This report is the latest update on the progress towards MDGs in Asia and the Pacific. By zooming in on specific indicators, the report highlights the region’s achievements and exposes issues on which much work remains to be done. It provides estimates of populations affected by social and economic poverty in the Asia-Pacific region and compares it to the two other major developing regions, sub-Saharan-Africa and Latin America and the Caribbean.

Asia-Pacific countries continue to make progress towards the MDGs, but on present trends many are likely to miss some vital targets, including those for infant mortality, HIV prevalence and access to water and sanitation in urban areas. Even more worryingly, some countries are at risk of failing to reach even two-thirds of the targets.

Asia and the Pacific is making much better progress towards the MDGs than sub-Saharan Africa. It is, however, a vast and diverse region. It includes China, India, Indonesia, Pakistan and Bangladesh, five of the world’s seven most populous countries. As a result, although the prevalence of economic and social poverty is often lower than in sub-Saharan Africa, these five countries together, and sometimes individually, account for much larger absolute numbers of deprived people. As this report will show, the five Asian giants alone account for over two-thirds of all people living in rural areas without access to sanitation, underweight children, people living on less than a dollar a day, and of TB cases worldwide. Together, they also account for more than 60% of all people without access to water and of all people in urban areas without access to sanitation.

Asia also includes countries — like Afghanistan, Cambodia, Timor-Leste and parts of Central Asia — that have only recently started to recover from decades of war and civil strife, and whose performance in terms of progress towards the MDGs and poverty reduction is as weak, if not worse, than that of many sub-Saharan countries. This also applies to some parts of Asia’s five giants, where enormous disparities exist between, for example, rural and urban China, north-east and south India, and provinces of Indonesia.

The moderate performance on some goals, the lack of progress on a large number of targets in some countries, and the large number Asians affected by various dimensions of poverty begs the question whether countries in the region are doing enough either by themselves or with the help of the international community. This report will address this question from a few, selected perspectives.

Tracking progress

This assessment builds on the second regional report, *A Future Within Reach*, taking advantage of information that has become available in mid-2006 in the global MDG indicator database maintained by the United Nations Statistics Division (UNSD). However, this section also extends the analysis of the second regional report in two ways. First, it emphasizes that looking at progress towards MDGs alone is not enough because countries that are on track to achieve their targets can still have unacceptably high rates of — for example — poverty and mortality, while off-track countries may be relatively close to the target. It is therefore also necessary to look at the latest available absolute indicator values to get a complete picture. Second, this report looks in a more holistic way at overall country progress.

The updated global MDG database contains additional data for the latest available year and more accurate estimates for prior years for some indicators. This data revision has in some cases led to a different assessment of country’s performance than the 2005 report.

The availability and quality of data, although slowly improving, continue to be a major problem that limits our ability to monitor progress and the formulation of effective national policies (see box 1). As a result of data limitations and in order to focus on the most basic measures of social and economic deprivation, this report looks closely at the MDG indicators listed in table 1.

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Progress by indicator

On the basis of observed trends, this report places each country in one of four categories, following the methodology developed in chapter 1 of the second regional report.

- **Early achiever** — Has already met the target
- **On track** — Expected to hit the target by 2015
- **Off track — Slow** — Expected to hit the target, but after 2015
- **Off track — Regressing** — Slipping backwards, or stagnating

It should be noted that MDG targets apply irrespective of starting points and that some targets, in particular those under goals 1, 4, 5 and 7 (target 10), are formulated in relative terms. The potential pitfall of high initial levels of achievement is illustrated by the case of Mongolia. The primary enrolment rate in that country has fluctuated between 80% and 90% since 1991, but the latest recorded trend is slightly downward, so Mongolia is classified as regressing in relation to this indicator. Pakistan, on the other hand, has by far the lowest primary enrolment rate in the region at 66.2% (2004), which is more than 10 percentage points behind the second lowest achiever, but it is classified as on track for this indicator because of its even more dismal enrolment numbers in the early 1990s.
Box 1: Data constraints

Gaps in the MDG data are still a major impediment to analysis of regional progress. Although the number of assessments in table 2 seems large, many of them are based on two data points, too few to determine whether the progress is accelerating or decelerating. Had all MDG indicators been included in table 2, the white space, signaling time series with one or zero data points, would have been far larger. Maternal mortality is an example of an indicator that has a very specific target, reduction by two thirds, but for which there is still no data comparable over time. The shortcomings are particularly obvious among poverty, health and environment related MDG indicators.

The number of data revisions in a year (see Annex III) indicates that national and international statistical agencies are now working very actively to improve the quality of MDG indicator data. However, a recent ESCAP workshop (Workshop on Statistics for Monitoring the Achievement of the MDGs in Asia and the Pacific, Bangkok, 31 July-2 August 2006) concluded that coordination of data documentation, sharing and validation among statistical agencies, both at national and international levels, can be significantly improved.

