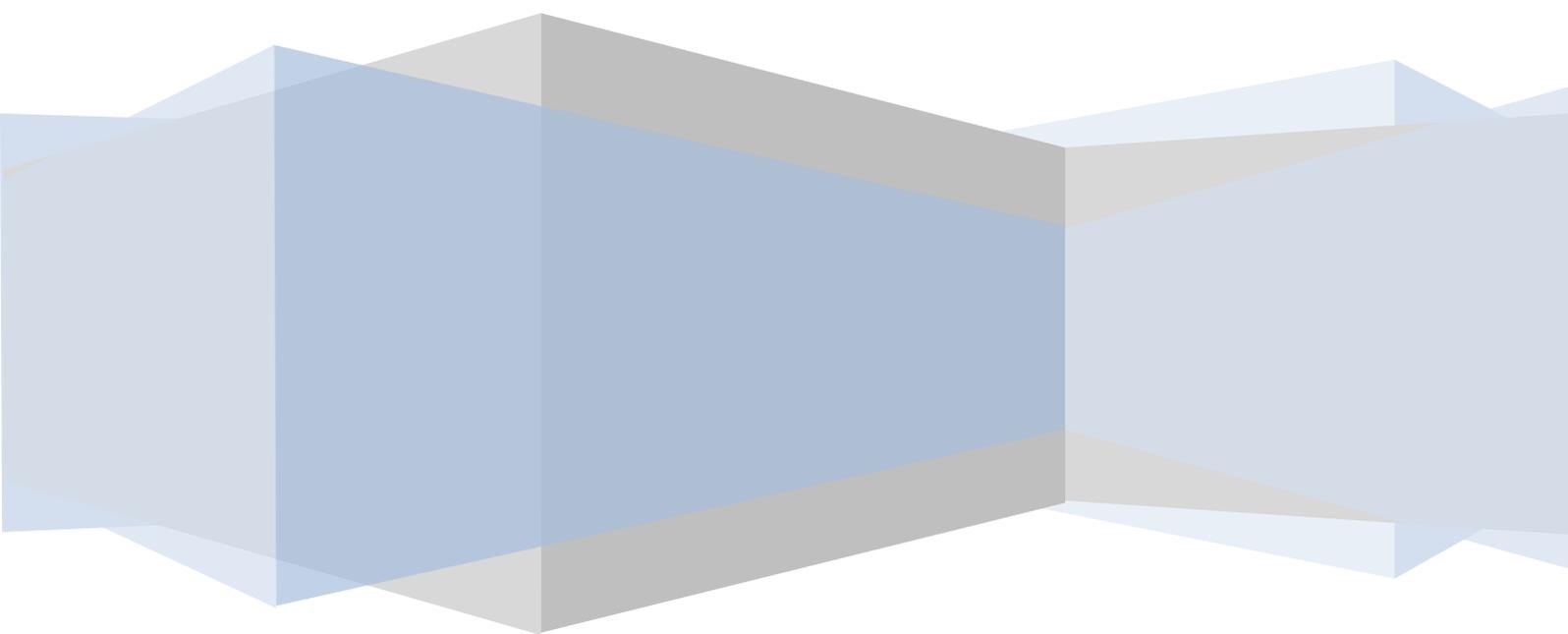

UN Positioning in Middle Income Countries in the Asia & Pacific region

A Resource Compilation



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A. INTRODUCTION

- 1.** The purpose of this paper is to provide a resource to be drawn on by UN Country Teams (UNCTs) seeking guidance and information for the development of country strategies and positioning in Middle Income Countries (MICs). It does not constitute a guidance note to UN Country Teams, but rather a compilation of relevant studies and resource materials to facilitate access to regional and global knowledge for UNCTs in MICs in their strategic and programmatic discussions. The resource compilation will be of particular relevance for the development of strategic frameworks in those countries that are transitioning or are about to transition into the MIC category, but it also aims to offer new ideas and approaches useful to UNCTs that have already advanced in the process of adapting to the MIC context.
- 2.** The paper gives an overview of the topics and observations considered to be relevant to the role of the United Nations in MICs. After discussing the category of “Middle Income Country”, the paper provides an overview of the issue areas considered to be central in UN-MIC engagement (the WHAT). It proceeds by summarizing potentially effective forms of future engagement of UNCTs in MICs (the HOW), which may present a starting point for future considerations based on country experiences of UNCTs. The final section offers programmatic considerations regarding future UN-MIC engagement. It was agreed that the MIC resource compilation will focus on undertaking analytical work including the review of best practices both in the region as well as globally to provide UNCTs working in an MIC context with a range of options with regard to best practices, role and comparative advantages.²
- 3.** The need for analytical and policy work on MICs has been acknowledged within the UN at the highest levels: “At present, the United Nations system has no well-defined agenda that guides its substantive programme content towards the priorities of middle-income countries. Several United Nations country teams have been redefining their agendas; however, a clear approach that defines guidelines and sets priorities in middle income countries is needed, rather than to proceed on an ad hoc basis”³
- 4.** Much of the policy and analytical work on MICs has thus far focused on Latin America and Africa. The Asia-Pacific region has received comparatively little attention—attributable to the relatively recent emergence of a critical mass of MICs in the region—and there is a shortage of systematic guidance and best practice examples available to inform UNCTs as they develop strategies for engagement with national processes.

B. THE MIDDLE INCOME CATEGORY

² The material that forms the basis for this paper as well as any additional relevant material will be made available on the website of the UNDG Asia-Pacific Team. A draft paper was circulated to UN agencies at the regional and country level for review. This paper is the result of a desk review and discussion in the working group on MICs, which has been established by the UNDG-AP at its meeting of 4 and 5 May 2010. The objective of the working group is to provide resources and recommendations to assist UNCTs with the development of country strategies and positioning in Middle Income Countries (MICs).

