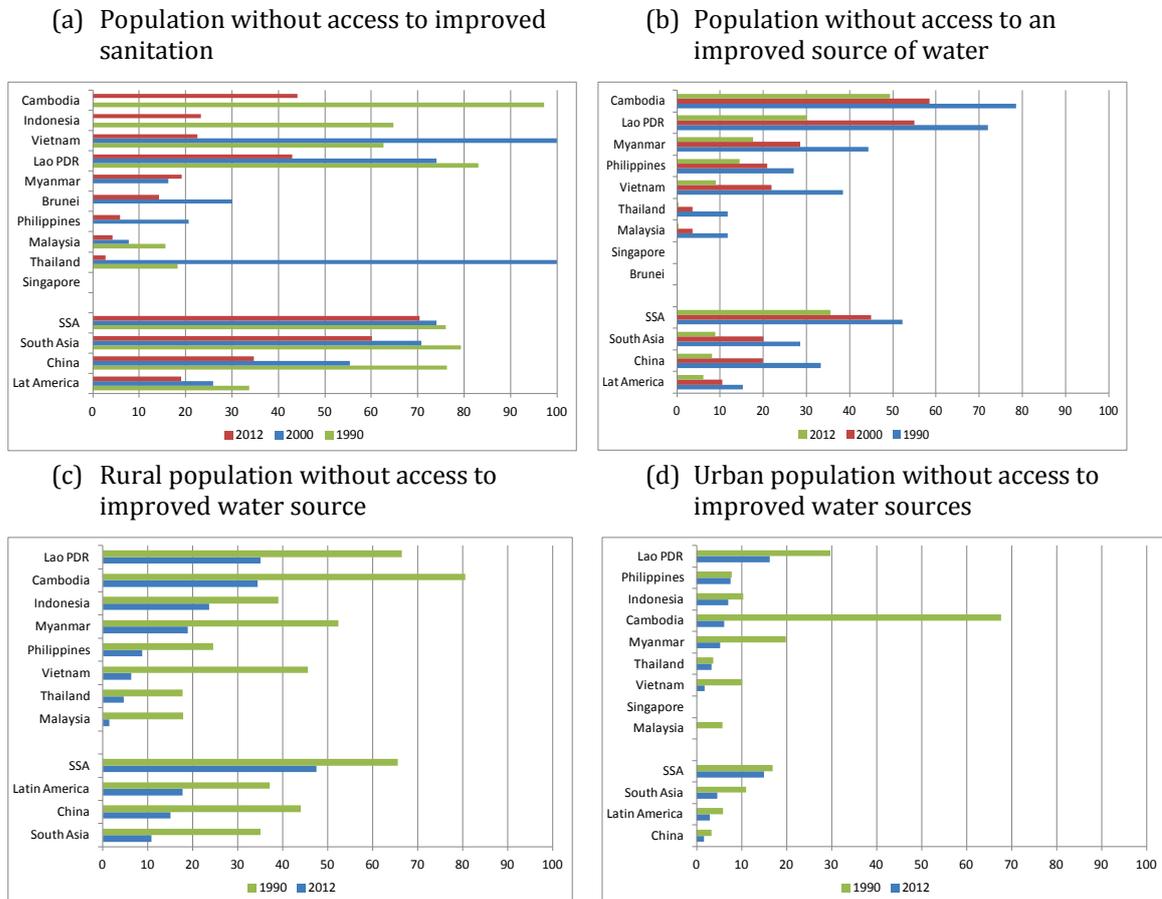
Source. Estimates based on data sources as per Box 2.1. ODP = ozone-depleting potential-weighted metric tons which are metric tons of individual ozone-depleting substances multiplied by their ozone-depleting potential.

27. ASEAN has also successfully been increasing access to improved sanitation and water sources. In 1990, only a small minority of the populations in Lao PDR and Cambodia had access to any form of sanitation facilities. In fact, access levels were below countries in sub-Saharan Africa and South Asia. In several countries, a significant share of the population lacked access to improved water sources. In the 25 years that followed, and especially between 2000 and 2015, many more people were given access to cleaner water and better sanitation systems. However, the population living without an improved access to water remains higher than in China or even South Asia in most ASEAN Member States (Figure 2.8, a and b).

28. Differences between rural and urban areas also persist (Figure 2.8, c and d). Dense urban areas easier lend themselves to infrastructure investments than disperse rural areas; the effects of sanitation and water deficiencies also become very apparent in congested cities and are often therefore a focus of policy. Rural populations have seen a faster reduction in the number of people without access to improved water, but this may also reflect that there was much more ground to cover. In four ASEAN Member States, over 10 percent of the rural population do not have access to an improved water sources and in total, over 100 million people in rural areas in the region lack access to improved sanitation, contributing to environmental

contamination and high exposure to various types of diseases (e.g., microbial infections, cholera, or hepatitis).

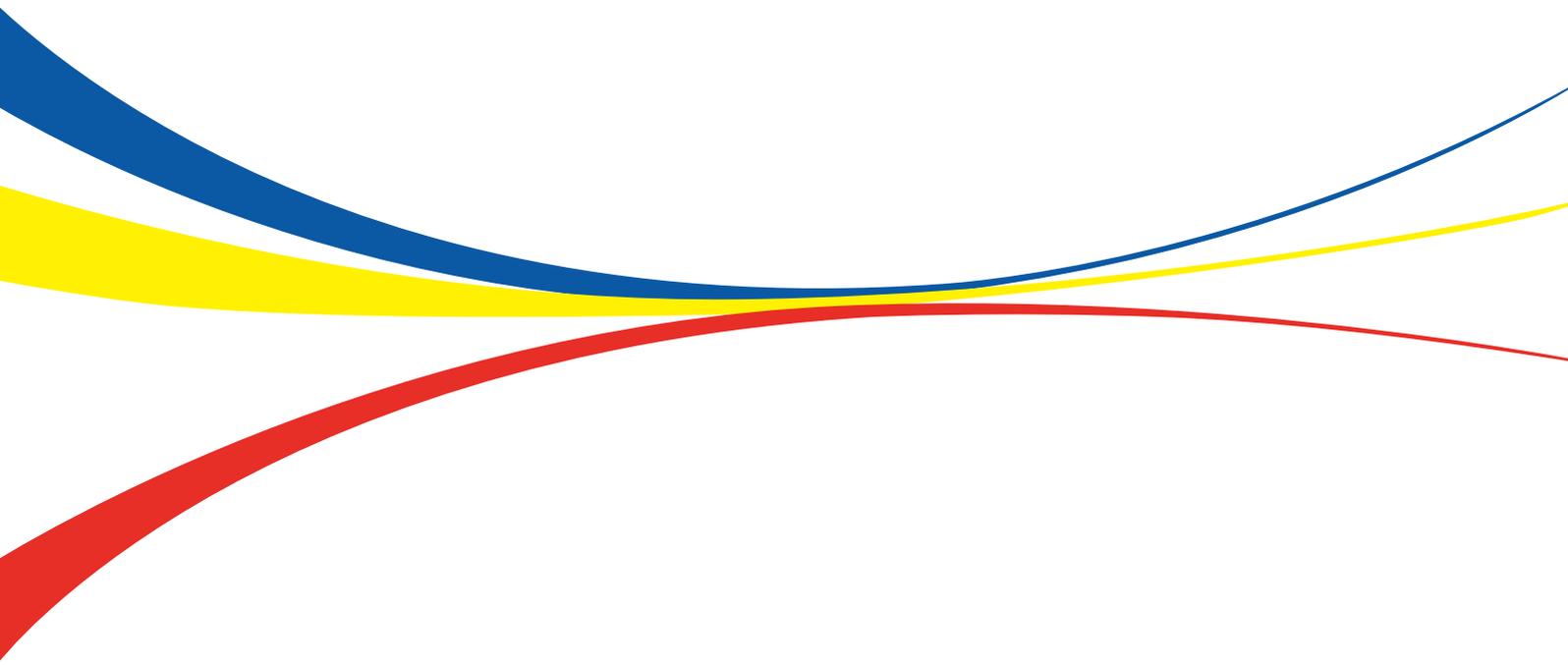
**Figure 2.8: Improving access to sanitation and water**



Source. Estimates based on data sources as per Box 2.1.