The capacities of national statistical systems to collect and disseminate data for construction of sound and internationally comparable development indicators must be strengthened. Success in that endeavour requires increased political commitment by the Governments and sustained and coordinated support from the international development community.

The difficulty that countries with large initial problems have in meeting relative targets may be illustrated by the case of Nepal. It reduced its infant mortality rate from 100 per 1,000 live births in 1990 to 59 in 2004, an average annual reduction of 3.7%. This is just short of the 4.6% required for the target to be met in 2015 (it will be met in 2017 if the present rate of progress continues) and so it is classified here as off-track. The Solomon Islands, however, reduced infant mortality only slightly during the same period, from 38 per 1,000 live births to 34, an average annual reduction of just 0.7%, but it is classified as an early achiever for this indicator.

The Asia-Pacific region

The Asia-Pacific region as a whole is on course to achieve the large majority of MDG targets by 2015, as illustrated by table 2. The prevalence and death rate associated with TB have started to fall. Increases in forest cover and protected areas and decreases in CO$_2$ and CFC emissions suggest a reversal of the loss of environmental resources has begun. Progress on halving poverty and hunger, achieving universal primary education, and eliminating gender disparity at all levels of education is faster than required to meet the targets.

The region’s performance with regard to three targets is cause for concern. First, although child mortality overall is falling fast enough to expect a two-thirds reduction from the 1990 level by 2015, progress on infant mortality is slow. Second, HIV prevalence in the region continues to rise. Third, access to basic sanitation in urban areas is improving only slowly, while the regional proportion of urban dwellers with access to safe water is actually declining.

Moreover, although the region ranks as an early achiever or on track for the indicators under goals 1, 2, 3, 4, goal 6, target 8 and goal 7, target 9, considerable work remains to be done in these areas. This is for two reasons, the first of which is illustrated in figure 1. Although Asia-Pacific is on track to achieve its targets for access to water and sanitation in rural areas, $1/day poverty, prevalence of underweight children and TB, its share in the global number of people affected by these dimensions of poverty exceeds its share of the world population, in some cases substantially. Of the 2 billion rural dwellers worldwide without access to basic sanitation in 2004, for example, over 1.5 billion — 77% — lived in Asia and the Pacific. In that year, only one-third of all Asians living in rural areas had access to basic sanitation, compared to 73% of the inhabitants of urban Asia. It is only because the rate in 1990 was even more abysmal (14.7% of rural inhabitants versus 65.1% of urban dwellers) that Asia-Pacific is classified as on track for access to basic sanitation in rural areas.

2 Forest cover, however, includes both natural forest and plantations. The area under natural forest cover continues to decline in many countries of the region. See, for example, <http://earthwatch.unep.net/emergingissues/forests/forestloss.php> and <http://news.mongabay.com/2005/1115-forests.html>.

3 See <http://www.adb.org/urbandev> for regional efforts aimed at accelerating urban development in the region.

4 See <http://www.adb.org/water> for the regional Water for All initiative.
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Key: ◦ early achiever; ▲ on track; ● slow; ▼ regressing.
The second reason why much work remains to be done in Asia and the Pacific lies in the wide diversity of experience and achievement among countries of the region, which is also summarized in table 2.

Asia and the Pacific as a whole is on track to halve the prevalence of underweight children from its 1990 level of 36%, but almost two-thirds of the countries of the region for which data are available are not. The region is on track to achieve targets for the proportion of primary pupils reaching grade 5, gender parity in tertiary education, child mortality and access to clean water and basic sanitation in rural areas, but more than one-third of Asia-Pacific countries with data are off track. The region is an early achiever for forest cover and CO$_2$ emissions, yet 45% and 59% respectively of its countries are off track.

![Figure 1: People living in social and economic poverty in Asia and the Pacific (latest value)](image)

As a group, the Least Developed Countries (LDCs) in Asia-Pacific have the region’s highest rates of child mortality, maternal mortality and TB prevalence and death. They are also off track for all indicators except the two TB measures. In contrast, the region’s LDCs are on track to achieve, or already have achieved, the targets under goal 7, except in regards to the land area covered by forests.

There is substantial overlap between South Asia, excluding India, and the region’s LDCs. Afghanistan, Bangladesh, Bhutan, Maldives and Nepal belong to both groups. It is therefore perhaps not surprising that both groups of countries are rather similar, as shown in figure 2, in terms of progress towards the targets, absolute levels of achievement and the number of people affected.