³ United Nations. August 2009. *Development Cooperation with Middle Income Countries: Report of the Secretary General*, A/64/253, p. 15.

5. The most frequently used definition for MICs is based on the World Bank Classification. Economies are categorised according to GNI per capita, calculated using the World Bank Atlas method. The groups are: low income, \$975 or less; lower middle income, \$976 - \$3,855; upper middle income, \$3,856 - \$11,905; and high income, \$11,906 or more.⁴
6. Based on 2008 data, 101 countries globally are considered MIC⁵ of which 25 are in the Asia-Pacific region.⁶ Data differ in the literature however, depending on definitions of regions, baseline year, and data sources.
7. The majority of MICs in the Asia Pacific region are in the lower middle income category. It is in particular in these countries where pockets of poverty are persistent—globally, 64% of the world population living on less than US\$1.25 per day are in MICs and 60% of the aid flow recorded by the Development Assistance Group is allocated to MICs.⁷
8. The World Bank classifies all low and middle-income countries as “developing” but notes: “The use of the term is convenient; it is not intended to imply that all economies in the group are experiencing similar development or that other economies have reached a preferred or final stage of development. Classification by income does not necessarily reflect development status.”⁸

Diversity of MICs

9. A closer look at the group of MICs in the Asia-Pacific region reveals significant diversity in terms of size, socio-economic factors, political systems and development challenges and six countries are classified as both MICs and LDCs⁹ (see Annex 1 and 2). This diversity and the related analytical limitations of the MIC category—at least at a regional level—maybe one of the reasons why publications of UN agencies do not systematically use this concept. Sub-regional groupings, HDI rank clustering, or groupings based on other parameters—such as the social dimensions of development—are more commonly applied. It is clear that analysis and programming of development interventions should take into account parameters beyond the GNI-based definition of MIC status. Despite the obvious differences between an income based and a human development based approach, however, a broad overlap between the MIC category and the “Medium Human Development” category in the HDI matrix can be observed (see Annex 2) with Malaysia (which is designated “High Human Development Country” and Timor-Leste (designated “Low Human Development Country”) being the sole exceptions.
10. MICs in the Asia-Pacific region are diverse in size and level of development as are the region’s countries as a whole.¹⁰ Comparing MICs at the regional level is therefore of limited value—most have more in common with their immediate

⁴ <http://data.worldbank.org/about/country-classifications/country-and-lending-groups>;

⁵ United Nations. August 2009. *Development Cooperation with Middle Income Countries: Report of the Secretary General, A/64/253*, p. 3.

⁶ Vietnam is listed as an LIC. Data in the ILO Labour and Social Trends Report Vietnam 2009/10 indicate that it passed the MIC lower threshold in 2008.

⁷ United Nations. August 2009. *Development Cooperation with Middle Income Countries: Report of the Secretary General, A/64/253*, p 3-4.

