

Promoting Growth, Ending Poverty

# ASIA2015

## Asia 2015

Promoting Growth, Ending Poverty

6-7 March 2006  
Conference Report



Asia 2015 was organised in association with Chatham House, Institute of Development Studies (IDS), Overseas Development Institute (ODI), United Nations Development Programme (UNDP), and United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP).

“ My expectation and my hope from this very important conference is first and foremost that we deepen a shared understanding of the nature of the challenges we face. Let this shared understanding emerge from an honest and thorough review of our intentions, our capacities, our ground realities and our potentials. We will not shy away from criticism where deserved but we also ask that we cast a holistic, longer-term review. ”

**M Saifur Rahman,**  
**Minister of Finance, Government of Bangladesh.**

*Front cover photos left to right:*

**Rt Hon Tony Blair MP,** Prime Minister of the UK

**Shaukat Aziz,** Prime Minister of Pakistan

**M Saifur Rahman,** Minister of Finance, Bangladesh and

**HE Sri Mulyani Indrawati,** Minister of Finance, Republic of Indonesia

*Back cover photos left to right:*

**Haruhiko Kuroda,** President, Asian Development Bank

**Hilary Benn,** Secretary of State for International Development, UK

**Praful Patel,** Vice President South Asia Region, World Bank



***Shaukat Aziz, Prime Minister of Pakistan and Rt Hon Tony Blair MP, UK Prime Minister***

## **Introduction**

On 6 March 2006, the Prime Ministers of Pakistan and of the UK, Shaukat Aziz and Tony Blair MP, opened the conference, **Asia 2015: Promoting Growth, Ending Poverty**, at Lancaster House in London. The conference was co-hosted by the UK Department for International Development (DFID), the Asian Development Bank (ADB), and the World Bank, and attended by more than 150 participants from across Asia.

The conference provided an opportunity to develop a shared understanding of potential challenges to Asia's capacity to maintain high rates of growth while continuing to move millions out of extreme poverty. Participants discussed the role of aid, but also how, and under what circumstances, other relationships and partnerships might also be important to address particular challenges. They concluded that aid was still important, but should be based on more mature relationships in future. They also agreed that there was a significant non-aid story: one which involves a range of strategic partnerships to meet emerging global and regional challenges, based on shared responsibility and mutual commitments.



**Haruhiko Kuroda,**  
*President, Asian  
Development Bank and*  
**Hilary Benn,**  
*Secretary of State  
for International  
Development, UK*

## Foreword

We were very pleased to host a conference to celebrate Asia's successes and to discuss Asia's challenges in London on 6 and 7 March 2006. **Asia 2015: Promoting Growth and Ending Poverty** provided an excellent opportunity to hear Asian government ministers, senior civil servants, and representatives from the private and voluntary sectors, share their views about how best to face these challenges. We believe that there is a real possibility that extreme poverty can actually be eradicated in Asia within a generation if these challenges are addressed now.

We learnt that Asian countries were confronting a number of issues which might affect the rate of growth and the reduction of poverty over the next decade. Some of these are internal – how to increase access to services, build state capacity, sustain a favourable investment climate, reduce inequality and manage environmental risks – but many more have a regional or international dimension. We live in an interconnected world. We share concerns about sustainable access to water and energy resources, the spread of infectious diseases, and threats to our global



***Praful Patel, Vice  
President South Asia  
Region, World Bank***

security. We can only tackle these issues if we work together effectively. We therefore wanted to hear from Asians themselves what role partnerships could play in addressing these complex issues, and where development assistance fitted into the equation.

This report provides the international community with a summary of the conference discussions, and captures the central outcomes. We hope it will assist participants at the forthcoming Asian Development Bank Annual Meeting in Hyderabad in May 2006, and the 2006 Annual Meetings of the International Monetary Fund and the World Bank in Singapore in September. We look forward to an exciting year ahead.

Hilary Benn

DFID, UK

Haruhiko Kuroda

ADB

Praful Patel

World Bank

March 2006



**M Saifur Rahman,**  
*Minister of Finance,*  
*Bangladesh and* **HE**  
**Sri Mulyani Indrawati,**  
*Minister of Finance,*  
*Republic of Indonesia*

## Asia has lots to celebrate...

“Asia’s strength is rooted in both its size and its diversity. Its distinct sub-regions – East Asia, Central Asia, South Asia and West Asia – are arguably the most promising, vibrant, and challenging regions in the world.”