Central Asia’s former members of the Soviet Union have particular problems reaching health-related targets. As a group, they are regressing on HIV prevalence, TB prevalence and deaths, and their progress in reducing child mortality (both under-5 and infant) is slow. The last point may be related to the fact that the sub-region is also making slow progress connecting rural dwellers to clean water and basic sanitation. Central Asian countries as a group, however, are early achievers for all indicators under target 9 (integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources).

Progress in the Pacific sub-region is difficult to assess because the necessary data are often unavailable but the main areas of concern are similar to those of the Central Asian countries. Like them, the Pacific is also off track for child mortality (slow) and access to water and sanitation (regressing, except for water in rural areas for which it is slow).

China and India: impressive progress but huge disparities

This section will discuss progress towards the MDG’s in two countries that together account for close to two thirds of the population of the region, China and India.

The impressive economic reforms carried out in China over the past few decades have resulted in spectacular progress and dramatic reductions of the number of poor (around 300 million people got out of poverty in the past 25 years). Its performance stands out in figure 1 of annex 2. The country is on track to achieve, or has already achieved, most targets under goals 1 to 4 and 6. China has achieved gender parity in primary and secondary education and is on its way to doing at the tertiary level. It has one of the lowest
child and maternal death rates, and some of the lowest HIV, malaria and TB prevalence and death rates in the region.

However, it is a matter of concern that China’s latest internationally acceptable values for the indicators under goal 2 date back to 1991. In addition, China’s progress towards the targets under goal 7, and in particular target 10, has been much less satisfactory. Its access rates for water in rural areas and sanitation in urban areas are less than 70% (in 2004) and not improving fast enough for the respective targets to be met by 2015. Access to sanitation in rural areas is even more dismal at 28%, although China is at least making progress for this indicator. Still, access to clean water and sanitation in China is amongst the lowest in Asia-Pacific, including the least developed countries.

China has made remarkable progress in the past 50 years in controlling communicable diseases and its overall disease profile has started to resemble that of a developed country. The Government has taken several measures to tackle MDG targets that are lagging, namely HIV/AIDS and TB control. Prevention programmes have been carried out in different parts of China and anti-retroviral treatment is being offered through clinics. Their coverage, however, is still limited and the awareness of HIV-positive status and the access to testing are still inadequate (United Nations Country Team China, 2005).

China’s overall progress comes at the expense of large and increasing inequalities. Indeed, despite the 8.8% annual increase in GDP during the last decade, China’s Gini coefficient moved up by 1.8% from 0.38 to 0.45 between 1992 and 2001 (A Future Within Reach, p. 16). Urban-rural economic disparities are also evident in the 2003 per capita disposable income and consumption, where urban figures are 3.23 and 3.6 times the rural figures respectively. Such uneven economic development is reflected in human development as well. The proportion of the population that never went to school is 2.5% in urban areas but as high as 8.7% in rural areas, according to 2000 Census results (China Development Research Foundation and UNDP, 2005, pp. 8-9).

Disparities in China are also interregional. For instance, child and infant mortality rates in the coastal regions are close to those of developed countries but in the less developed western provinces the mortality rate is 3-5 times higher at more than 40 per 1,000 live births (United Nations Country Team China, 2005, p. 45).

Such inequalities point towards the need for more effective policies in assisting disadvantaged groups and the 88 million people that remain poor. Economic growth alone may not remove the most persistent disparities.

India similarly shows important progress for many of the MDGs but the relative level and absolute size of deprivation remains high. Prevalence of poverty and underweight children are among the highest in the Asia-Pacific region, although progress is being made for the former indicator. For primary education, gender equality, child and maternal mortality, HIV/AIDS, malaria and TB, India’s achievement is generally better than in other parts of South Asia and the least developed countries, but worse than other parts of the region. For water and sanitation the picture is mixed. India has some of the highest regional access rates for clean water, but simultaneously some of the lowest for sanitation, although it is on track to reach sanitation targets. Because of its size, India accounts for the largest number of people affected with respect to all indicators under goals 1 to 4 and 6.

India is also a country of deep and enduring disparities, which run along several lines, including gender and regions. Its girls to boys’ ratios at the secondary and tertiary level of education, for example, are among the lowest in the region (although for secondary education progress is being made). India’s state poverty rates in 1999-2000 ranged from less than 10% in Jammu & Kashmir, Goa, Daman & Diu, Chandigarh, Punjab, Himachal Pradesh, Delhi and Haryana to well above 40% in the two poorest states, Orissa and Bihar. Moreover, these disparities are persisting: the 10 poorest states in 1993-99 were also the 10 poorest in 1999-2002.5

Overall country assessment

Countries of most concern can be identified by combining the level of deprivation and the level of progress towards the MDGs. To measure the overall level of deprivation the latest overall MDG status is summarized, with a composite indicator of the latest absolute indicator values (see Appendix 1). To measure overall MDG progress, a composite indicator is constructed from the difference between the rate of change required to reach the target by 2015, and the rate of change that actually occurred between 1990 (or the earliest year that data is available for after that) and the latest year for which data is available.