⁸ <http://data.worldbank.org/about/country-classifications>

⁹ Classification as LDCs uses two criteria in addition to GNI per capita (upper threshold is US\$ 900), the Human Assets Index (basically health and education); and the Economic Vulnerability Index (which also includes population size). ESCAP website, 2007 data.

¹⁰ ESCAP. 2010. *Path to 2015: MDG priorities in Asia and the Pacific*. Bangkok, p. 17.

neighbours (regardless of their development level) than with MICs in other subregions. For example, marginalized regions in MICs are often rural border areas, where national borders may cut across ethnic and cultural similarities or development may be stunted by political instability or security concerns.

- 11.** Nonetheless, there is a growing realisation that the formulation of strategies of engagement and the positioning of the UN System in MICs poses a specific challenge. This is related to the fact that in a specific type of MICs the status of the UN, which is often defined in ODA-delivery terms towards technical assistance addressing broadly MDG issues, is different. To the extent that MICs do not need generalised development expertise or funding, the original model of the UN is of limited usefulness. However, it should be noted that in the context of equity challenges, there is still space for development expertise, technical assistance and funding for example in under-performing sub-regions.
- 12.** It has, however, been pointed out in a recent study¹¹ on MICs in the Middle East and North Africa, also drawing on analysis in other regions, that MICs do exhibit basic commonalities:
 - Relatively high average growth rates, openness to trade and integration in the global economy, and reasonable to high Human Development Index (HDI) scores, although significant deviations exist between and within regions;
 - In many cases, a democratic governance deficit;
 - Inequality, unemployment and social exclusion is rife;
 - Vulnerability, resulting from social and institutional, productive (reliance on a few commodities) and financial (including inadequate integration in the international financial markets) factors; and
 - Low dependence on foreign aid (grants) and greater access to private capital and investments.
- 13.** Another phenomenon associated with MICs is the so called “Middle Income Trap”.¹² The concept broadly refers to the apparent inability of some countries to progress beyond the middle-income level by strengthening knowledge-based and innovation-intensive sectors of the economy. One prominent interpretation of the problem is that the stagnant state of the economy is linked to a weakness in economic governance institutions to support the economy to progress towards higher productivity as well as a lack of labour equipped with the needed high-end skills.
- 14.** The first step toward a useful categorization of MICs would therefore need to be to identify how MICs in Asia-Pacific relate to the above criteria. The occasion to rethink the partnership between the UN and MICs mostly applies non-LDC MICs, whereas for those MICs that still have LDC status the MDG-based and technical approach to UN engagement in the country continues to be particularly relevant.

¹¹ United Nations Regional Directors Team. *Joint RDT Review of UNDAFs; Final Report*, 30 April 2009, Coffey International Development Ltd.

¹² See for example: Ohno, Kenichi. April 2009. *Avoiding the Middle Income Trap; renovating industrial policy formulation in Vietnam*, [ASEAN Economic Bulletin](#).

Table 1
MIC in the Asia and Pacific Region
 (based on World Bank data September 2010)

Type of MIC	South-East Asia	East Asia	Pacific	South Asia	West Asia
Natural Resource Extraction-Based Economies¹³	Timor-Leste	Mongolia	PNG ¹⁴		Iran, Islamic Rep.
LDC				Bhutan ¹⁵	
Large Emerging Economy		China		India	
Long term MIC	Thailand ¹⁶ Indonesia ¹⁷ Philippines ¹⁸	Mongolia ¹⁹			
High MIC²⁰	Malaysia				Iran, Islamic Rep.
Small Island State			American Samoa Fiji Palau RMI FSM Kiribati Samoa Tonga Tuvalu Vanuatu Kiribati	Maldives	
Recently joined Lower MIC category²¹	Vietnam		Samoa	Pakistan Maldives	
Other				Sri Lanka ²²	

C. WHAT: FOCUS AREAS OF UN – MIC PARTNERSHIPS

15. The UNDAF Guidelines position the UNDAF within the MDGs and the Millennium Declaration. Hence, a country analysis and an UNDAF largely assess

¹³ Italics indicate LDC status

¹⁴ GNI per capita US\$ 1,080 in 1993, US\$ 500 in 2003, US\$ 1,180 in 2009

¹⁵ GNI per capita US\$ 1,080 in 2004, US\$ 2030 in 2009

¹⁶ GNI per capita US\$ 1,160 in 1988, US\$ 3,760 in 2009 (soon to be Upper MIC)