Shaukat Aziz, Prime Minister of Pakistan

Asia now constitutes one-third of the world economy. It has witnessed the expansion of cities and towns, and seen the rapid rise of a middle class, with increasing resources to save and spend. Economic growth, backed by social reforms, has contributed to a decline in the percentage of people living on less than a dollar a day from close to 35% in 1990 to about 20% in 2003. “Asia is clearly a region where development works. People in developing Asia no longer just aspire to development – they expect it. Asia represents the world’s best hope for meeting the MDGs.” (Haruhiko Kuroda, President, ADB).

The conference confirmed the central role Asia increasingly plays on the international stage: as an economic driving force, and as a key partner in global efforts to address climate change, ensure peace and stability, and win the war against infectious diseases. India and China are already donors, and are likely to become increasingly important development partners.

## ...but there are challenges ahead...

“If we succeed, and given good leadership and management, we can look to a more prosperous Asia with secure economic and social foundations that will help co-drive the global economy and extend a helping hand to other developing regions. But if we fail, then the global effort to bring prosperity to all may suffer a setback and other regions will lose an invaluable ally in the fight against poverty and underdevelopment.”

HE Dr Surakiart Sathirathai, Deputy Prime Minister, Government of Thailand.

The picture across Asia is not uniform. HE Dr Sorajak Kasemsuvan, Vice Minister from the Prime Minister of Thailand's office<sup>1</sup>, said there were two faces of Asia. On the one hand, there are growing dynamic economies (eg India, China) that are likely to represent 50% of global GDP in the next decade, and where most, if not all the Millennium Development Goals (MDGs), will be met. On the other, there is the region where the majority of the world's most impoverished people live, and where the potential of millions of marginalised people remains untapped. Kim Hak-Su, Executive Secretary of UNESCAP, pointed out that disparities between Asian countries have increased significantly since the 1990s.

The nature of the challenge has changed dramatically. In Bangladesh for instance, M Saifur Rahman, Minister of Finance, said the focus has moved from averting hunger 30 years ago, to sustaining growth, while addressing inequalities and tackling specific off-track MDGs, particularly maternal mortality and child nutrition.

Participants were reminded that Asia's diversity and complexity meant that uniform approaches might work in some instances but not in others. Growth experiences have

<sup>1</sup> Where HE Dr Sorajak is quoted in this report, he is reading from a speech prepared by HE Dr Surakiart Sathirathai, Deputy Prime Minister, Government of Thailand, unless otherwise specified.



**Vo Hong Phuc,**  
*Minister for Planning  
and Investment,  
Vietnam*

been diverse, responding to local contexts and national policies. This means national concerns and priorities will differ, and different countries have their own approaches to dealing with particular issues.

There was agreement that Asia's opportunities and challenges had regional and global dimensions. While individual Asian countries are best placed to assess what needs to be done internally, some of the solutions lie outside their borders. This requires developing a common understanding of shared problems with neighbours and with the international community.

So what were these common understandings?

- 1** Growing now, while redistributing the benefits and cleaning up the environment later, will not work. Rising inequalities and increasing pressure on natural resources could compromise growth, regional stability, and the security of the global environment.
- 2** As economies mature, sustaining growth will depend on the ability of Asian nations to strengthen state effectiveness and continue to attract inward investment, complemented by reforms in international trading systems.
- 3** Barriers to poverty reduction remain, including reaching those being left behind because of their identity – women, ethnic and religious minorities, indigenous groups – or as a result of their location in remote regions and inner city slums.
- 4** Some issues – avian 'flu, climate change, HIV/AIDS, security, migration – have international dimensions.



## ....and shared understandings about what needs to be done to address them

### **1 Growing now, while redistributing and cleaning up later, will not work**

“Growth per se is not enough. We should broaden the base of growth and have a proper response to the problem of poverty by redirecting our investments and development efforts towards the poor to promote equity and reduce the gap between the rich and the poor.” Keat Chhon, Minister of Economy and Finance, Government of Cambodia

“Asia is rich with natural resources, biodiversity, forests and sanctuaries which are facing the challenge of environmental degradation. We need an effective framework in place to protect and preserve our ecosystem for our future generations to inherit.”

