

**Sub-regional Workshop on Aligning Policies and Strategies to Achieve
the Millennium Development Goals in South Asia
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Opening Remarks by
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Vice president of ADB Ms Ursula Schaefer-Preuss
Deputy Regional Director of UNDP Mr Nicholas Roselini
Senior Advisor of ESCAP Mr. Raj Kumar
Distinguished Participants
Ladies and Gentlemen

This is my great pleasure and honor to get the opportunity to address you all at this very important workshop on the MDGs. Let me thank the joint organizers of the event for choosing Kathmandu for the workshop and giving us the opportunity to co-host the event. Let me also take this opportunity to welcome you all to Nepal and wish you a happy and refreshing stay in Kathmandu during the course of the workshop.

Distinguished Participants,

South Asia has made a remarkable progress in achieving higher economic growth. As such, economic growth remains at the heart of strategies of poverty reduction, and poverty has been reduced along with growth. But evidence shows that the pace of poverty reduction - compared to the rate of economic growth - has been rather slow. Besides growth has increased inequality and given rise to higher income poverty for a given per capita income.

Let me also mention that poverty is much worse at the disaggregated level- gender, social, or geographical. Besides, given the multidimensionality of poverty in the region, most analyses generally fail to examine the way in which poverty is shaped through and by the process of identity, culture, and agency.

South Asia has made a remarkable progress in school enrolment –reaching 90% or more but still more than 18 million children of primary school age are not enrolled. Children of the socially excluded class, those affected by conflict and political unrest, and those in geographically difficult regions are more likely to be left out of school. Income poverty along with social and other barriers keeps children out of school in South Asia. The primary school

completion rate is improving; but reaching the goal with a good quality of education is a challenge for most countries.

We also know that South Asia has made the most progress in gender parity in primary education after 2000. The gender gap in secondary education (15%) is similar to primary education but South Asia compares better to only Sub-Saharan Africa. Women account for less than 10% of the seats in the Parliament in South Asia. Many women bear triple burden of being poorer, in 'low caste', and in remote areas.

Health outcomes are also mixed. South Asia is only next to Sub-Saharan Africa in U5 mortality. Besides, vaccination coverage is the worst - low even compared with Sub-Saharan Africa. Maternal mortality has shown little progress with nearly 500 deaths per 100 thousand live births. Birth attended by skilled health workers is still very low; only 40 per cent of the births are attended by skilled health personnel, which is the lowest in the world. And, only one third of the people in South Asia have sanitation facility and it is just higher than Sub-Saharan Africa. Nearly half of the South Asian people opt for open defecation - a shameful satire to the economic progress we have made in the region.

The enabling environment for the achievement of MDGs in the region is marred by growing income inequality. Economic inequality has seriously hit Asia - a region claimed to have relatively low inequality till 1990s, and now nears the levels of Latin America, a region known for extreme inequality. The contributors to this inequality in Asia are also the countries which are growing the fastest and have a long history of higher equality than other countries in the world. Higher the inequality in a country, the harder is it for growth to reduce poverty. Sri Lanka's 41 per cent cumulative growth in per capita GDP between 1991 and 2002 translated to only 3.4 per cent reduction in poverty (because per capita consumption of the poorest fifth grew by 2 per cent compared to 50 per cent for the richest fifth). Had the distribution of consumption expenditure remained the same, reduction in poverty in Nepal would have been more than twice between 1997-2004. Poverty would have declined by 17 percentage points against of 9 percentage points in Bangladesh between 1992-2000. The decline in poverty would have been by 8 percentage points in Pakistan between 2001-04 against 5 percentage points.

The urgency for addressing inequality through proper social and economic policies emerges from the fact that historical trend does not show declining inequalities to be an automatic outcome of continued economic development. Given that high levels of inequality and/or rapidly increasing inequality can imply slow improvements in the economic well-being of the poor even in a growing economy, and can - along with slowing down MDG achievement - undermine both social cohesion and the quality of policies and institutions.

Distinguished Participants,

Nepal is one of the 189 countries committed to the MDGs, and our pledge has been reflected in the periodic plans and programs. The 10th plan or PRSP which was implemented during 2002-07 was the first opportunity to link MDGs into the plan and annual development programs. The ongoing Three-Year Interim Plan 2008-10 has integrated MDGs into operational programs. There have been two MDG Progress Reports prepared so far - in 2002 and in 2005. The third progress report is being prepared now and the feedback received from the report will be addressed in the coming plan. The MDG progress reports done so far suggest that Nepal, despite the decade-long conflict, is likely or potentially able to meet many of the goals and targets. Major challenges remain in the areas of malnutrition, universal primary education and HIV and AIDS. Nepal still has the potential to reach most of the goals if we make serious and coordinated efforts to align MDGs into our next plan and strengthen the implementation of MDG programmes with improved governance.

Let me be more specific about the status of MDGs in Nepal. Poverty incidence has gone down by over a percentage point per year since the mid-nineties. Reported child mortality rates have fallen by half over the past fifteen years. Since 1990 the share of Nepalese with access to clean water has doubled, reaching almost 90 percent today. Nine out of ten children are now enrolled in school. In terms of the empowerment of women, a visible step forward was taken through an effective reservation system that brought in over 33 percent of women in the Constituent Assembly in 2008. Still women's empowerment has to go a long way.

Despite these and other positive results, a large proportion of Nepal's population still ranks among the poorest people in the world; the country has the lowest life expectancy in Asia, the share of undernourished children is still very high, and the achieved development outcome has been very unequally distributed. While maternal mortality has fallen by half, still nearly 300 mothers per 100 thousand have to die for giving birth to a baby and only one fifth of births are attended by a skilled birth attendant. Despite that school enrolment rates are encouraging, there are serious concerns about the quality of primary education and the school completion rate is very low.

Prolonged transition from conflict to peace building, climate change, and global economic crisis have further undermined the potential of all MDGs being achieved. The menace of corruption is even more serious challenge. As such the three Cs- corruption, conflict and climate change - are the common threats to most South Asian countries to achieve the 2015 goals. MDG goals are even less likely to be met with weaker prospect of growth and aid - the two main drivers of development. This of course calls for added effort from our side; but our efforts alone will not be enough and we must remind the commitments made by our development partners towards this shared responsibility.

At the end, let me thank the UN system and other development partners in Nepal for actively supporting the government in fulfilling its commitment to the MDGs - both at the national and sub national levels. I am confident that this workshop will come up with concrete policies and strategies which could help us to align MDGs into our next plan. Let me also reiterate that we are committed not to miss the almost last opportunity to integrate MDGs into our periodic plan due to begin from July 2010.

I wish the workshop a grand success. Thank you.