¹⁷ GNI per capita US\$ 1,020 in 1995, US\$ 2050 in 2009

¹⁸ GNI per capita US\$ 1,020 in 1995, US\$ 2050 in 2009 (same as Indonesia)

¹⁹ GNI per capita US\$1,460 in 1983 (earliest data available), US\$ 1,630 in 2009

²⁰ Bold indicates recent change in status

²¹ Idem

²² GNI per capita US\$ 1,070 in 2004, US\$ 1990 in 2009

MDG progress and gaps. For MICs, however, the main reference point in terms of national priorities will not be the MDGs. For the majority of MICs (55%) the MDGs are only a moderate priority. Only MDG 6 on Combating HIV/AIDS, Malaria and other communicable diseases stands out as a top priority.²³ However, specific MDG achievement gaps persist in some MICs, especially at the sub-national level.

- 16.** Nevertheless, there is an unfinished development agenda in middle-income countries, as the vulnerability to the impact of the current financial crisis vividly demonstrates. While many Governments in middle-income countries have increased access to resources to address existing and remaining challenges, the lack of clear accountabilities and deficits in the execution of programmes and policies create situations in which the United Nations system can intervene and provide cooperation and assistance in middle-income countries.
- 17.** As the national agendas in these countries become less driven by MDG targets, the UN will need to identify new entry points for programming and positioning will need to take a broader (and potentially longer term) view. The recent shift in UN strategic planning processes away from Development Assistance Framework towards Partnership Frameworks in MIC countries in the region suggest a need for a different conceptual approach and relationship between the UN and partner countries.
- 18.** The reference framework for the new set of substantive priorities that have to be identified for UN partnerships with MICs (where the MDGs no longer form the central part of national development trajectories) would be the wider realm of the Millennium Declaration and Internationally Agreed Development Goals. A matrix analysis undertaken in Peru offers a useful example of how to situate national priorities in this wider framework.²⁴ Within the new set of substantive priorities for UN positioning in the MIC context, the topics listed in the remainder of this section are issues of general importance for the development pathways of MICs. Given the desired shift towards upstream engagement of the UN system in MICs it will be important to focus resources on a set of strategic areas to build critical depth in expertise and thus continue to be a valued partner in policy formulation.
- 19.** However, the UN also has an important role when it comes to “downstream” implementation. In fact, one could argue that a country such as India already has strong policies on paper; the real challenge lies in their implementation. In this regard, the UN may well possess a unique comparative advantage of ensuring strong links between [UN work on] policy development and implementation, especially at sub national levels.
- 20. Ultimately, of course it remains the central task of the UNCTs, however, to identify the substantive priorities of UN-MIC partnerships on a case-by-case basis in accordance with the national development priorities and the particular development challenges within each individual country.**

Socially Sustainable and Inclusive Growth and Development

²³ United Nations. August 2009. *Development Cooperation with Middle Income Countries: Report of the Secretary General*, A/64/253, para. 47

²⁴ http://www.undg.org/archive_docs/6390-S3_MDG-Based_National_Plans_in_MICs_From_Needs_to_Policies_to_Actions_Roddy_Rivas-Llosa_Peru.ppt#331.25, slide 25.

21. There is potential for many MICs to make future growth more inclusive. There are still significant poverty reduction challenges in MICs, which often take on the form of socio-economic inequalities and marginalization of vulnerable societal groups. Globally, 64% of the world population living on less than US\$1.25 per day are in MICs.²⁵ In many MICs there is a static or widening gap in income distribution, as measured by the Gini coefficient. Persistent poverty and inequality are thus a big part of the unfinished development agenda in Middle Income Countries. They need to be addressed, in particular as the most marginalized and vulnerable groups of society are core target groups for the UN. As a recent UNESCO report highlights, improving social cohesion is a key priority in MICs.²⁶

²⁵ United Nations. August 2009. *Development Cooperation with Middle Income Countries: Report of the Secretary General*, A/64/253, p. 3-4.

²⁶ UNESCO. 2009. *Consolidated Report and Recommendation resulting from the UNESCO Future Forum and Workshop on Middle-Income Countries, 10 – 12 December 2009, Montevideo*.