Shaukat Aziz, Prime Minister of Pakistan

The way in which Asia addresses these issues right now will be critical for the future. Water and forest resources face serious depletion, natural disasters are a growing threat and climate change is progressing faster than predicted. Sustained access to clean energy is a very real concern. The poor suffer disproportionately from resource degradation and natural disasters. Dr Kiyohiko Toyama, the Vice Minister (Parliamentary) for Foreign Affairs of Japan, said the sustainability of growth is threatened by rapid urbanisation, and the increased production and consumption of natural resources, including energy. If not managed effectively now, these trends will have a negative impact on Asia’s capacity to sustain growth, as well as on the global environment and climate change.

In addition, inequalities between peoples, or between regions, come at a high political and economic cost. Dr Ravi Kanbur of Cornell University pointed out that earlier Asian economic successes were born from relatively egalitarian societies. With rising inequalities, future growth rates could be compromised.



Onscreen: **HE Zha Peixin**, Chinese Ambassador to the UK, **Haruhiko Kuroda**, President, ADB

Demographic change in Asia is a double-edged sword. There is a particularly young population in South Asia. With skills and employment opportunities, these people have the potential to drive future economic and social successes. But some growth is occurring without creating new jobs; elsewhere, employment opportunities are emerging in sectors (eg telecoms in Pakistan) where the posts are difficult to fill. These trends could lead to the underemployment of young people whose energies could be directed to less productive pursuits. **“The demographic dividend could turn into a demographic disaster.”** (Dr Kirit S Parikh, Union Minister of State, Government of India).

There is a regional dimension to inequality too. Some regions within countries are benefiting more from economic opportunities than others. Urban areas are expanding, and have become economic powerhouses. Other areas, often remote rural regions, and their populations, are lagging behind, with few opportunities to connect to, or benefit from growth. Rising social and regional inequalities, said Pakistan’s Prime Minister, Shaukat Aziz, threaten social cohesion, and can lead to terrorist acts. **“Tackling poverty is one of the ways we can together tackle extremism which it helps to breed.”** (Tony Blair, UK Prime Minister).

***Implications for policy:***

- Develop policies and strategies now to manage environmental assets effectively and tackle the environmental costs of growth; maximise resource use efficiency, including energy.
- Recognise that the form of growth affects its impact on poor people. Growth with employment creation will be important for regional security and stability.
- Manage the trade-offs between equity, economic growth, and political realities effectively. Invest in the people and places left behind.

## **2 Sustaining growth and increasing prosperity requires structural reforms**

“The future success of Asian countries will also depend on their ability to ensure good governance, rule of law, transparency in public policy, empowerment of the people, especially women, and respect for human rights and fundamental freedom. Reforms cannot proceed without more accountable and inclusive public institutions and good governance. The voice of the people must be heard and heeded too.”

Shaukat Aziz, Prime Minister of Pakistan

“There is today much greater awareness in each country of how critical the investment climate is for sustainable growth – and how consistent, predictable domestic policies, efficient infrastructure services and resource efficiency can shape that climate.”

Praful Patel, Vice President, South Asia Region, World Bank

“Growth is perhaps the single most important driving force behind poverty reduction.”

(Sri Mulyani Indrawati). Continued private sector investment in Asia is very dependent on an attractive investment climate, underpinned by effective state institutions and governance systems – the way in which people govern, and are governed.

Minister Hilary Benn (DFID) referred to “...the ‘deal’ between citizen and state...This foundation has to be laid by each country itself, but it can be undermined by corruption. Businesses don’t invest. Jobs are not created. Money which should be spent on services for the poor is stolen.” Participants acknowledged there are common factors underpinning an effective state system. The state and the rule of law ensuring the effective management of relationships between government officials, the media, civil society, the voluntary sector, the private sector and other stakeholders are key to building accountability, delivering services, and maintaining a strong investment climate. Leadership and vision are needed, with a clear focus on outcomes and programme performance to achieve this.

Participants agreed that corruption needs to be tackled, although Ravi Kanbur of Cornell University said corruption can co-exist with positive social and economic outcomes. Naming and shaming can help in this, but will not work when leaders act with impunity. Freedom of Information Acts can make a difference, and the media has a role in promoting accountability.