**Emerging challenges and  
policy issues**



### 3. Emerging challenges and policy issues

29. The review of progress on the MDG agenda has revealed strong, indeed remarkable achievements on areas at the heart of economic and social development. ASEAN populations have by and large been lifted out of extreme levels of poverty and deprivation, almost all children go through primary school, and child and maternal mortality have come down overall. Particularly strong progress has been noted in the poorest countries.

30. Yet, significant challenges have also been identified. This includes ensuring both more inclusive and more sustainable growth patterns, ensuring high quality schooling, improving nutrition and access to quality health care, and perhaps especially ensuring the fair and equal participation of vulnerable groups in the economy and society.

31. Moving beyond the incomplete MDG agenda, new challenges related to sustainable development and poverty reduction are also emerging. In some cases, these new areas are part of the unfinished business of the MDGs; in others, they represent the next level in the process of economic development. The continued integration of production and work, the ongoing process of building resilience through disaster risk reduction and climate change adaptation measures, and changing consumption and production patterns, provide opportunities but also new risks. For ASEAN Member States, the explicit goal of deepening and broadening integration as one community will have effects on a variety of socio-economic dimensions, including employment opportunities, environment, labor migration, nutrition and health.

#### Identifying and monitoring key challenges for the Post-2015 era

32. As the UN Member States prepare to adopt a set of development goals (the Sustainable Development Goals (SDGs)) for the period beyond 2015, ASEAN is identifying its own priorities towards shared and sustainable prosperity. Among those raised in the ASEAN Charter from 2008, safety from conflict, governance and democracy, human rights, and equitable access to opportunities stand out as a set of issues gaining importance as ASEAN Member States approach the next step of development.

33. The SDGs, while still in draft form, build on the MDGs but are also widening the development agenda based on lessons learned from past efforts as well as challenges that have emerged after the turn of the millennium. In particular, the agenda forming around new development objectives puts additional emphasis on inequality; improving access to employment and decent work; productivity in poor earning sectors (in particular agriculture); climate change and the environment more broadly (including clean water, clean energy, and clean air); urbanization pressures; resilience of the poorest to economic, natural and social shocks; new causes of mortality and illness, including a rise of non-communicable diseases and ill health and death due to drugs, pollution, and traffic; and special attention to strengthening the means of implementation as well as global (and regional) partnerships (Box 3.1).

### Box 3.1: The Sustainable Development Goals: Proposal from the OWG

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GOAL 1	End poverty in all its forms everywhere
GOAL 2	End hunger, achieve food security and improved nutrition and promote sustainable agriculture
GOAL 3	Ensure healthy lives and promote well-being for all at all ages
GOAL 4	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
GOAL 5	Achieve gender equality and empower all women and girls
GOAL 6	Ensure availability and sustainable management of water and sanitation for all
GOAL 7	Ensure access to affordable, reliable, sustainable and modern energy for all
GOAL 8	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
GOAL 9	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
GOAL 10	Reduce inequality within and among countries
GOAL 11	Make cities and human settlements inclusive, safe, resilient and sustainable
GOAL 12	Ensure sustainable consumption and production patterns
GOAL 13	Take urgent action to combat climate change and its impacts*
GOAL 14	Conserve and sustainably use the oceans, seas and marine resources for sustainable development
GOAL 15	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
GOAL 16	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
GOAL 17	Strengthen the means of implementation and revitalize the global partnership for sustainable development

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Source: United Nations Open Working Group on SDGs (Open Working Group on Sustainable Development Goals, 2014).

34. Integrating the unfinished business with emerging challenges, a set of key themes emerge for the post-2015 era for ASEAN Member States, within the overarching theme of making economic growth inclusive and sustainable. These include: (i) Making economic progress more inclusive; (ii) Managing and broadening the benefits of urban growth; (iii) Providing better jobs; (iv) Deepening skills for the modern economy; (v) Meeting persisting and emerging health threats; (vi) Responding forcefully to climate change and vulnerability to natural disasters; (vii) Establishing social protection systems that build resilience; and (viii) Improving governance.

35. The MDG process has highlighted the potential impact of identifying measurable challenges, defining indicators, and establishing monitoring mechanisms for holding the development community at large accountable to their commitments and allowing for benchmarking across countries. ASEAN will need to coordinate with and adapt to the global set of indicators, which have been developed and adapted for maximum relevance through expert groups for each specific area of development (e.g. health or environment). While it is beyond the scope of this report to provide such expertise, the indicators used below could be considered a suggestion of the kind of monitoring framework that could be established for the region. More specifically, the MDG experience also showed that it is easy to overlook important gaps at a disaggregate level when focusing on indicators at a national level. In fact

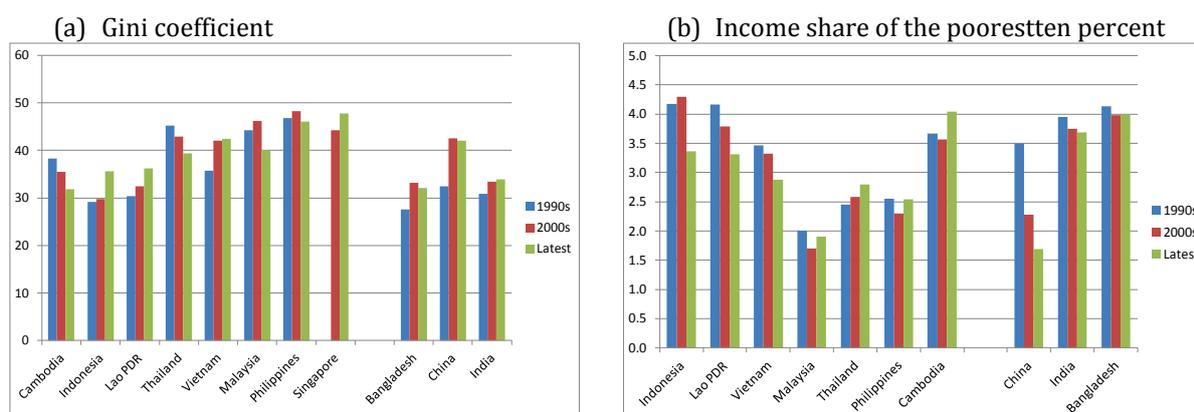
growing countries like the ASEAN Member States, tracking progress at a disaggregate level becomes even more important.

### Making progress more inclusive

36. Economic growth has reduced poverty in ASEAN, but it has not necessarily been pro-poor – that is, growth has not necessarily benefited the poor as much as other groups. In parallel with ASEAN’s strong record on poverty reduction, income inequality has increased in some countries (Figure 3.1). Since 2000, the Gini coefficient has fallen in Cambodia, Thailand, the Philippines and Malaysia, but it is on the increase in Lao PDR and Indonesia. Inequality levels also compare poorly to less wealthy countries in South Asia as well as to the OECD. The share of income that belongs to the 10 percent poorest in the population has also fallen significantly in some countries, and in all countries except Cambodia it is lower than in countries like Bangladesh which struggles with much higher poverty levels.

37. There is evidence, hence, of both widening welfare gaps more generally, and of the concentration of deprivation in smaller groups of core at risk people that are not able to partake in the process of economic development. As development progresses, focus may need to shift from relying on trickle-down effects from economic growth to strategies for including the chronically poor and vulnerable. The review of MDGs showed widening gaps among rural and urban populations, as well as for specifically vulnerable groups, in particular ethnic minorities. It also showed persisting gender inequalities in some areas. Among the driving forces of these growing gaps are increasing skills premium in labor markets, a lower share of labor income in total value added, and rising spatial inequalities (Zhuang, Kanbur, & Rhee, 2014). Rising inequality is a concern from a democratic and individual human rights perspective, but it is also a threat to social cohesion and as such to long-term economic and political stability.

**Figure 3.1: Inequality is high**



Source: Estimates based on data sources as per Box 2.1. Measures of inequality, such as Gini coefficients, can be calculated on the basis of household income and of expenditure. These are not perfectly comparable. Figure 3.1 (a) displays Gini coefficients derived from both income and expenditure data. The estimated income share is the share of the poorest 10 percent (the poorest decile) of the population in total income. With perfect income equality, all deciles would have a ten percent share.

## Managing and broadening the benefits of urban growth

38. The rapid process of urbanization – in itself a mark of rapid economic growth is also a measure of spatial inequalities. Cities in Southeast Asia have expanded rapidly and the urban population has doubled over the past 25 years. By 2013, nearly 300 million of ASEAN's populations lived in cities, of which 84 million lived in cities with over one million inhabitants (Figure 3.2, a). The increasing concentration of people in urban areas reflects the spatial concentration of economic activity which in turn has led to in-migration from rural areas.