Inequality in MICs in the AP

- 22.** Inequality in MICs in the AP region exists along different lines of divisions, including the geographical rural/urban dimension, gender, ethnicity, class, and age (such as youth unemployment and poverty amongst the older segments of society). Besides differences in income there are disparities in political participation, access to and quality of education, and employment opportunities. These socio-economic inequalities are partly due to past economic policy making that has focused on aggregate growth [often] at the expense of equity issues and exacerbated by other factors such as discrimination, exclusion (caste, religion, and gender), geographical disparities and so forth. Social spending remains low in most MICs despite high economic growth. Investing in health and education, and especially children's health and education will be crucial if the economic growth in MICs is to be sustained in the future. In this context, the establishment of social protection systems, and thereby addressing the needs of marginalized groups, will be particularly important. The relatively large fiscal space of many MICs makes the establishment of effective social protection systems a feasible means to address persisting pockets of poverty. One issue rarely discussed is the need to address the root causes around social norms that impact inequality.
- 23.** In addition to representing a problem within itself, social and economic inequality is a threat to the political stability of MICs. Violent conflict and problems of social cohesion are prevalent in many regions within MICs in Asia-Pacific. The work on local democracy and basic service delivery in conflict affected areas provides a useful analysis of the situation in a number of MICs in Asia-Pacific.²⁷ Improving sub-national governance and peace-building in conflict affected regions is an important contribution of the UN in MICs in Asia and the area where significant non-core resource will likely continue to be available to the UN.
- 24.** Besides its implication for political stability and social cohesion, effectively addressing social inequality also directly translates into strengthening domestic demand, which in turn is critical for sustainable, long-term growth in countries in Asia and the Pacific.²⁸
- 25.** The inequality adjusted Human Development Indicators in the 2010 Human Development Report offer a useful toolkit for identifying problems of social inequality in MICs.²⁹ However, data analysis has to go beyond the national level and beyond an income based approach. Multidimensional approaches to measuring poverty, such as the Multidimensional Poverty Index in the HDR2010, reveal deprivation along non-income dimensions (such as health, education, water and sanitation) among substantial subsections of the population in MICs. The Asia-Pacific MDG Report 2009/10 looked at under-five mortality and under-five underweight and found that notable disparities frequently exist below the national level.³⁰
- 26.** UNCTs could provide assistance to countries in improving their data collection to identify sub-national dynamics of inequality. In this regard, the general approach should be to strengthening national capacity for inclusive data

²⁷ See for instance: Commins, Dr Stephen. June 2009. *Basic service delivery in conflict affected and fragile areas*; and UNDP/ESCAP. 2-3 June 2009. *Report on the UNDP-ESCAP regional technical seminar on "Local governance and basic services delivery in conflicted areas"*. Bangkok.

²⁸ ILO. 2010. *Labour and Social Trends in ASEAN 2010*.

²⁹ UNDP. 2010. *Human Development Report 2010*.

³⁰ ESCAP, ADB, UNDP: *Achieving the Millennium Development Goals in an Era of Global Uncertainty. Asia-Pacific Regional Report 2009/10*, p. 1 – 2; p 21 ff.

collection, analysis and utilization that highlights inequalities along the lines of gender, caste, religion and is an area where the UN has a clear and well acknowledged expertise.

- 27.** There is furthermore potential for the UN system to assist in defining policy measures that address issues of inequality. These can take on the form of capacity building, advice for institutional design (such as in the design or reform of social security or progressive taxation schemes), technical assistance (such as in improving rural infrastructure) and general advocacy. As a recent report suggests, this potential is further underscored by the financial resources (fiscal space) that generally exist or could be raised in MICs, but have often not been deployed effectively towards solving problems of social inequality.³¹