Private sector participants emphasised Asian governments need to foster a conducive environment for investment through appropriate macro-economic and trade policies, and better targeting of subsidies and other forms of support. Particular vested interests and privileges need to be managed. The large “infrastructure deficit” across Asia is a critical part of the story. East Asia alone requires \$200 billion investment per annum over the next 10 years.



**HE Mr Keat Chhon,**  
*Minister, Economy and  
Finance, Cambodia*  
and **Hina Rabbani  
Khar,** *Minister for  
Economic Affairs,  
Pakistan*

Much of this can be met by the private sector, but this should not be seen as a panacea or substitute for public sector investment.

Changes in the terms of trade will be key. Regulations on standards must not be misused to limit exports from Asian countries, especially the less developed ones. Cross-border migration, quotas and duty free access for textiles and garment exports could improve countries' capacity to participate effectively in the international trading system. Vice Minister Toyama (Japan) referred to the Development Initiative, launched by his government at the WTO meeting in Hong Kong last year, which should contribute to achieving this.

Sustained growth will also depend on continued access to strategic natural resources – water, energy, minerals and forest products. The region as a whole is disproportionately dependent on imported fossil fuels, and energy shortages are already affecting several countries. It is becoming increasingly important to find alternative sources of energy, supplemented by strategies to increase the efficiency of energy use, such as initiatives being piloted in China. Many of the region's water resources are shared and require continued investment in cross-border management eg the Indus Waters Treaty, and the Mekong River Commission.

***Implications for policy:***

- Support efforts to improve governance by building effective states and dealing with corruption.
- Maintain a strong investment climate. Investment in rural and urban infrastructure is an important component of this.
- Engage more with the business community and non-governmental organisations in developing strategies to improve the investment climate.
- Continue work on trade policies to improve the terms of trade.

### **3 Investing in poor people, and especially those being left behind**

“Despite Asia’s undeniable success in growth and poverty reduction, millions stand excluded – not just the income poor, but the chronically poor, and those excluded by their gender, caste, ethnicity, religion, minority status, or geographic location... These are people who have no easy exit from poverty through current growth paths. They will still be poor in 2015. As likely will be their children.” Professor Bina Agarwal, Delhi University.

“Nepal is experiencing conflict, which poses challenges for delivering health and education services. It is important nevertheless to invest in what matters to poor people, and to involve local people and local management groups as partners.” Dr Shankar Prasad Sharma, Vice Chairman, National Planning Commission, Nepal

An increasingly educated, competitive and healthy workforce has enabled Asia to compete effectively in the global market place. There is still more to be done however to release poor people’s potential to contribute to, and benefit from, emerging opportunities as citizens, as producers and as consumers. Some people have been excluded as a result of their identity or where they live; some by a combination of the two: “Being Hindu [in Pakistan] reduces the likelihood of attending school by 12%, but being a Hindu girl reduces the likelihood by 22%. The picture is similar for Muslim girls in India.” (Professor Bina Agarwal). Different forms of exclusion have a direct impact on MDG outcomes, on productivity, and on social cohesion.

#### ***i Human development services can make a difference.***

Investing in access to water, and in health and education services, backed up by skills training, can equip people to move out of poverty themselves. There is considerable experience across the region to build on. Participants agreed that services should be based on what people want, be sensitive to context, focus on outcomes, and be of a satisfactory quality. This means improving the capacity of disadvantaged groups, including women, to access them, and it means prioritising what works, rather than simply focusing on particular modes of delivery and financing. Across the region, the state is moving away from being the primary deliverer of services. This means governments need to set up effective regulatory systems to ensure that services provided by others are of a satisfactory standard.

Where an evidence base for good practice exists, scale up service delivery. Recent lessons suggest that social protection measures, including cash transfers, are important for poor people and excluded groups at particular stages in their life-cycle, and can enable them to (re)join productive employment. Decentralised local bodies can bring services closer to local users, but only if local government has the capacity and resources to do this effectively, and is not captured by local elites.



**Bina Agarwal,**  
Professor of  
Economics, Institute of  
Economic Growth,  
Delhi University

***ii But focusing on access to health and education, and access to water alone is not enough.***

Poor men and women experience a complex range of barriers to improving their productive assets, and graduating out of poverty through employment. Some of these barriers can be resolved – legislation outlawing discrimination and recognising rights to land and resources can make a difference. But others require political commitment and the willingness to make difficult choices. Gender inequalities are entrenched, and can only be addressed through policies which take account of discrimination, and recognise their changing role in the economy and society as a whole.