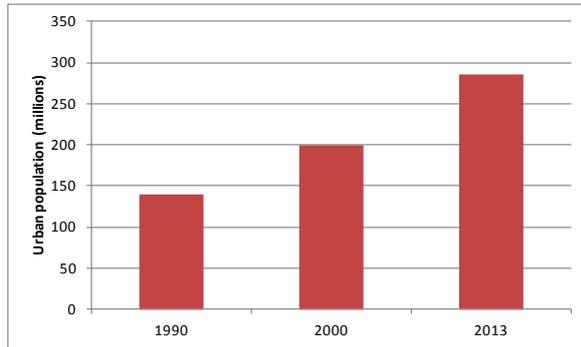
39. Rapid growth in city populations is putting significant pressures on urban infrastructure and other public services, as well as on job opportunities in urban areas. As such it also risks propagating inequality within urban areas. According to UN-Habitat's estimates, Kuala Lumpur, Manila, Bangkok and Ho Chi Min City now count among the most unequal cities in the world (UN Habitat, 2013).

40. The persistence of urban slums – informal urban settlements that lack reliable infrastructure, law enforcement, and other public goods and services – points to this unbalanced growth pattern. In 2009, 23, 18, 9 and 6 million people lived in urban slums in Indonesia, Philippines, Vietnam and Thailand, respectively (Figure 3.2, b). The trend towards larger urban populations is expected to continue; ASEAN urban areas are expected to grow by a staggering 100 million people between 2015 and 2030, the result of a complex pattern of rural-urban migration as well as international migration flows and natural population growth. Accommodating such expansions in planned and coordinated urban systems that increase quality of life of urban citizens is a key challenge that requires strong policy coordination. This includes actions to strengthen urban disaster resilience.

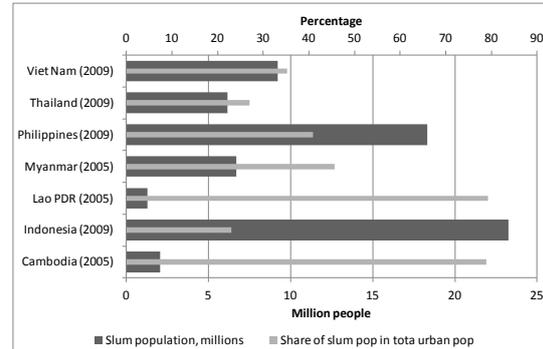
41. Rapid urbanization and increased economic integration has also brought challenges in terms of combating existing and emerging threats from organized crime related to narcotic drugs – the value of illicit trades in heroin and methamphetamine alone are estimated at around 2 percent of ASEAN's GDP. With integration and infrastructure reinforcement along common developing areas, there is increasing pressure to ensure efficient but legal movements across borders, many of which are currently highly porous. In recognition of the perils related to organized crime and drugs, the "ASEAN Leaders' Declaration on Drug-Free ASEAN 2015" adopted in 2012 commits ASEAN countries to intensify efforts to eradicate illicit drug production, processing, trafficking and abuse by 2015 (United Nations Office on Drugs and Crime: Regional Office for Southeast Asia and the Pacific, 2013).

**Figure 3.2: Fast but unbalanced urban growth**

(a) Urban population in ASEAN, 1990, 2000, 2013 (millions)



(b) Urban population living in slums (millions and as share of total urban), latest available



Source: Estimates based on United Nations Population Division, UN Habitat, 2013.

### Fostering more productive jobs

42. ASEAN’s progress on poverty reduction can largely be ascribed to an economic growth process that helped transform many, although far from all, jobs from low productivity to higher productivity occupations and sources of income. The share of workers in agriculture – where productivity is lowest and poverty highest – fell steadily over the past decades, by between 30 and 50 percent, reflecting both rapid urbanization and economic modernization. For the most part, countries managed to achieve a broad based economic and social transformation through better job opportunities, bringing productivity gains and improvements in living standards, as well as continued social cohesion (Packard & Nguyen, 2014).

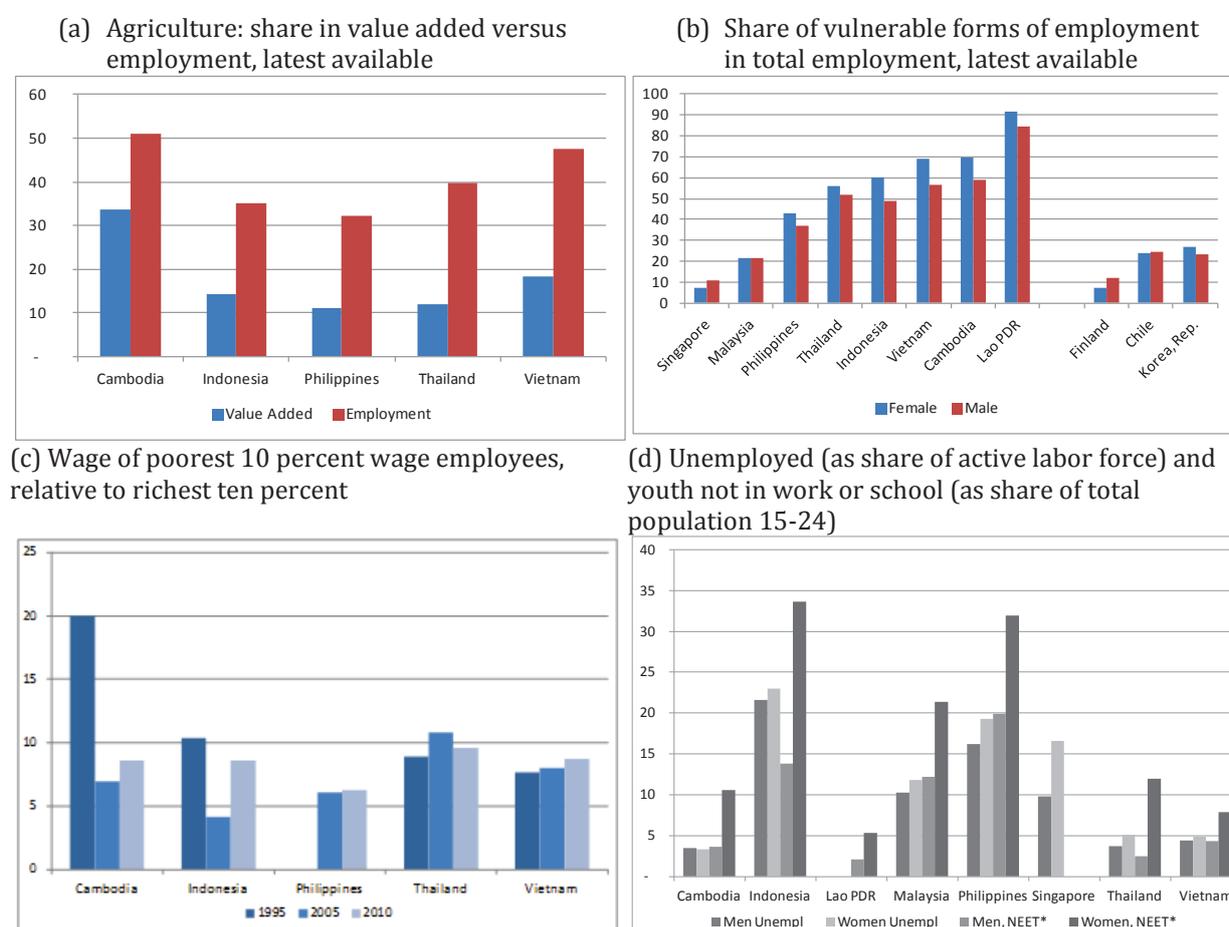
43. However, uneven access to productive employment remains the most critical cause of inequality. From this perspective, notwithstanding the good progress, several countries still have large shares of the population in agriculture, although the sector’s contribution to value added is much more limited. In practice, this means that rural populations still, by and large, depend on an agricultural sector that is marred by limited labor productivity and high earnings volatility. Further, the majority of working adults in Thailand, Indonesia, Vietnam, Cambodia, and Lao PDR are in more insecure forms of employment without fixed wages and social protection, such as household-based enterprises or self-employment (Figure 3.3, a and b). Although child labor incidences have fallen dramatically, one third of all children aged 7-14 in Cambodia work. Even in a high income country like Singapore, a study of low income households show a clear relationship between access to higher paying jobs and income generating capacity, with less than 12 percent of respondents in white collar work<sup>12</sup>(Government of Singapore, Ministry of Social and Family Development, 2013)The slower progress of transformation of labor market outcomes towards higher productivity occupations and sectors is strongly linked to poverty and deprivation. In Lao PDR, ethnic minorities have less access to better jobs and better wages (Packard & Nguyen, 2014). In Vietnam, ethnic majority groups, even among the rural poor, have more diversified sources of income off the farm than those from

<sup>12</sup> Typically, senior official/legislators, managerial professional, or technical occupations.

minority groups (World Bank, 2012b). Overall wage inequality is also high and has not fallen over time (Figure 3.3, c).