Demographic challenges in MICs in Asia and the Pacific

- 28.** Improvements in health conditions in many MICs in Asia and the Pacific have seen a decline in mortality and longer life expectancy for both men and women. Together with a reduction in birth rates (itself influenced by better education of girls and women) this has led to a demographic transition, i.e. an increase in the average age of the population. MICs in Asia and the Pacific are generally found in the intermediate or advanced stages of this transition. The first group of MICs is characterized by an intermediate level fertility, where the population growth rate is slowing down, but old age dependency support ratios remain stable. The second group of countries has completed the transition and is characterized by low fertility and clear shift of weight in the population structure towards the older segments.
- 29.** MICs in the intermediate stage of the fertility transition have a so-called demographic window of opportunity for faster economic development, which consists of a large proportion of the working age population (15-59) relative to other population segments. In order to take advantage of this opportunity, policy makers together with business and civil society need to ensure that appropriate conditions exist regarding, for instance, the availability of productive job opportunities and education, and sufficient space for political participation. A lack of such conditions can give rise to the issues of outward migration or political unrest.
- 30.** In MICs that are experiencing an increasing dependency ratio a major challenge will be to adapt social protection systems to the new demographic structure. This can be especially difficult in countries, where the fertility transition has progressed quickly. Most MICs have national programmes and policies in place that seek to address issues of population ageing, but the effectiveness and scope of these programmes differ.
- 31.** A major problem that often accompanies a decline in fertility rates is a heightened discrimination against female children manifested in sex-selective abortion and/or sex-selective neglect. While the practice is not limited to MICs, rises in income levels in MICs allow for a broader use of modern technology for sex-selection practices. However, the phenomenon does not occur in all MICs as it is closely linked to existing cultural concepts.

Migration

³¹ UNESCAP 2010. *Financing an inclusive and green future.*

- 32.** International migration within the Asia and the Pacific region has expanded very rapidly. One contributing factor are the demographic changes leading to low rates of growth of the working age population in some countries (typically migrant receiving countries) but high rates in others (typically countries of origin). As MICs are predominantly receiving countries, there is a strong need to adapt to the large numbers of international migrants. This harbours great potential, for instance in the rebalancing of population age structures, but also comes with the need to design efficient policies for integration and against abuses of migrants.
- 33.** Due to the size of populations and the uneven nature of development within regions of countries in the Asia and the Pacific region, internal migration also poses a large challenge for the region. In many countries in Asia, urban growth rates are up to twice as high as the overall population growth rates. In particular mid-sized MICs often feature one very large urban centre while second and third cities lag significantly behind in terms of economic opportunities. This trend of rapid urbanization has clear implications for planning and delivery of essential services in MICs.

Environmentally Sustainable Growth and Development

- 34.** Accounting for 47% of global CO₂ emissions, MICs are major contributors to climate change. The significant environmental footprint of MICs in Asia-Pacific reflects the generally poor performance of countries in Asia-Pacific to meet the goals set under MDG 7 (Ensuring environmental sustainability).³² Problems of environmental degradation in MICs are linked to issues of high consumption of natural resources, urbanization, extensive air and water pollution, poor access to social services, and high population densities with more people living in hazard prone areas. The fact that MICs account for more than half of the world's areas protected for their environmental significance underlines the importance of environmental conservation in these countries.³³
- 35.** There is a strong need and considerable potential for MICs to make future growth more environmentally sustainable and capitalize on the changes in the global energy regime. While environmental considerations have not been a priority for most MICs in their recent development, there is much to be gained by rebalancing growth towards environmental sustainability. [policy options]
- 36.** Rebalancing economic growth towards environmental sustainability can be done in ways that do not conflict with national growth targets. Global demand for renewable energy and technology in this field is bound to increase drastically in the future and MICs can capitalize on this trend by investing in renewable energies and creating the respective policy incentives for the private sector to push this process forward. Greater focus is also needed on human-environment interactions. This could include traditional ecosystem based analyses as well as human ecology perspective with special focus on urban environment.
- 37.** As a recent study on Thailand as a MIC has suggested, the UN system is well positioned to assist MICs to advance environmental protection and capitalize on the demand for renewable energy. There is potential for different UN agencies to contribute within their spheres of expertise to this broader goal and to do so

³² See Annex 4 for an overview of MDG Achievements of MICs in Asia-Pacific. Source: ESCAP, ADB, UNDP. 2010. Achieving the Millenium Development Goals in an Era of Uncertainty: Asia-Pacific Regional Report 2009/10

³³ Ferranti, David. 2006. *The World Bank and the Middle Income Countries*, p.141.

under the “Delivering as One” paradigm.³⁴ There is also likely demand from MIC governments in this field, as many have made international commitments.