5 See A future within reach, pp. 41-43.
This assessment is limited to only 29 countries with sufficient data across MDG targets, leaving out many countries which are likely to have still severe level of deprivation or are not making progress towards the MDGs.

Figure 2 presents countries’ performance according to the two summary measures: the progress index on the horizontal axis and the status index on the vertical axis. Countries are classified into four categories: moving ahead (marked green); catching up (blue); losing momentum (yellow) and falling behind (red).

The countries that are moving ahead are making good progress and their latest status is better than the average for the Asia-Pacific region. These countries include Armenia, Azerbaijan, China, Iran, Kyrgyzstan, Malaysia, Palau, the Russian Federation, Thailand, Tonga, Turkey and Viet Nam. The last country is frequently cited as one of the major success stories in the Asian-Pacific region. This assertion is supported by figure 2. With a score of 0.59, no country scores as high as Viet Nam on the composite MDG progress index.

The countries that are losing momentum will have to accelerate progress to be able to meet the targets, albeit from a relatively favourable latest status. Three Central Asian countries — Georgia, Kazakhstan and Uzbekistan — fall into this group together with Fiji and Samoa.

The countries that are catching up are making progress, but their latest status is below the Asia-Pacific average. They will need to look beyond the MDG targets to catch up with the rest of the region. Countries in this group are all in South Asia: Afghanistan, India and Nepal.

The countries of greatest concern are those that are falling further behind: i.e., countries that score negatively on both the progress index and the latest status index. The countries in this group are the Bangladesh, Indonesia, Lao PDR, Mongolia, Myanmar, Pakistan, Papua New Guinea and the Philippines. Box 2 provides a more detailed picture of the situation in Bangladesh, Lao PDR and Papua New Guinea with respect to MDG progress.

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6 Not shown in figure 2 because its score of -2.2 on the latest status index puts it off the scale.
7 Not shown in figure 2 because its score of 0.8 on the latest status index puts it off the scale.
Box 2: The experience of Bangladesh, Lao PDR and Papua New Guinea

Bangladesh has reduced income poverty based on the national poverty line from 58.8% in 1992 to about 50% in 2000. However, inequalities rose during the 1990s, with the overall Gini coefficient rising from 0.26 to 0.31 in this period, which offset the positive impact of growth. As a result, 63 million people are poor with one third of them caught in extreme poverty. Poverty remains a rural phenomenon, with 85% or the country’s poor living in rural areas.

Another area of concern for Bangladesh is the number of pupils reaching grade five. Drop out rates in primary school have fallen from 38% to 33% from 1994 to 2004, but a significant drop out rate is registered in rural areas, urban slums, coastal areas and the Chittagong Hill Tracts. Disparities in schooling exist between urban and rural areas, and also between genders. The largest disparity exists in tertiary education, where the female to male ratio has improved from 25:75 in the 1990s to 36:64 in 2002, but much remains to be done to achieve a 50:50 balance by 2015.

Despite recent progress, child malnutrition in Bangladesh still remains among the highest in the world, and more severe than most other developing countries, including that of sub-Saharan Africa. The proportion of underweight children in Bangladesh is 16 percent higher than in 16 other Asian countries at similar levels of per capita GDP (ADB, 2002).

Access to sanitation has increased in rural areas from 11 percent in 1990 to 29 percent in 2002. In urban areas, however, the situation has worsened, with access falling from 71 percent to 56 percent. This is mainly due to unrestrained and unplanned urbanization in recent years.

A major environmental concern is the proportion of Bangladesh covered by forest. According to the Forest Master Plan and the Forestry Policy of Bangladesh, only about 769,000 hectares or six percent of the country has tree cover. This includes mangrove and planted forests. Consumption of wood for fuel has contributed to deforestation (Government of Bangladesh and United Nations, 2005).

In Lao PDR, 80% of the 5 million inhabitants live in rural areas. Around 1.9 million people who live below the national poverty line (1997), most of them belonging to an ethnic minority. Despite economic growth, deepening inequality is exacerbating poverty. Significant efforts are needed in education, infrastructure and the agriculture sector.

With an annual population growth rate of 2.1% (2005), Lao PDR will have 11.4 million people by 2040. Falling but high fertility and declining mortality, lack of family planning and early sexual activity are some contributing factors. Population growth has serious implications for resources, such as food, land, housing, employment and utilities. Similarly, public services remain insufficient. As a result of such pressures, Lao PDR looks likely to miss most, if not all, of the MDGs.