44. Increasing inequality in income and opportunities is a concern also for younger generations. At the same time as access to education has increased, a great number of young people are not finding productive jobs. In several countries, youth unemployment rates are high; in others, a large share of the young population remains inactive, neither working, looking for work, nor studying (Figure 3.3, d). Slow or incomplete transition from school to productive work opportunities raises the risk of youth falling into inactivity or low-income traps, over time becoming unable to enter labor markets at a higher earnings level because of lack of experience and a deterioration in unused skills.

**Figure 3.3: Employment is still dominated by low productivity and vulnerable jobs, especially in the poorer countries**



Source: Estimates based on data sources as per Box 2.1; for Figures 3.3c and d, World Bank, 2012a. NEET=Not in Education, Employment or Training. Vulnerable employment: self-employment and unpaid family work.

### With more and new skills

45. As ASEAN Member States have attempted to move towards higher value added goods and services, and as production processes have become more sophisticated, skills deficits have begun to emerge. In a globalized economic

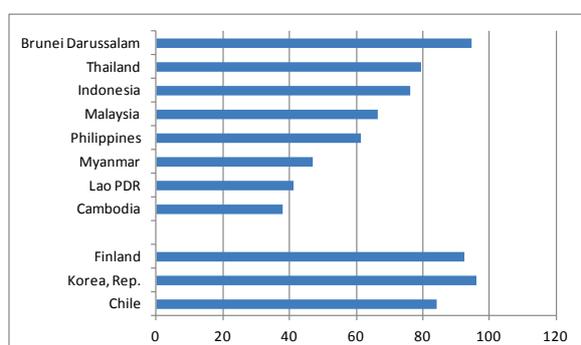
production system, countries wishing to remain competitive can no longer capitalize on solid levels of basic education, literacy and numeracy alone. Higher order skills will be needed. For the future, the ability of education and training systems, including enterprises' own skills development strategies, to deliver labor market relevant skills, including technology and entrepreneurship competencies, are factors that now matter for competitiveness. Although ASEAN Member States here, as in other areas, differ significantly in starting points, challenges and medium-term goals, the skills agenda is important across the board. Building skills takes time, and tomorrow's work force is formed today, from early childhood into post-secondary education.

46. Beyond primary education, there are still education gaps in some countries. Less than half of children and youth in the appropriate age group in Cambodia, Lao PDR and Myanmar are enrolled in secondary levels of education. Moreover, getting education is not a guarantee for success, showing that there are problems with quality and relevance of skills also at higher levels. The share of unemployed people with tertiary education has increased in all countries for which there are recent data and accounts for more than one quarter of all unemployed in several countries. This mismatch in level and content of skills points to a skills gap in the labor market: over 10 percent of firms in Lao PDR, Myanmar, and Vietnam, and one in three Malaysian firms, consider an inadequately educated work force the greatest bottleneck to business (World Bank, 2014a). At the same time, uneven access and quality of education, especially in rural areas, coupled with strong incentives for migration, have in some countries resulted in high inflows of low skilled migrants to urban areas, which in turn has contributed to reducing options for more productive jobs in urban centers and has increased the rate of urban unemployment and informal, low productivity work.

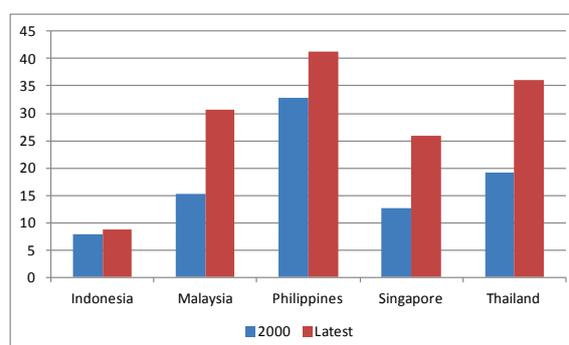
47. Technical skills tend to be highly valued by employers everywhere, but so is the ability to work in teams, solve problems independently, and adapt to changing demands. These skills are formed from early life and onwards, in both schools and homes. Although countries are increasingly providing strong foundational skills, more work is needed to adapt these skills to labor market needs (Packard & Nguyen, 2014). These efforts include, but are not limited to, building basic foundations, flexibility and learning capacities through good basic education; fostering technical and vocational training systems that are connected to labor market and private sector needs; and encouraging continued professional development through life-long learning (e.g., on-the-job training, apprenticeships, and skills upgrading courses—within or outside of firms).

**Figure 3.4: Skills gaps in quantity and quality**

(a) Net enrolment rates in secondary education, latest available



(b) Unemployed with tertiary education, as share of total unemployed, 2000 and latest available



Source: Estimates based on data sources as per Box 2.1.

## Meeting persisting and emerging health threats

48. The populations in ASEAN Member States live, by and large, under continued health threats from HIV/AIDS, tuberculosis, malaria, and dengue fever, all communicable diseases that were identified as critical challenges in the MDG agenda. There have been strong efforts to contain these threats through various initiatives focusing both on prevention, early detection, and access to relevant medical assistance.

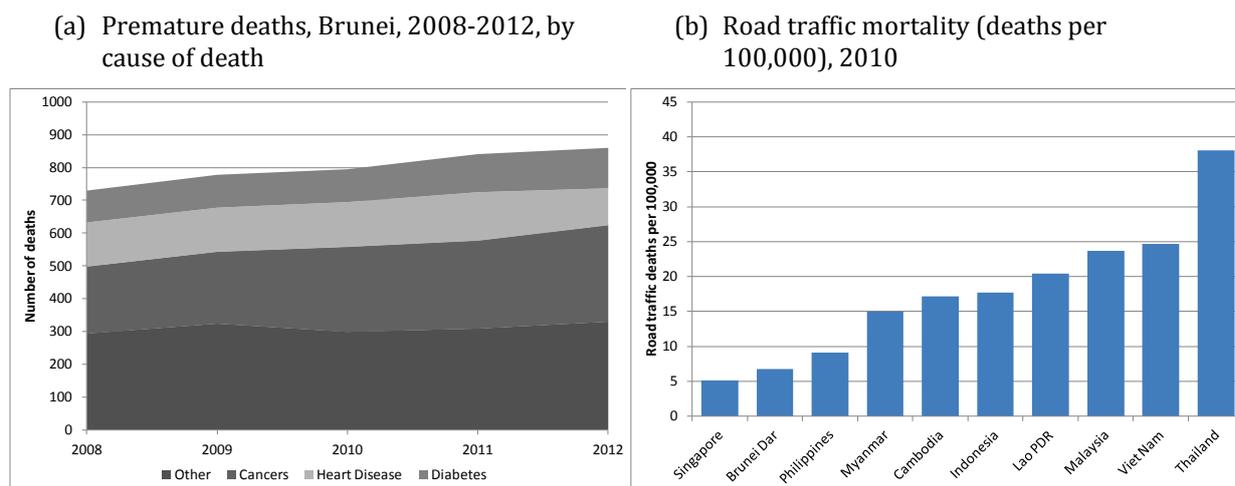
49. It is a witness to the strength and influence of the MDG agenda that “what gets measured gets done”. By the same token, however, health issues that were not included as priority areas in the MDGs have been receiving less attention. In particular, non-communicable diseases, like cardiovascular diseases, chronic respiratory diseases, cancer, and diabetes, are a significant cause of premature death, particularly in developing countries. WHO estimates that 80 percent of premature deaths due to non-communicable diseases could be prevented. The changing pattern of disease and mortality may partly be ascribed to changing lifestyles, involving more sedentary lives, different diets, more exposure to pollution and congestion, and new tobacco, alcohol and drugs habits. In Brunei, for example, the number of premature deaths ascribed to cancer, heart disease, and diabetes are rapidly increasing (Figure 3.5, a).