³⁴ Porter, C. and Suddhi-Dhamakit, K. March 2010. *UN Operations in a Middle-Income Country: Formulation of a Strategy for Enhanced UN Coherence and Effectiveness in Thailand.*

Economic Governance

38. The income level of MICs attests that these countries generally have functioning institutions of economic governance. However, many MICs face new challenges along the development path, which present opportunities for continued effective engagement of the UN system. The main such development challenges identified are:

- If MICs in Asia-Pacific are to sustain their economic growth they have to strengthen domestic and regional demand in order to become less dependent on foreign demand. The two key levers for increasing domestic demand are (i) the productivity-wage ratio and (ii) the GDP to employment growth ratio. In many MICs in the AP region GDP growth has outpaced employment growth, while productivity growth has outpaced wages.³⁵ Rebalancing these relationships is a key step to increase domestic demand and can be achieved through promotion of decent work and policies of employment creation, including establishing employment creation as a macroeconomic goal.³⁶ In addition, deepening regional integration is the main means to enhancing regional demand and thus further decrease dependence on US and European demand.
- Building a counter-cyclical macroeconomic policy framework in order to be in a position to effectively counterbalance external shocks and to do so in a socially targeted manner.³⁷
- Enhancing and/or developing institutions to ensure adequate delivery and financing such protection measures.
- Investing in knowledge and skills in order to further increase productivity. The failure of MICs to further increase their productivity has been identified as a main challenge in progressing towards the High Income Country (HIC) category. This is a key element in of the “Middle-Income Trap”.³⁸
- While the future development of MICs depends largely on the quality of domestic policymaking, decision-making in advanced economies and in the international community at large also has a major impact on welfare in MICs. One frequently cited issue is the negative effect of trade barriers in developed economies on export growth in MICs. This is partly a result of the disproportionately small voice of MICs in international trade negotiations, such as the current Doha round.

Democratic Governance

39. Alongside issues of socio-economic inequalities many MICs in the region also face deficiencies in democratic governance. Many MICs achieved their economic development status by decades of development-oriented authoritarian systems. The EIU’s Democracy Index captures this problem by ranking most MICs in the A-P region as “flawed democracies”.³⁹ The values assigned to MICs in Asia-

³⁵ ILO. 2010. *Labour and Social Trends in ASEAN 2010*.

³⁶ ILO/IMF. 2010. *The Challenges of Growth, Employment and Social Cohesion: Discussion Document for the Joint ILO-IMF conference in cooperation with the office of the Prime Minister of Norway*; ILO. 2010. *Labour and Social Trends in ASEAN 2010*.

³⁷ United Nations. August 2009. *Development Cooperation with Middle Income Countries: Report of the Secretary General, A/64/253*, p. 15.

³⁸ Ohno, Kenichi. April 2009. *Avoiding the Middle Income Trap; renovating industrial policy formulation in Vietnam*, [ASEAN Economic Bulletin](#).

³⁹ EIU. 2008. [The Economist Intelligence Unit's Index of Democracy 2008](#). <http://a330.g.akamai.net/7/330/25828/20081021185552/graphics.eiu.com/PDF/Democracy>

Pacific by the Democracy Index developed by the EUI broadly correlate with the World Bank's World Wide Governance Index.⁴⁰ However, the two indicators have a different substantive focus and therefore the results for a given country differ.⁴¹

- 40.** While many MICs achieved significant economic development results, coupled with initially good progress in education systems, this has created a false dichotomy among many decision makers—and sometimes the public—that economic progress led and defined by the government comes first and issues of democratic governance and accountability are of lower priority. With this emphasis on economic governance, democratic governance has often been neglected or even discredited as impeding economic progress, which in turn reinforced the lack of accountability of governments to the general public or specific societal groups. As is pointed out in a recent report on “Democratic Space in Asia-Pacific”, formal democratic institutions [...] still lack substantive democratic processes, values and relationships to allow for meaningful participation of the broader public in political decision making.⁴²
- 41.** There are many essential conditions for decentralization and the promotion of elected democratic institutions at sub-national level and decentralization should take in consideration only if there are: clearly specified mandates; adequate fiscal and human resources; No major inequalities; and effective local accountability mechanisms. Unfortunately in many MICs country there are not these essential conditions. Each country needs to be assessed on a case by case basis for the structure of decentralization of services and sectors. Road maps will be important tools for structuring effective and sustainable local governance.
- 42.** As the 2010 Human Development Report points out economic growth is only one dimension of development. The importance of economic growth for the overall progress of human development is decreasing as non-resource intensive forms of education and health services—such as the increasing prevalence of modern communications technology and knowledge dispersion in developing economies—become available..
- 43.** An indication of the weak institutions in MICs is the significant level of corruption that continues to characterize many MICs in Asia-Pacific. The Worldwide Governance Indicators developed by the World Bank show that prevalence of corruption is above the global average in two-thirds of the MIC Group.⁴³ This general picture also translates to the Asia-Pacific Region, as indicated by Transparency International's Corruption Perception Index (CPI), where MICs in Asia-Pacific rank between 2.1 and 5.0 on a scale of one to ten, ten being the least corrupt.⁴⁴