Experience across Asia suggests that taking a sectoral or regional approach can make a difference. It makes sense, for instance, to invest in improving productivity from agriculture and non-farm activities, because this is where many poor people's livelihood needs are still met. It also makes sense to invest in infrastructure to connect people in remote regions to markets.

But this is not the whole story; difficult trade-offs have to be made sometimes between equity and politics. As Minister of Finance, Sri Mulyani Indrawati, pointed out: "While 60% of Indonesia's poor live on densely populated Java (where the poverty rate is 15%), 3% of our nation's poor live in the remote areas of Papua, East Indonesia (where the poverty rate is 40%)... Should I allocate resources to connecting many more of the poor to the growth hubs of Java? Or should the money go to the much more expensive costs of connecting up the fewer but more marginalised poor in our nation's remote regions?"

It is clear that simply connecting people to jobs in manufacturing and services will not necessarily move them out of poverty. Many poor people have migrated from remote



**Dr Shankar Prasad Sharma**, Vice Chairman, National Planning Commission, Nepal (background: Saifur Rahman, Bangladesh)

backward regions to cities and towns. When migration works well, remittance flows back home can inject much-needed capital back into the local economy. Unfortunately, many of the urban poor remain employed in the informal sector, with low pay, limited or no job security, and few opportunities to improve their condition. Life in a squalid urban slum simply replaces a life of rural poverty. Part of the solution will be to encourage growth and employment policies addressing structural inequalities, backed by targeted support for particular groups of people.

***Implications for policy:***

- Scale up service delivery where strong evidence for success exists, and where the focus is outcome-based
- Invest in programmes and policies to address inequality and social exclusion based on identity and location.
- Ensure government institutions have the capabilities and resources to operate effectively at each level (national, regional, local) to ensure poor people's needs are met.

## 4 Meeting global challenges

“Asia needs to evolve an integrated framework for intra-regional cooperation in strategic areas such as energy, water, food, infrastructure, connectivity, environmental protection... to face the emerging challenges.” Shaukat Aziz, Prime Minister of Pakistan

The world has become increasingly interconnected. Each nation has to assume global responsibility for its actions. As UK Prime Minister Tony Blair said, “What Asian countries do – or don’t do – on poverty reduction, on labour migration, on managing environmental resources, on sharing responsibility for global good governance, on opening societies to knowledge, commerce and culture, and on tackling common threats, such as diseases, increasingly affect us in Europe and the wider world.”

Climate change is happening faster than anyone anticipated even five years ago. “We are [also] fast depleting natural resources including oil – where prices have doubled in the past two years – but also in forestry, fisheries, water and soil, and in the process we are creating potential flashpoints of conflict in the future.” (Hilary Benn, DFID). Innovative approaches are required to deal with these challenges. One example is the Clean Development Mechanism<sup>2</sup>, which transfers resources from polluting developed economies to developing economies.

In the past year alone, two tragic natural disasters occurred in Asia – the tsunami and the earthquake in Pakistan. Governments and agencies provided essential support on the ground. Increased investment in disaster preparedness is required, alongside equipping the UN and the international system to respond rapidly and effectively to future emergencies.

Across the region, there is concern about the impact of HIV/AIDS, and a need to avoid complacency. Even though HIV rates are generally low, effective prevention programmes are needed now to stop further spread from high risk groups. As HE Dr Surakiart Sathirathai's speech states: “Avian ‘flu has been successfully dealt with so far but unless stronger preventive measures are in place, the next round of outbreaks may have a much more debilitating impact on sustained growth in the region.”

### **Implications for policy:**

- All countries must recognise their global responsibilities and work to sustain the future of the planet and its peoples.
- Solutions to crossborder and global challenges must lie with effective partnerships between citizens, governments, the private sector, NGOs and the broader international community.
- Science and innovation has a significant role to play (eg in developing ‘clean coal’).



## The way forward – constructive partnerships and shared visions....

### **1 Aid is still important but needs to be more effective**

“The problems of poverty are so great that they require not only efforts at individual country level, but also collaboration at regional and international levels. The assistance from development partners is also very important here. However, at the end of the day, it is we the peoples and the governments of the region who have to construct the hope and in doing so take on the responsibility of realising a poverty-free Asia.”