50. At the same time, industrialization and rapid and uncoordinated urbanization and concentration in large cities is also taking a toll. As an example, the number of traffic related deaths in most ASEAN Member States is significantly higher than in countries in Western Europe and is particularly high in Vietnam, Malaysia and Thailand (Figure 3.5, b). Globally, the estimated number of deaths attributable to ambient particular matter (PM) pollution quadrupled between 2000 and 2010 (OECD, 2014). Developing countries in ASEAN are vulnerable to these risks: while underweight children remain the lead cause of burden<sup>13</sup> of disease in sub-Saharan

<sup>13</sup>This time-based measure combines years of life lost due to premature mortality and years of life lost due to time lived in states of less than full health.

Africa, it ranks as number 38 in East Asia, while high body-mass index as well as air pollution rank among the top ten causes(OECD, 2014).With intensified globalization, including international migration, the world is also vulnerable to large scale threats from pandemics. This is no less true for ASEAN, which was particularly affected by the avian flu and Severe Acute Respiratory Syndrome (SARS). Strong preparation and prevention initiatives, together with coordination and communication around diseases, are needed to control outbreaks.

**Figure 3.5: New health threats emerging**



Source: UNDP/ASEAN sectoral body focal point survey (a), World Health Organization (b).

### Box 3.2: The rise of non-communicable diseases

Non-communicable diseases (NCDs) kill 38 million people each year.

Almost three-quarters of NCD deaths - 28 million - occur in low- and middle-income countries.

Sixteen million NCD deaths occur before the age of 70; 82% of these "premature" deaths occurred in low- and middle-income countries.

Cardiovascular diseases account for most NCD deaths, or 17.5 million people annually, followed by cancers (8.2 million), respiratory diseases (4 million), and diabetes (1.5 million).

These 4 groups of diseases account for 82% of all NCD deaths.

Tobacco use, physical inactivity, the harmful use of alcohol and unhealthy diets all increase the risk of dying from an NCD.

Source:World Health Organization, 2015.

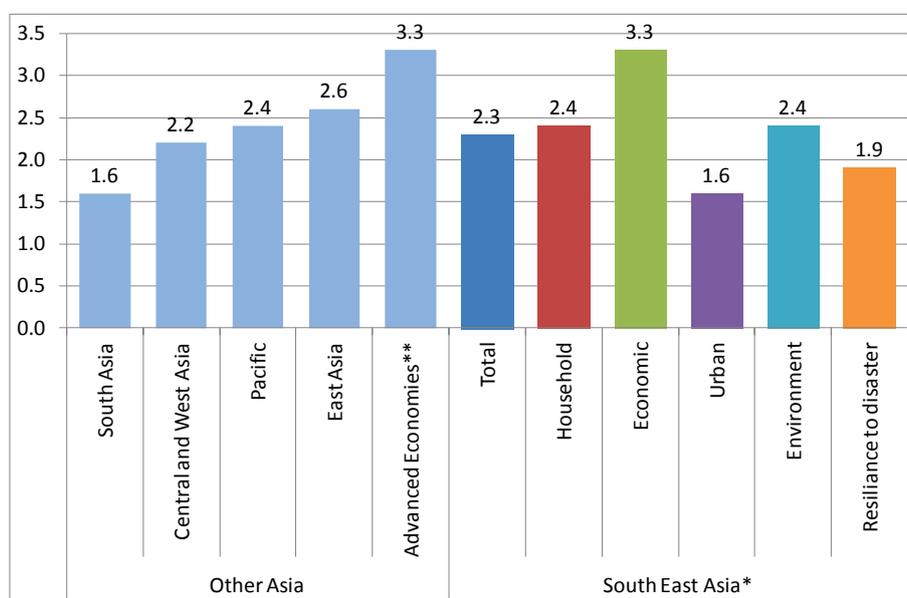
## Acting on Climate Change and Resilience

51. Balanced and sustainable development with a respect for the limitations in planetary resources has been one of the most difficult tests of the MDG agenda. Changing lifestyles and spatial dynamics have intensified these challenges, including through the repercussions of climate change. ASEAN Member States are facing the threats of rising sea levels, more frequent and more powerful floods, as well as

potentially weakening agricultural productivity due to higher variability of climate. The poor are always more vulnerable to such disasters than the non-poor. An approach that both centers on reversing the trend in CO2 emissions and other unsustainable consumption and production patterns, and that builds systems to cope with the effects of change, is needed.

52. Access to clean water and sanitation is a basic human right. The Water Security Index developed by the ADB identifies several dimensions to water security: satisfying household water and sanitation needs, providing an input to productive activities including but not limited to food production, sustainable urban water services, balanced eco-systems, and resilience to water-related disaster (ADB, 2013). Using this framework, water security is not assured in Southeast Asia. While the region ranks fairly well in terms of economic water security, water services in urban areas are limited. Moreover, the region's ability to cope with and recover from water related natural disasters (e.g., storms, flooding) is insufficient (Figure 3.6).

**Figure 3.6: Water Security Index, Asian sub-regions.**



Source: ADB, 2013.

53. Several Member States in the ASEAN Community are among the world's most exposed nations to the dangers imposed by climate change. The Asia-Pacific zone remains globally the most vulnerable to natural disasters, both in terms of frequency and in terms of impact. The region lost an estimated two million people in natural disasters between 1970 and 2011. Three in four persons killed globally in this period lived in Asia. Climate change is intensifying the impact of such disasters. For example, the intensity of typhoons appears to have increased (ESCAP, 2012). Vietnam, Myanmar, Thailand, and the Philippines, have all been affected by natural disasters in recent years in both urban areas and small villages. The Declaration on Institutionalizing the Resilience of ASEAN and its Communities and Peoples to Disasters and Climate Change, adopted in April 2015, underlines the importance of having policy coherence that links disaster risk reduction, climate change adaptation, and long-term sustainable development (ASEAN, 2015). Planning and programme

development in ASEAN needs to be climate- and risk-informed both at the national and sub-national levels, including an understanding of the vulnerabilities faced by different groups of people. Development plans would similarly need to work proactively to increase capacities for prevention and mitigation towards building resilience.

### **Strengthening social protection systems**

54. Both experience from the past and a look towards the future provide several motivations for strong social protection systems that can help individuals prevent and manage risks. On the one hand, countries need to have the capacity to swiftly deal with aggregate shocks that affect large parts of the population at once, or hit specific groups more deeply. On the other hand, social protection also exists to help people manage individual risks at the family and household level. The ASEAN Declaration on Strengthening Social Protection, adopted in 2013, emphasizes that social protection is a human right and that nobody in need should be excluded from essential services (ASEAN, 2013a).

55. Even temporary shocks can have long lasting and perhaps life-long effects on well-being. There is substantial evidence of the long lasting effects on MDG-related areas even of relatively short-lived economic crises (World Bank, 2010). The Asian Financial Crisis in 1997-1998 highlighted the dire long-term human and economic consequences of not having safety nets in place. Even temporary effects, like increasing malnutrition for children, lower school attendance, or prolonged spells of unemployment, inactivity, or low paid work, can have long-term consequences for individual's cognitive skills, health and overall income earning capacity.