The stunting rate in children under-5 (especially 1-2 year-olds) is amongst the highest in the region. Low birth weights (20% are born under 2.5 kg), particularly in rural areas, increase infant mortality indicating that pregnant women are often undernourished.

A lack of resources and materials affects primary education outcomes. Teachers are too few and often under-qualified. Few individuals from remote areas are able to complete basic education.

At the national level, the primary school completion rate is 56% for boys and 57% for girls. There are, however, urban-rural disparities, e.g. 78% (Vientiane) to 35% (Phongsaly). Overall, 90% of boys and 78% of girls continue to secondary level but female transition rates are particularly low in Xayabury (51%) and Huaphanh (49%).

Forest cover in Lao PDR has been diminishing, undermining wildlife, plant diversity and livelihoods. Forests are commonly converted to cropland, paddy and pasture to respond to the growing population’s needs. Illegal logging and urbanization are also contributing factors (UN and Government of Lao PDR, 2004).
Despite the government’s efforts to achieve the MDGs, Papua New Guinea needs to focus further on HIV/AIDS, universal primary education, child mortality, and gender equality.

Gender inequality contributes to poverty growth in Papua New Guinea. Girls marry early, which reduces the number of girls in primary and secondary education. To reduce gender inequality and hasten empowerment, the government aims to eliminate gender disparity at the primary and lower secondary level by 2015 and at higher levels by 2030.

Papua New Guinea will most likely miss its MDG target of reducing child mortality by two thirds by 2015. Few rural pregnant women visit antenatal clinics (ANC) while many give birth unattended by medical personnel. ANC attendance, supervised delivery and the reopening of the Aid Posts and Health Centers (idle since the 1990s) need to be facilitated in order to reduce child mortality. Immunization programs should also be improved.

Papua New Guinea has the highest HIV/AIDS incidence in the Pacific. Lack of family planning, illiteracy, gender inequality and economic deprivation contribute to this problem. However, HIV/AIDS is still not a government priority, which makes an efficient multi-sectoral response difficult. (UN Country Team Papua New Guinea, 2004).

### Asia-Pacific compared to other developing regions

A comparison of Asia and the Pacific’s progress towards MDG targets with that of the world’s two other main developing regions, sub-Saharan Africa and Latin America and the Caribbean, produces a mixed picture. Figure 2 in annex II categorizes the progress of each region with markers of the same shape and colour as used in table 2. However, progress alone can be a misleading measure of achievement, as explained in the previous section, because MDG targets apply to all countries irrespective of baseline values, and many targets are expressed in relative terms. A child’s death is just as tragic in China as in Zimbabwe, irrespective of either country’s progress towards the child mortality target or absolute child mortality rate. Figure 2 in annex II therefore also shows absolute achievement in terms of latest available indicator values along the vertical axis of the individual charts and the absolute number of people affected along their horizontal axis.

The picture that emerges from the figure is that by far the largest numbers of people affected by economic and social deprivation live in Asia and the Pacific. The region has, for example:

- roughly three times as many underweight children, people living on less than $1 a day, and people without access to basic sanitation as sub-Saharan Africa (SSA) and Latin America and the Caribbean (LAC) combined;
- more girls out of primary school, more TB cases and deaths, and more people without access to clean water than the other two regions combined.

The figure also shows mixed progress towards the MDGs. The Asia-Pacific region and Latin America and the Caribbean are on course to reach the majority of the targets; both regions are off track for six of the 21 indicators for which a trend can be established. The regions differ, however, in their main areas of concern. The Asia-Pacific region is making insufficient progress for particular indicators under goal 4 (infant mortality), goal 6 (HIV prevalence) and goal 7 (access to clean water in urban areas).

Latin America and the Caribbean shares Asia and the Pacific’s lack of progress on HIV prevalence. It is, however, also off track for $1/day poverty, forest cover and CO₂ emissions. Sub-Saharan Africa’s lack of progress towards the MDGs, on the other hand, is a matter of serious concern. The region is likely to miss 20 of the 21 targets that can be tracked, including all targets under goals 1, 4, 6 and goal 7, target 10 (access to water and sanitation), as well as most goal 2 targets and goal 7, target 9 (environmental sustainability).

Although Asia and the Pacific does not differ much from Latin America and the Caribbean in terms of overall progress towards the MDGs, there are significant disparities. Children in particular suffer more in this part of the world. The prevalence of underweight children, for example, is more than four times higher than in Latin America and the Caribbean.