M Saifur Rahman, Minister of Finance, Government of Bangladesh

“In Asia you can’t generalise. Every country has its own requirements, its own needs. What we need to understand is that when a country is a recipient the priorities of that country must be the first, foremost and only way of finding out where and how we want to go about [receiving aid].” Hina Rabbani Khar, Minister for Economic Affairs, Pakistan

“Asian countries [should] endeavour to explore development strategies that suit their respective national conditions... In China, poverty is taken as an important part of the national development strategy.” HE Zha Peixin, Chinese Ambassador to the UK

There was strong support for increasing development assistance flows to Asia, based on country-led strategies. Asian countries – governments, civil society organisations, private sector – have to be in the driving seat determining what is best to reduce poverty across the region.

Dr Parikh of the Indian Planning Commission identified key areas for more donor support: improving infrastructure, enhancing service delivery, leveraging private

**“Using development assistance effectively in the fight against poverty requires partnerships. ...Such partnerships must go beyond donor-client relationships to involve inter-government cooperation, joint public-private sector investment, engagement with civil society and cooperation among development finance institutions under the framework of the Paris Declaration agreed to in 2005.” Haruhiko Kuroda, President, ADB**

sector investment through public private partnerships (PPPs) and supporting the scaling up of innovations. Development partnerships are not only necessary to achieve the MDGs, but also to meet **“shared commitments to human rights, international obligations, fighting corruption and good governance”** (Hilary Benn).

Past partnerships between Asia and developed countries were rather narrow aid relationships based on conditional resource transfers. This is no longer the case. There is considerable scope to continue improving these to reflect rapid progress across Asia. Indeed participants from Indonesia, Bangladesh, Pakistan and Vietnam emphasised that much of what was currently being done had a positive impact. HE Dr Surakiart Sathirathai’s speech suggested that development partnerships can serve as **“important force multipliers”** to add value to existing human development strategies.

The key now is for donor partners to provide more predictable and transparent assistance, which is outcome-focused, and better integrated with other policy agendas such as migration and trade. Improved donor coordination is essential, backed by faster progress in implementing the Paris Declaration. Dr Ho Quang Minh explained that Vietnam and the UK were finalising a 10-year Development Partnership Arrangement which was **“very suitable for our economic development”**. This approach was welcomed.

Donors were asked to provide more of their aid through Asian governments’ budgets and increase the use of government systems. They also stressed that bilateral donors and multilateral development banks need to clarify better their respective roles, with the multilaterals being catalysts for private investment. Participants welcomed the fact that a regional meeting co-sponsored by the ADB, Government of Japan and DFID will be held in Manila in October 2006 to discuss ways to implement the Paris Declaration more effectively in Asia. In the meantime, donors will continue to seek opportunities for joint strategies and programming.



**Dr Kirit S Parikh,**  
*Member of the Planning  
Commission, India  
(background: Vo Hong  
Phuc, Minister for  
Planning and  
Investment, Vietnam)*

Participants agreed that development assistance is not about financial assistance alone. Achieving the MDGs involves direct action to deliver key services, but also action to promote and enable trade and sound economic management. Technical assistance remains important, including when financial support declines. In addition, aid can be used to finance research, (eg into low-carbon technologies) and to promote innovation.

***Implications for policy:***

- The aid relationship in future should be grounded in a more mature partnership, and in line with the commitments outlined in the Paris Declaration. Problems must be dealt with openly and honestly.
- Development partners need to work more effectively, and clarify their respective roles in the region. Financial and technical assistance are valued.

## **2 Partnerships go beyond development assistance**

“Development assistance is no longer the only area of external partnerships for Bangladesh. Trade and foreign investment have slowly but surely emerged in importance in our range of external engagements.” Kamal Uddin Siddiqui, Office of the Prime Minister, Bangladesh

“At the global level since the problems are of managing global commons we need global level partnerships. Partnerships have to be mutually beneficial if they are to flourish. Thus one needs to think afresh, freeing oneself from the hang-ups of the past and think innovatively about the future and what can we do together.” Dr Kirit S Parikh, Union Minister of State, Government of India

Asian countries increasingly view development assistance as part of a broader set of partnerships with developed countries. Trade access, migration and financial flows are important for promoting growth and poverty reduction in Asia. Asia is also affected by, and affects global public goods such as climate change, infectious diseases, and international security. Finding ways to integrate these agendas into a broader and more coherent partnership is an ongoing and mutual challenge.