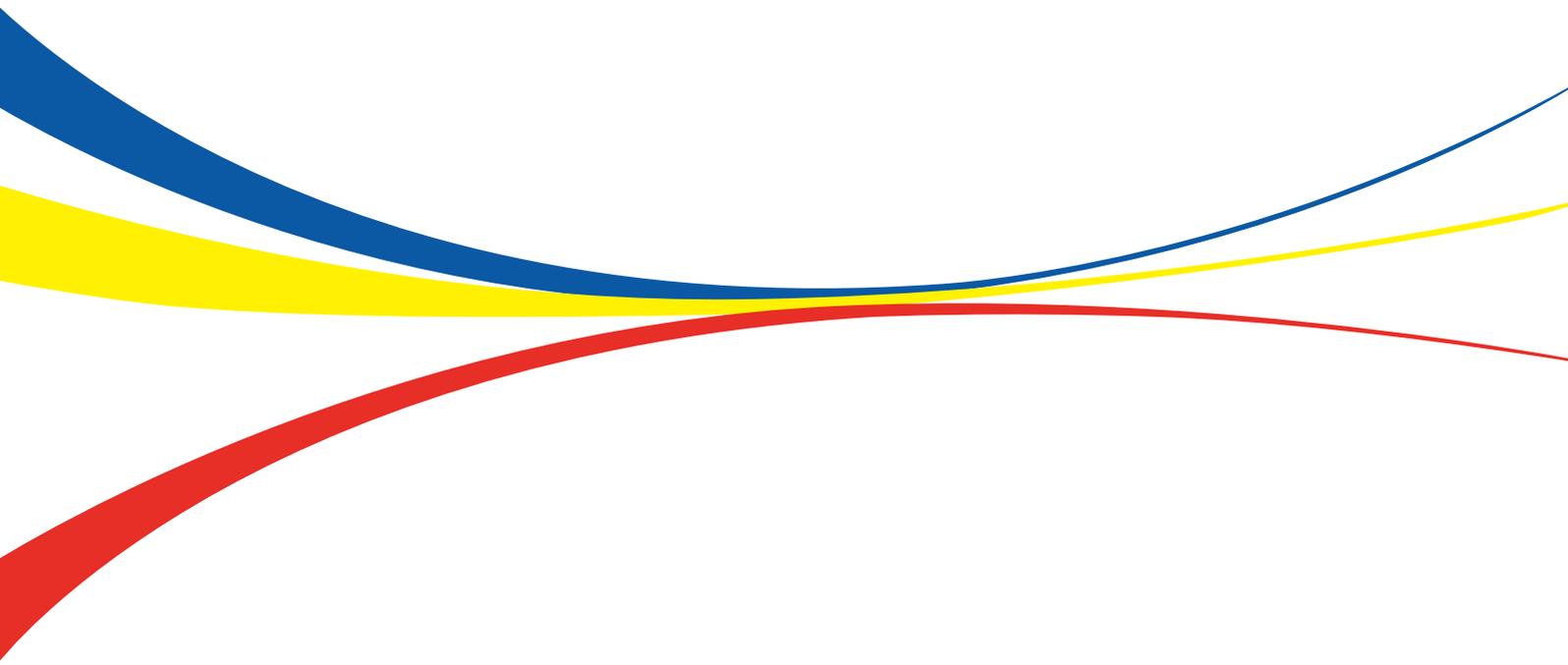
56. Dynamic economic change creates winners and losers. Social protection systems can assist in cushioning the negative effects of change and build support for such developments without holding back change itself (Paci, Revenga, & Rijkers, 2012). Open and increasingly integrated economies like the ASEAN Member States are likely to see economic and financial shocks generated elsewhere transmitted through their own economies. Natural disasters, a permanent risk factor in the region, also carry significant economic costs, and the ability to recover quickly after such events will depend on the resilience of social protection systems as well. Moreover, there is a poverty, nutrition and basic education agenda that is partly unfinished and there is consensus that groups of core or chronically poor still exist in many countries who are not able to benefit from growth processes. Strong social protection systems can help such households better manage income shocks and life cycle events. The example of Indonesia's scholarship program *Jaring Pengaman Sosial* shows the value of safety net systems to protect poor children's school enrollment in times of shock (Cameron, 2002). Although social protection has become incorporated in most poverty reduction approaches in ASEAN, there is a concern that systems need to be better adapted to reach the most vulnerable groups, including women and children, especially from minority ethnic groups (Jones & Stavropoulou, 2013).

## Improving Governance

57. The findings of this report also underscore the importance of capable, transparent and fair governments. For one thing, specific groups are still largely without voice and agency in public life and are not benefiting from publicly provided services. Rising inequalities are creating tensions in traditionally cohesive societies. With growing incomes, citizens tend to increase their capacity to organize themselves and exert political pressure. An effective and efficient policy agenda will also rely on the capacity of governments to create partnerships, seek out synergies and recognize complementarities with these partners, and coordinate policy interventions. Results-driven policy requires not only high capacity – ASEAN Member States generally are considered to display high government effectiveness and good regulatory quality – but also transparency and inclusive development processes.



**Ways forward in defining and  
collaborating on  
the development agenda  
beyond 2015**



#### **4. Ways forward in defining and collaborating on the development agenda beyond 2015**

58. The year 2015 is a milestone for the 10 Member States that make up ASEAN, as it represents the target set for the establishment of the ASEAN Community. The process of integration coincides with the process towards defining a new inclusive and sustainable development agenda, beyond the targets set for 2015 with the MDGs some fifteen years ago. A key finding of this report is that much has been achieved in terms of reducing poverty and improving well-being, that there has been some convergence in socio-economic outcomes, but that some challenges persist and new ones have surfaced. Another finding is that progress on one indicator is related to others, as in the case of employment and poverty reduction, or malnutrition and improved infrastructure for water and sanitation. Policy responses, hence, must be coordinated and coherent.

59. ASEAN is now in the process of defining priorities for the medium-term future. Development priorities will differ between ASEAN Member States depending on the level of development and other country specific characteristics and challenges. Some common themes and priorities from this review can nonetheless be identified, including inequality, urbanization, and building resilience to disasters and climate change. There are strong reasons to intensify collaboration across these different policy themes. The process of integration should benefit from a process of coordination outside the area of economic policy. Several policy challenges are better tackled at a regional rather than country level. Obvious areas for such collaboration include prevention and mitigation of the risks related to disasters and the impacts of climate change, work towards improving sustainable development processes, migration flows, the response to communicable and emerging infectious diseases, cross-border criminal networks, and transboundary social and health issues that require cross-sectoral coordination (e.g., drug resistant diseases or the flow of fake or substandard medicines). The most extreme form of these challenges such as increasing exposure to more violent natural disasters or the development of pandemics, require ASEAN Member States to have put in place systems to help populations cope with and recover from large scale shocks, for example by developing systems of surveillance and disease control in order to respond to epidemic outbreaks.

60. ASEAN is focused on promoting and facilitating active regional collaboration around important policy issues. It will remain so going forward. Currently, collaborative work is carried forward primarily through established focal points in ASEAN's sectoral bodies. It is a good time to consider how these activities are working, including for the purposes set out by the ASEAN Roadmap for Attainment of the MDGs such as strengthening advocacy around development goals, building and sharing knowledge, and the identification and exchange of expertise (ASEAN, 2011). As the region turns its focus to defining a set of post-2015 priorities, it is thus appropriate to raise questions about how regional solutions might be delivered most effectively. For example, can the current implementation mechanisms be strengthened further? Is collaboration working better for some thematic areas than others? Does the availability of expertise from inside and outside the region differ? Are all countries benefitting from exchanges and tool-kits to address development

policy challenges at home? Are there follow-up mechanisms in place that enhance accountability and help identify next steps? Moving forward, key activities to consider in the context of the post-2015 development agenda include:

