

**Millennium Development Goals and Sustainable Development  
in the Asia-Pacific**

**The Lowy Institute MDG Consultative Forum**

**Thursday 17 June 2010, Sheraton on the Park, Sydney**

- I am very pleased to have the opportunity to chair the first session of the conference where we will look at the MDGs and sustainable development in the Asia-Pacific. I would like to thank the Lowy Institute for organising what should be a fascinating couple of days. I am pleased AusAID has been able to support the conference.
- We have a very distinguished panel of speakers this morning and a lot to get through in the next hour and a quarter.
- Before I introduce our speakers I wanted to make some very brief comments on the Asia-Pacific region to set some of the context for our discussion. I cannot be comprehensive in the time available and won't try to be. I know our speakers are going to address specific MDGs and the issues involved in making better progress to achieve them.
- The main feature of the Asia-Pacific region is its diversity. On the one hand the region encompasses some of the world's fastest growing economies, particularly China and India. These economies are likely to be among the main contributors to global economic growth in the five years leading up to 2015.

- The region also contains about two thirds of the world's poor, many of whom live in China and India.
- In contrast with China and India with their huge populations and substantial growth potential, the Asia-Pacific region is also home to many small island developing states such as Tuvalu and Kiribati. These small island states face enormous challenges in making faster progress towards the MDGs due to their lack of human and physical resources and their remote geographic locations.
- As we have already heard this morning, global progress towards the MDGs has been pretty good and we should recognise that over the last decade we have seen some of the greatest improvements in human history with millions of people lifted out of poverty, more children going to school, improved maternal and child health outcomes and a stronger focus on how to make development efforts more effective.
- We should acknowledge and celebrate these successes but in doing so recognise that this progress has not been sufficient and there is a need for all of us to do better.
- It is probably true that in terms of overall numbers we can achieve the MDGs in the Asia-Pacific in large part if China and India are able to maintain strong levels of economic growth over the next five years given the large numbers of the poor that live within their borders.

- But of course relying on statistics based on China and India would hide the unevenness of progress between countries in the Asia-Pacific and within many countries themselves. Even national statistics hide the reality that while some groups have made good progress others have not.
- For example, girls, ethnic minorities, indigenous minorities and the disabled make up the majority of children out of school in the Asia-Pacific.
- Over the next two days we need to examine critically and honestly what approaches have and have not worked, and try to develop practical ideas to inform our efforts to accelerate progress.
- Questions we need to look at are why some countries such as Vietnam have made relatively strong progress while others such as the Philippines have not. Why are Vanuatu and Samoa making stronger progress towards the MDGs than their Pacific neighbours?
- We need to think about the particular development challenges facing fragile states such as Laos, Burma, East Timor and Solomon Islands where progress is less. This is a particularly important issue for Australia as 57% of Australia's bilateral assistance programs operate in countries that are fragile or conflict affected, including 32 of the 48 countries defined as "fragile" by the OECD Development Assistance Committee.
- It seems to me there are many issues for discussion. I will mention just a few of them.

- How do we make sure donors deliver on commitments and aid increases?  
The outlook is not necessarily positive given the impact of the global financial crisis on many donor countries. To maintain support for increased levels of aid there needs to be a better focus on results, and a better narrative on how aid contributes to development. PIF leaders are doing this through the Cairns Compact on strengthening development coordination.
- We need to think about how to make aid more effective and whether we need a new deal on aid effectiveness that places more focus on ensuring all the available resources are harnessed to accelerate progress towards the MDGs. Like many donors Australia spends a significant proportion of our aid budget on governance. But there is no agreed consensus among donors and partner governments as to what good governance actually is.
- Perhaps we need to start talking about the idea of governance for development and providing a sharper definition of what it is we are trying to achieve.
- It is unfortunate but true that there is still a pressing need to make better progress in reducing corruption and promoting transparency.
- We also need to see greater political will in harnessing all of national resources available for development, and for national development plans to take a more inclusive approach to development to address the needs of all sectors of society particularly women and girls, the disabled, ethnic and indigenous minorities.

- Donors need to coordinate their work better and ensure wherever possible that agreed aid effectiveness principles are implemented, including greater transparency, supporting national-led strategies, and strengthening the capacity of national government systems to utilise available resources.
- There also needs to be a focus beyond aid. Sustainable development and achievement of the MDGs will only occur through economic growth, particularly growth in employment opportunities for all. Economic growth is of course not the only factor but it is vitally important. No country has successfully addressed poverty without it.
- There are a broad set of tools that need to be utilised to accelerate progress towards the MDGs in the Asia-Pacific and elsewhere.
- These include national taxation and revenue generation policies, trade and investment policy and remittances.
- But for economic growth to drive faster progress towards the MDGs it must be inclusive and pro-poor growth not just for the benefit of the few. Growth must also be underpinned by efforts to improve the resilience of developing country economics to equip them better to deal with the impacts of economic shocks natural disasters and conflicts, which can and have seen millions of people fall back into poverty.
- With those thoughts, I'd like now to introduce the first speaker this morning, Carol Belamy.