### ***i Rethinking Regional Partnerships and Cooperation***

“Regional cooperation and integration, reinforced through extra-regional development partnerships, are crucial to the ongoing efforts to meet the challenges of development within Asia. This is where south-south cooperation can interface with north-south cooperation to help ensure that growth and development is sustainable and balanced” HE Dr Surakiart Sathirathai, Deputy Prime Minister, Government of Thailand.

The conference endorsed the need for more cross-border lesson learning, and called for more inter-governmental partnerships in Asia. Good examples of lesson sharing already exist – Bangladesh and Pakistan have shared experiences about the benefits of providing stipends for primary education provision for girls, and Indonesia has offered to share experience on dealing with poorer regions and excluded social groups. Similarly, Dr Surakiart's speech emphasised that progress had been made through inter-governmental partnerships in reducing trade barriers, and regional institutions such as SAARC and ASEAN were forging closer ties between member states.

Participants concluded there was scope for greater integration of Asian economies, particularly in South Asia. Trade barriers could be further reduced to boost growth and more cross-border cooperation on infrastructure and energy supplies was possible. In Asia as a whole economic and financial cooperation could be enhanced through links between central banks, and in the longer term through new institutions for economic and monetary cooperation.



**Sumio Kusaka**,  
Deputy Director  
General of  
International Bureau,  
Ministry of Finance,  
Japan and **Salil  
Shetty**, Director,  
Millennium Campaign,  
United Nations

Asia also faced environmental and resource challenges at the regional level. The UK Secretary of State Hilary Benn called for a “**blue revolution**” whereby Asian countries could devise ways to tackle looming water shortages and to better manage shared water resources. Dr Parikh also suggested more regional cooperation over energy use including carbon trading.

It was agreed that south-south learning needed more attention in the region. Facilitating this and bringing international experience and expertise to Asia was an important role for the donor community.

## **ii Partnerships between states, business and civil society**

“The composition of the Bangladeshi delegation is an example of the partnership between government, private sector, NGOs and civil society... A new area of partnership is in the area of local service delivery which bring together local governments, NGOs, private sector and community organisations” Kamal Uddin Siddiqui, Office of the Prime Minister, Bangladesh.

The conference highlighted the huge potential for enhanced partnerships between Asian governments, the private sector and civil society. Private sector representatives emphasised the need to improve the prospects for trade and investment by more effective regulation. The role of the private sector in poverty reduction also needed more attention. Private enterprise can provide a better quality of life by improving employment practices, the provision of services and creating jobs including in remote regions. In Asia the private sector is playing a major role in health, education and financial services and there was huge scope to increase public-private partnerships, especially at local level.



**Kiyohiko Toyama,**  
*Vice Minister (Parliamentary) for  
Foreign Affairs, Japan*

The conclusions of the February 2006 event, “**Business Action in Asia**”, held by the Commonwealth Business Council in London in the run-up to Asia 2015, were endorsed. This proposed enhanced dialogue between Asian governments and business. This included establishment of a business association that would link like-minded Asian businesses and encourage follow-up.

Civil society and NGO representatives raised issues about the rights of the poor and the conference affirmed the importance of being able to challenge their observance by Asian countries. Civil society also plays a vital role in demanding transparency and accountability in service provision. India had some success with public accountability movements that monitored spending by local governments. More attention was needed to the voice of the poor and Salil Shetty of the UN Millennium Campaign stressed the need to focus on the partnership between Asian governments and their people in achieving the MDGs.

### ***Implications for policy***

- Partnerships need to be expanded. They could be a much more powerful tool for driving poverty reduction and sustaining growth.
- Knowledge partnerships and networks, in addition to aid, are set to play an increasing role in future international cooperation in Asia.
- Partnerships in future should be much more inclusive, involving the private sector and civil society.

**Asia 2015: Promoting Growth, Ending Poverty was co-hosted by:**

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DFID, the Department for International Development: leading the British government's fight against world poverty.

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