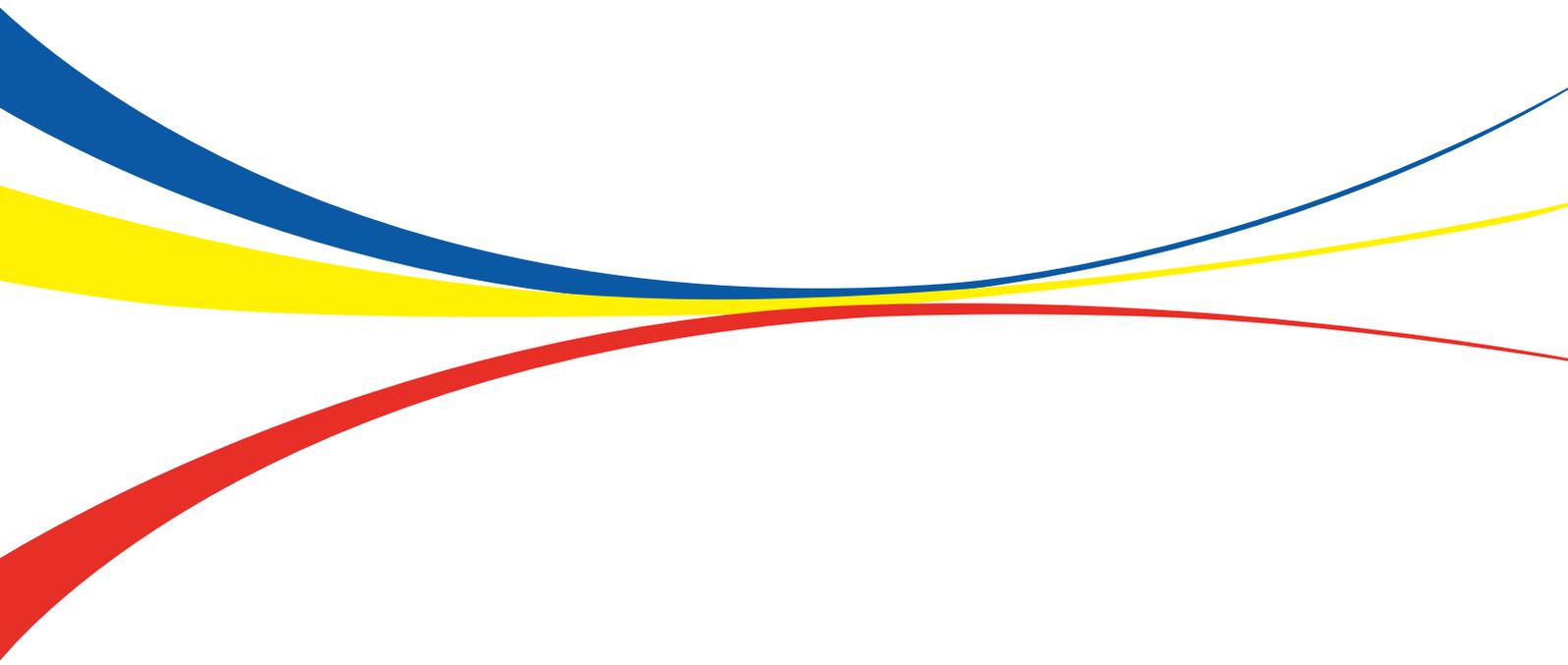
**61. Identifying good practices and setting regional norms.** ASEAN can establish the principle of results-driven and results based policy, focusing on identifying good and innovative approaches, and evaluating their effectiveness. ASEAN should continue to work towards identifying best practices across the different policy areas and themes – from within the Community and from outside the region, as well as setting standards and norms.

**62. Promoting peer-to-peer exchanges.** Countries with different development challenges in the aggregate may nonetheless identify common areas of policy interests. ASEAN remains well placed to identify and promote bilateral exchanges around common themes. In view of emerging themes, this may include policy targeting of ethnic minorities, accessing remote populations, processes of decentralization, challenges for mega-cities, and other areas that are shared concerns for some countries and not for others.

**63. Improving monitoring frameworks.** “What gets measured gets done”, and once a set of new development priorities has been established, ASEAN should have the mandate to develop a solid monitoring and evaluation framework. This report has identified significant variation in data availability across the region, probably reflecting differences in statistical capacity between countries. Important tasks are to build statistical capacity, harmonize measurements, identify relevant indicators, and provide regular monitoring and evaluation of the framework.

**64. Enhancing statistical capacity.** In particular, ASEAN could complement international efforts at measuring and harmonizing data, especially by focusing more on disaggregated indicators. The MDGs have been monitored by the UN agencies and while ASEAN could monitor the completion of these databases, data collection work should be coordinated and not duplicated. But a key lesson of the MDG process has been that aggregate indicators do not always capture specific vulnerable groups. This is increasingly an issue of concern in ASEAN, where significant improvements overall sometimes disguise slower progress for some core groups. While the new global framework cannot be expected to focus on all forms of disaggregation, ASEAN could take on the role of complementing the broader monitoring frameworks with such disaggregated indicators, putting more emphasis on distinctions between rural and urban, poor and non-poor regions or population groups, and gender in a diverse set of social and environmental indicators. In addition, and as discussed above, the increasing complexity of objectives and the transition towards multi-dimensional and interdependent development goals will also require new approaches to defining indicators for concepts like productive and decent jobs, inclusive growth, and higher order skills. Such efforts should be closely coordinated with institutions like the ADB and the UN system, in particular ESCAP.

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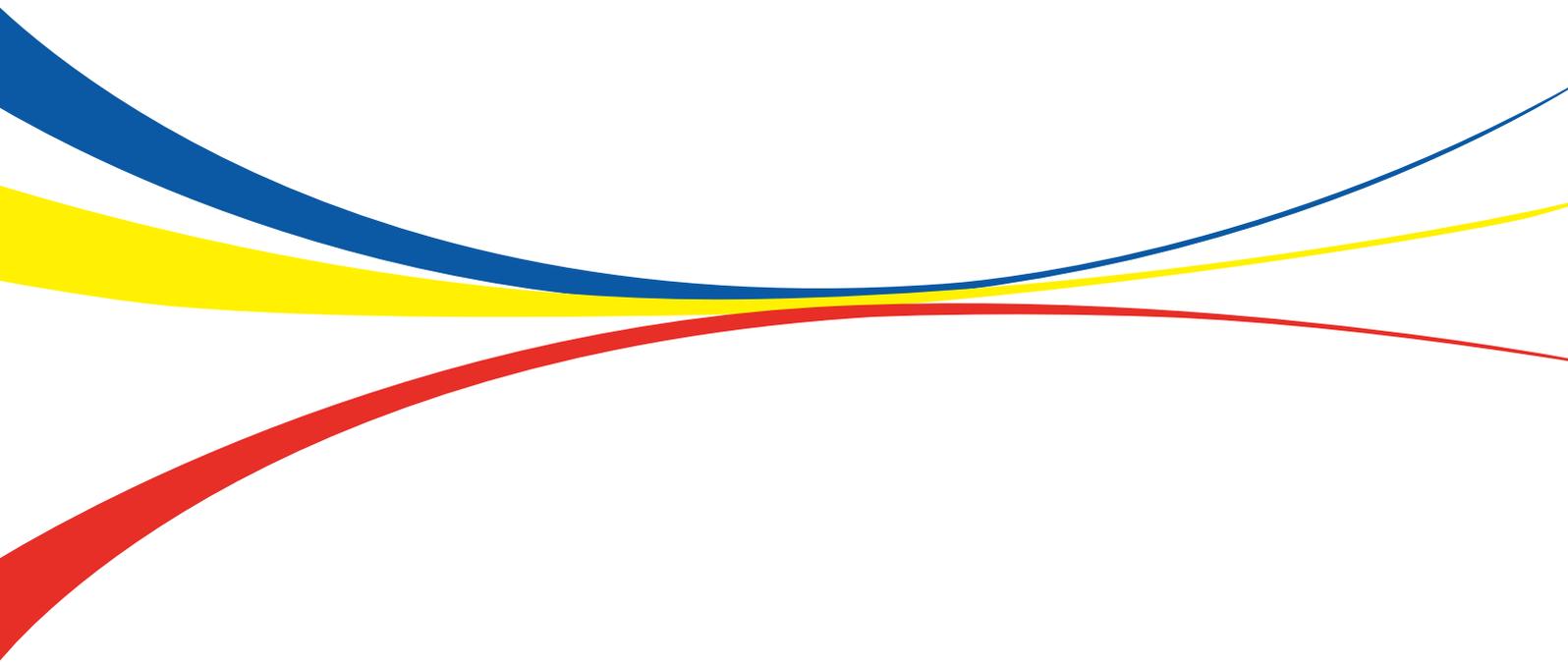
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# Annexes



## ANNEX I. PURPOSES OF THE ASEAN

1. To maintain and enhance peace, security and stability and further strengthen peace-oriented values in the region;
2. To enhance regional resilience by promoting greater political, security, economic and socio-cultural cooperation;
3. To preserve Southeast Asia as a Nuclear Weapon-Free Zone and free of all other weapons of mass destruction;
4. To ensure that the peoples and Member States of ASEAN live in peace with the world at large in a just, democratic and harmonious environment;
5. To create a single market and production base which is stable, prosperous, highly competitive and economically integrated with effective facilitation for trade and investment in which there is free flow of goods, services and investment; facilitated movement of business persons, professionals, talents and labour; and freer flow of capital;
6. To alleviate poverty and narrow the development gap within ASEAN through mutual assistance and cooperation;
7. To strengthen democracy, enhance good governance and the rule of law, and to promote and protect human rights and fundamental freedoms, with due regard to the rights and responsibilities of the Member States of ASEAN;
8. To respond effectively, in accordance with the principle of comprehensive security, to all forms of threats, transnational crimes and transboundary challenges;
9. To promote sustainable development so as to ensure the protection of the region's environment, the sustainability of its natural resources, the preservation of its cultural heritage and the high quality of life of its peoples;
10. To develop human resources through closer cooperation in education and life-long learning, and in science and technology, for the empowerment of the peoples of ASEAN and for the strengthening of the ASEAN Community;
11. To enhance the well-being and livelihood of the peoples of ASEAN by providing them with equitable access to opportunities for human development, social welfare and justice,
12. To Strengthen cooperation in building a safe, secure and drug-free environment for the peoples of ASEAN;
13. To promote a people-oriented ASEAN in which all sectors of society are encouraged to participate in, and benefit from, the process of ASEAN integration and community building;
14. To promote an ASEAN identity through the fostering of greater awareness of the diverse culture and heritage of the region, and
15. To maintain the centrality and proactive role of ASEAN as the primary driving force in its relations and cooperation with its external partners in a regional architecture that is open, transparent and inclusive.