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8 Except, of course, for indicators that are not measured in numbers of people, i.e. those under goal 7, target 9.
in Asia-Pacific (29.8%) than in Latin America and the Caribbean (7.3%); this region’s under-5 mortality rate (65 per 1,000 live births) is more than double the LAC rate (31 per 1,000 live births). TB is also a much more serious problem in Asia-Pacific where both the prevalence and the death rate are roughly three times than those in Latin America and the Caribbean. Another substantial disparity between the two regions is the $1/day poverty rate, which is twice as high in Asia and the Pacific (20%) as in Latin America and the Caribbean (10%). Indeed, this region’s absolute level of achievement is better than in Latin America and the Caribbean only in relation to the prevalence of HIV and malaria and access to clean water in rural areas.

Sub-Saharan Africa’s scores for the large majority of indicators are much worse than either those of Asia and the Pacific or Latin America and the Caribbean, often dramatically so, but there are a few exceptions. The prevalence of underweight children is higher in Asia-Pacific than in sub-Saharan Africa (27.7%), which underlines the former region’s particularly poor achievement for this indicator. Sub-Saharan Africa is also scoring much better than both Asia-Pacific and Latin America and the Caribbean with regard to CO₂ emissions and CFC consumption and better than Asia-Pacific on the land area covered by forests. These levels of achievement, however, may at least partly, reflect the region’s overall status of economic development. Environmental indicators often initially deteriorate as the economy develops, before recovering as environmental awareness and policies improve. Indeed, sub-Saharan Africa is regressing for forest cover and CO₂ emissions, whereas Asia-Pacific is an early achiever.

Is enough effort being made?

This section asks whether Asia-Pacific developing countries and the international community are providing adequate resources and other manifestations of effort to the countries and sectors most in need. As a measure of their effort, the public expenditure that countries allocate to education and health is compared with the progress they are making on education and health-related MDGs, as well as with their latest status on these goals. The efforts of developed countries to assist the developing countries of the region to achieve the MDGs are assessed by comparing the allocation of official development assistance and duty free market access with the overall MDG progress and latest status.

Enough public expenditure on education and health?

A cursory examination of figures 3 to 6 indicates that the countries most in need are not doing enough themselves and are not receiving enough assistance from developed countries, to reach the MDGs. Indonesia is a case in point. Its public expenditure on education reached just 1.1% of GDP in 2002, the lowest among the 25 countries for which there is sufficient data, and slightly down from a few years earlier. Indeed, Indonesia is slipping back from earlier achievements in the proportion of pupils reaching grade 5 and girls to boys’ ratio at the tertiary level and it is expected to reach full primary enrolment only after 2015. Some countries make even less progress on the education-related MDG indicators, but most of them do so from much higher absolute levels of achievement.

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Figure 3: Education-related MDGs and public expenditure

Key: ▲ rate of change (roc) in public expenditure on education as a percentage of GDP ≥ 0.01; ■ -0.01 > roc < 0.01; ▼ roc ≤ -0.01; x no trend (only one observation).
The case of Pakistan is also worrying. Its primary enrolment rate is by far the lowest in the region, and its girls to boys’ ratio at the primary and secondary level are also among the region’s lowest, yet its public expenditure on education as a percentage of GDP actually declined from 2.6% in 1999 to 2.0% in 2004, one of lowest in the region. Yet Nepal and Lao PDR, the countries with respectively the second and third lowest scores on the education status index, also allocated less than 3.5% of public expenditure to education in 2004. In contrast, the highest achievers on this index, Palau (which is off the chart with 10%), Tonga, Malaysia and Fiji spent more than 6% of GDP on education in 2004.

Pakistan’s lack of effort in allocating public resources where needs are high also applies to the health sector. The country has among the highest under-5 and infant mortality rates in the region, which are coming down much too slowly to meet the MDG target by 2015. Yet Pakistan’s public expenditure on health stood at just 0.7% of GDP in 2003, the second lowest of the 29 countries for which data is available, and down from 1.1% in 1998. Myanmar is another country with high and only slowly improving under-5 and infant mortality rates; yet it spent just 0.5% of its GDP on health in 2003, the lowest percentage in the region.

India and Kazakhstan also score low on both the health progress and status indices. India has relatively high and only slowly improving child mortality rates, while Kazakhstan is slipping back for these indicators, as well as for TB prevalence and the associated death rate. With public expenditure on health of 1.1% and 2.0% respectively in 2003, both countries fall in the bottom half of this measure.

Afghanistan also needs to be mentioned. It had (together with Sierra Leone) the highest infant mortality rate in the world, and the fourth highest under-5 mortality rate in 2004. In comparison, the second worst Asia-Pacific country, Cambodia, ranked 26th on both measures. Until recently, the public health sector in Afghanistan was virtually nonexistent. Its share in GDP was less than 0.1% until 2001. Fortunately, this has risen to just over 2.5% in 2002-3.

The countries that make less effort than others overall are also those that spend relatively small shares of GDP on both education and health. Of the Asia-Pacific countries for which data is available, six countries appear in the bottom 10 for spending both on education and on health: Bangladesh, Indonesia, Lao PDR, Myanmar, Pakistan and Tajikistan. The countries that spend relatively large amounts of GDP on both education and health are Kiribati, the Maldives, the Marshall Islands, Micronesia, Mongolia and Palau.

What countries benefit from open markets?

Trade in goods, services, capital and labour has contributed considerably to the development of many Asia-Pacific countries. To maintain the momentum, it is important that developed countries continue to increase developing countries’ access to their markets.

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9 With a score of -1.7 on the education status index, Pakistan is so far behind the second lowest country (Nepal) that it is off the chart on the right-hand panel of figure 3.

10 Kazakhstan is scoring so low on the health progress index (-1.6) that it is off the chart on the left-hand panel of figure 4.

11 Because of its score of -1.8 on the health progress index and -3.7 on the health status index, Afghanistan is off the chart on both panels of figure 4.
This section links the MDG needs of developing countries to efforts made by developed countries as measured by indicators of market barriers imposed by developed countries on exports from developing countries. The particular indicator examined is the proportion of exports to developed countries admitted free of duty (Figure 5). Note that this indicator reflects only part of the efforts developed countries could make leaving aside, for example, the huge potential impact of reduced agricultural subsidies. Furthermore, the proportion of exports admitted free of duty only partly reflects efforts by developed countries. The indicator is not only an outcome of trade policies of developed countries, but also of the trade structure of developing countries, which may or may not be geared towards commodities that draw no duties.

Mongolia has the lowest score on the MDG progress index, and also has a negative score on the MDG status index. Yet only 23% of Mongolia’s exports entered developed countries’ markets free of duty in 2003, down from 71% in 1996. Sri Lanka and Fiji, whose progress is lagging behind that of other countries in the region, gained duty free access to developed country markets for less than 50% of their exports.

Is aid going to countries in need?
Kazakhstan, Uzbekistan, Indonesia, Sri Lanka, Bangladesh, the Philippines, Fiji, Myanmar and Pakistan are all countries whose progress towards the MDGs lags behind the average rate of progress for the region, but who receive less than 5% of their GNI in official development assistance. Within this group, Bangladesh and Pakistan in particular, but also the Philippines and Indonesia, also score negatively on the MDG status index. Given the population size of these countries (with perhaps the exception of the Philippines), the amount of aid that would be needed to have a significant impact is tremendous. It is therefore all the more important that these countries increase their own efforts to tackle the tasks at hand. Moreover, donors are increasingly taking account of aid effectiveness in allocating their official development assistance. It is perhaps no coincidence that a number of the countries that receive less than 5% of their GNI in aid, including Bangladesh, Indonesia, Myanmar and Pakistan, also belong to the group of countries that spend relatively small amounts of national resources on education and health.

This section has so far highlighted countries with low scores on the education and health sector progress and status indices that spend relatively little public money on these sectors, as well as countries with low scores on the overall MDG progress and status indices that receive relatively little duty free access to developed countries’ markets, as well as comparatively small amounts of official development aid. There are, however, also plenty of examples of countries whose progress and status seem to be positively associated with these efforts.

The evidence regarding MDG outcomes and effort, therefore, is mixed. This is primarily due to the nature of the MDGs. Under the first seven goals, there are eleven targets with 32 indicators by which progress is measured. However, as amply demon-
strated in table 2, even the indicator trends for one target may point in opposite directions. Indonesia, for example, is judged slow for the net primary enrolment rate, regressing for the proportion of pupils reaching grade 5, and an earlier achiever for the primary completion rate, the three indicators that measure progress towards achieving universal primary education (goal 2, target 3). A related issue, that measuring progress alone is not enough to assess the extent of MDG-related development problems, has already been discussed in previous sections.

Reaching the MDG targets by 2015, however, requires effort from many actors. There is no question that reaching the targets is first and foremost the responsibility of the countries themselves. Having expressed their commitment through the Millennium Declaration, Governments have an important direct role to play in mobilizing and allocating the required resources. The role of Governments does not stop at money, however. As argued in chapter 2 “Rethinking service delivery”, of the second regional MDG report, Governments also need to create the conditions for institutions — defined in a broad sense as organizations and “rules of the game” — to deliver social services. This includes putting legislation in place where it is still lacking, for example through enacting compulsory education for as many years as possible and for both sexes equally. But it also entails the removal of non-legal access barriers for groups — for example, women and girls, ethnic minorities, people living with HIV/AIDS and people with disabilities — that often receive inferior treatment in the delivery of social services.