***ASEAN Charter, Chapter 1, Article 1: Purposes.***

## ANNEX 2. MILLENIUM DEVELOPMENT GOALS

Millennium Development Goals (MDGs)	
Goals and Targets (from the Millennium Declaration)	Indicators for monitoring progress
<b>Goal 1: Eradicate extreme poverty and hunger</b>	
Target 1.A: Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day	1.1 Proportion of population below \$1.25 (PPP) per day <sup>14</sup> 1.2 Poverty gap ratio 1.3 Share of poorest quintile in national consumption
Target 1.B: Achieve full and productive employment and decent work for all, including women and young people	1.4 Growth rate of GDP per person employed 1.5 Employment-to-population ratio 1.6 Proportion of employed people living below \$1.25 (PPP) per day 1.7 Proportion of own-account and contributing family workers in total employment
Target 1.C: Halve, between 1990 and 2015, the proportion of people who suffer from hunger	1.8 Prevalence of underweight children under-five years of age 1.9 Proportion of population below minimum level of dietary energy consumption
<b>2: Achieve universal primary education</b>	
Target 2.A: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling	2.1 Net enrolment ratio in primary education 2.2 Proportion of pupils starting grade 1 who reach last grade of primary 2.3 Literacy rate of 15-24 year-olds, women and men
<b>3: Promote gender equality and empower women</b>	
Target 3.A: Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015	3.1 Ratios of girls to boys in primary, secondary and tertiary education 3.2 Share of women in wage employment in the non-agricultural sector 3.3 Proportion of seats held by women in national parliament
<b>4: Reduce child mortality</b>	
Target 4.A: Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate	4.1 Under-five mortality rate 4.2 Infant mortality rate 4.3 Proportion of 1 year-old children immunised against measles
<b>5: Improve maternal health</b>	
Target 5.A: Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio	5.1 Maternal mortality ratio 5.2 Proportion of births attended by skilled health personnel
Target 5.B: Achieve, by 2015, universal access to reproductive health	5.3 Contraceptive prevalence rate 5.4 Adolescent birth rate 5.5 Antenatal care coverage (at least one visit and at least four visits) 5.6 Unmet need for family planning
<b>6: Combat HIV/AIDS, malaria and other diseases</b>	
Target 6.A: Have halted by 2015 and begun to reverse the spread of HIV/AIDS	6.1 HIV prevalence among population aged 15-24 years 6.2 Condom use at last high-risk sex 6.3 Proportion of population aged 15-24 years with comprehensive correct knowledge of HIV/AIDS 6.4 Ratio of school attendance of orphans to school attendance of non-orphans aged 10-14 years

<sup>14</sup> For monitoring country poverty trends, indicators based on national poverty lines should be used, where available.

Target 6.B: Achieve, by 2010, universal access to treatment for HIV/AIDS for all those who need it	6.5 Proportion of population with advanced HIV infection with access to antiretroviral drugs
Target 6.C: Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases	6.6 Incidence and death rates associated with malaria 6.7 Proportion of children under 5 sleeping under insecticide-treated bed nets 6.8 Proportion of children under 5 with fever who are treated with appropriate anti-malarial drugs 6.9 Incidence, prevalence and death rates associated with tuberculosis 6.10 Proportion of tuberculosis cases detected and cured under directly observed treatment short course
<b>7: Ensure environmental sustainability</b>	
Target 7.A: Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources	7.1 Proportion of land area covered by forest 7.2 CO2 emissions, total, per capita and per \$1 GDP (PPP) 7.3 Consumption of ozone-depleting substances 7.4 Proportion of fish stocks within safe biological limits 7.5 Proportion of total water resources used 7.6 Proportion of terrestrial and marine areas protected 7.7 Proportion of species threatened with extinction
Target 7.B: Reduce biodiversity loss, achieving, by 2010, a significant reduction in the rate of loss	
Target 7.C: Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation	7.8 Proportion of population using an improved drinking water source 7.9 Proportion of population using an improved sanitation facility
Target 7.D: By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers	7.10 Proportion of urban population living in slums <sup>15</sup>
<b>8: Develop a global partnership for development</b>	
Target 8.A: Develop further an open, rule-based, predictable, non-discriminatory trading and financial system	<i>Some of the indicators listed below are monitored separately for the least developed countries (LDCs), Africa, landlocked developing countries and small island developing States.</i>
Includes a commitment to good governance, development and poverty reduction – both nationally and internationally	<u>Official development assistance (ODA)</u>
Target 8.B: Address the special needs of the least developed countries	8.1 Net ODA, total and to the least developed countries, as percentage of OECD/DAC donors' gross national income 8.2 Proportion of total bilateral, sector-allocable ODA of OECD/DAC donors to basic social services (basic education, primary health care, nutrition, safe water and sanitation) 8.3 Proportion of bilateral official development assistance of OECD/DAC donors that is untied 8.4 ODA received in landlocked developing countries as a proportion of their gross national incomes 8.5 ODA received in small island developing States as a proportion of their gross national incomes
Includes: tariff and quota free access for the least developed countries' exports; enhanced programme of debt relief for heavily indebted poor countries (HIPC) and cancellation of official bilateral debt; and more generous ODA for countries	

<sup>15</sup> The actual proportion of people living in slums is measured by a proxy, represented by the urban population living in households with at least one of the four characteristics: (a) lack of access to improved water supply; (b) lack of access to improved sanitation; (c) overcrowding (3 or more persons per room); and (d) dwellings made of non-durable material.

<p>committed to poverty reduction</p> <p>Target 8.C: Address the special needs of landlocked developing countries and small island developing States (through the Programme of Action for the Sustainable Development of Small Island Developing States and the outcome of the twenty-second special session of the General Assembly)</p> <p>Target 8.D: Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term</p>	<p><u>Market access</u></p> <p>8.6 Proportion of total developed country imports (by value and excluding arms) from developing countries and least developed countries, admitted free of duty</p> <p>8.7 Average tariffs imposed by developed countries on agricultural products and textiles and clothing from developing countries</p> <p>8.8 Agricultural support estimate for OECD countries as a percentage of their gross domestic product</p> <p>8.9 Proportion of ODA provided to help build trade capacity</p> <p><u>Debt sustainability</u></p> <p>8.10 Total number of countries that have reached their HIPC decision points and number that have reached their HIPC completion points (cumulative)</p> <p>8.11 Debt relief committed under HIPC and MDRI Initiatives</p> <p>8.12 Debt service as a percentage of exports of goods and services</p>
<p>Target 8.E: In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries</p>	<p>8.13 Proportion of population with access to affordable essential drugs on a sustainable basis</p>
<p>Target 8.F: In cooperation with the private sector, make available the benefits of new technologies, especially information and communications</p>	<p>8.14 Fixed-telephone subscriptions per 100 inhabitants</p> <p>8.15 Mobile-cellular subscriptions per 100 inhabitants</p> <p>8.16 Internet users per 100 inhabitants</p>

The Millennium Development Goals and targets come from the Millennium Declaration, signed by 189 countries, including 147 heads of State and Government, in September 2000 (<http://www.un.org/millennium/declaration/ares552e.htm>) and from further agreement by member states at the 2005 World Summit (Resolution adopted by the General Assembly - A/RES/60/1, <http://www.un.org/Docs/journal/asp/ws.asp?m=A/RES/60/1>). The goals and targets are interrelated and should be seen as a whole. They represent a partnership between the developed countries and the developing countries "to create an environment – at the national and global levels alike – which is conducive to development and the elimination of poverty".





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