Stepped-up efforts by the region’s developing countries have to be complemented by support from the international community. This is recognized in goal 8, which aims at fostering a global partnership for development through, among others, the removal of trade barriers, greater private foreign investment, and allowing for easier movement of skilled personnel. In addition, as argued in Achieving the MDGs in Asia, published by ESCAP earlier this year, many parts of Asia are deprived of official development assistance relative to their level of economic and social development and the extent to which they are making progress towards the MDGs.

Relating available domestic and international resources to MDG achievement is not straightforward. In most cases, specific categories of public expenditure and aid cannot be linked — on a one-to-one basis — to a specific goal, target or indicator. It is likely, for example, that public expenditure and aid contributing to the reduction of child mortality cannot be isolated. At the same time, there are categories of public expenditure and aid that cut across indicators, targets and even goals. Resources spent on improving access to water and sanitation, for example, will not only contribute directly to the achievement of target 10, but also indirectly to the achievement of target 5 (reduce child mortality).

Two further issues in attempting to link needs with effort are discussed in detail in the theme chapter on public policy effectiveness and inclusiveness in this year’s issue of the ADB’s Key indicators of developing Asian and Pacific countries. The first is that is difficult to tease out the exact relationship between social outcomes and public expenditure, at least when the latter is measured in per capita terms. The relationship is often confounded by other factors that affect both,
in particular national income per capita. There is also the possibility of reverse causality (e.g., public expenditure on health being high because of low health outcomes), and of public expenditure crowding out private expenditure. Given these difficulties, the chapter argues the relationship between outcome and expenditure should be examined at the micro level, through evaluations of and experimentation with interventions and programmes, rather than via cross-country comparisons. Exactly the same point is made by Rajan (2005) in the context of the effectiveness of aid. The second point is that not only resources matter, but also the efficiency with which they are being utilized, which is again difficult to measure through cross-country comparisons.

**Conclusions**

This report finds that the region as a whole is on track to achieve, or has achieved, a number of the targets, including halving poverty and hunger, achieving universal primary education and eliminating gender disparity at all levels of education. Its records of progress are impressive compared to sub-Saharan Africa — a region falling tragically behind most of the targets — and even to Latin America when the poverty reduction or CO\(_2\) emission targets are considered. The remarkable achievements of China and India in poverty reduction contributed particularly to the region’s encouraging results.

The average progress, and relative performance, of the region, however, is no reason for early celebration. The absolute size of social and economic deprivation, as measured by the MDG indicators, remains enormous — two thirds of Asians, a total of 1.5 billion people, are still without access to basic sanitation. Asia and the Pacific is home to roughly three times as many underweight children and people living on less than $1 a day as sub-Saharan Africa and Latin America combined. Despite lower prevalence rates, the region has more girls out of primary school, more TB patients and deaths, and more people without access to clean water than the other two regions combined.

In addition the region is not progressing fast enough to meet some important targets, including infant mortality and access to basic sanitation in urban areas, while the HIV prevalence is actually on the rise and the proportion of people with access to an improved water source declining. Although the region as a whole is on track for targets on water and sanitation in rural areas, the proportion of people without access to sanitation (two thirds) remains appallingly high.

The regional scorecards mask the drastically uneven progress across countries. Whether judged by the level and trends for specific targets or assessed through combined measures of MDG status and progress, many countries from the LDCs, Pacific Islands and Central Asia are likely to miss — or even fall back from — a wide range of the MDGs, including the targets on child health, HIV and TB.

The gaps within countries can be as stark as the gaps between countries. Behind the national averages is the fact that in many countries, including countries with spectacular development like China and India, the gains of progress are not shared by all. Against the fundamental principles of the MDGs rooted in basic human rights and equal opportunities, groups of people — the most vulnerable and disadvantaged — are often left behind. Poverty in India’s states, for example, ranges from less than 10% in the richest to well above 40% in the poorest.

Despite the difficulty of assessing whether countries are making enough effort to achieve their goals, the report has made one thing clear: much remains to be done if governments in the region are serious about delivering the MDG promises to their poor and to achieve sustainable development. At present, too many countries that score low on the progress or status of the education and health targets commit only a small proportion of their GDP to these sectors. And countries of most concern in the region are often among those not receiving enough from trade or aid.

It is true that developing country governments have the primary responsibility to prioritize national development, and to commit themselves to pursuing institutions and policies that promote the sustainable economic growth required to achieve the MDGs.

But to help countries most in need, developed countries must also deliver on their side of the global partnership bargain, stepping up efforts to provide more, and more efficient, aid and to ensure fair trade and a fair share of global prosperity for poor people.