[%20Index%202008.pdf](#). For an overview of the number values the index assigns to MICs in Asia-Pacific please refer to ANNEX 2.

⁴⁰ World Bank. 2009. *World Wide Governance Indicators*.

http://info.worldbank.org/governance/wgi/sc_country.asp. For an overview of the number values the index assigns to MICs in Asia-Pacific please refer to ANNEX 2.

⁴¹ See ANNEX 2 for further information on the methodology of both governance indicators.

⁴² Horner, Lisa and Andrew Puddephatt. October 2010. *Democratic Space in Asia-Pacific: Challenges for Democratic Governance Assistance and Deepening Civic Engagement; Discussion Paper*.

⁴³ Kaufmann, Daniel, Aart Kraay, and Massimo Mastruzzi. 2006. *Governance Matters V: Aggregate and Individual Governance Indicators for 1996–2005*. World Bank Policy Research Working Paper No. 4012, World Bank Institute Development Research Group, Washington, DC. Cited in IEG. 2007. *Development Results in Middle Income Countries: An Evaluation of the World Bank's Support*, p. 25.

⁴⁴ See Annex 3

- 44.** The work of UNDP/ESCAP has stressed that effective democratic governance needs to reach beyond the national level to allow for effective and geographically balanced accountability of government to citizens.⁴⁵ For most people in the MICs in Asia-Pacific, effective local governments continue to be point of engagement regarding issues directly affecting their livelihoods. Some MICs, however, do not have any form of elected democratic institutions at sub-national level and while representative democracy is in place many challenges persist.
- 45.** Women's representation is very low in most MICs and many ethnic and societal groups have limited options of participating and ensuring local government accountability. It is thus necessary to strengthen democratic governance at the local level to foster participation and nurture democratic space. Devolution arrangements and power-sharing in local councils are amongst the tools for addressing problems of a lack of accountability or violent conflict at the local level. It is important to take into account, however, that successful decentralization also requires capacity at both central and regional levels.
- 46.** Applying a gender and a human rights based approach (HRBA) to the analysis of democratic governance in MICs will be particularly useful to identify the underlying causes of deficits—be they of institutional, legislative, or socio-economic nature—and to develop solutions. A strong entry point for UN engagement would be to follow up on the recommendations formulated by international human rights mechanisms, such as the Universal Periodic Review (UPR) and UN Treaty Bodies and reports from Committees on the Rights of the Child (CRC) and on Elimination of All forms of Gender Discrimination (CEDAW). Where relevant, conventions monitored by UN agencies, such as the ILO Conventions that protect fundamental human rights present a further entry point.⁴⁶ Finally, emerging regional mechanisms and bodies for the monitoring and realization of human rights, such as the ASEAN Intergovernmental Commission on Human Rights, also serve as a potential basis for UN engagement for the realization of human rights in MICs. The potential receptiveness of MICs to UN policy advice in these areas is linked to their aspirations to increase their integration and status in the international and multilateral system.
- 47.** It should be a primary goal for MICs to recognize sound democratic governance and a HRBA as a critical precondition for political sustainability as well as sustainable, long-term human development. The UN's politically neutral perspective and its ability to communicate experiences in democratic institution building positions it as an attractive partner for countries seeking to improve their systems of democratic governance.

D. HOW: POSITIONING THE UN IN THE MIC CONTEXT

Upstream Engagement

- 48.** It is generally acknowledged that the UN work needs to move upstream towards policy advice and become more flexible and responsive to governments'

⁴⁵ See for instance: Larsen, Henrik Fredborg and Selim, Nadia. June 2009. *Local Democracy and Peace Building in Asia: Devolution Arrangements and Power Sharing in Local Government Councils*.

⁴⁶ The reports and recommendations of the ILO supervisory bodies can be used in this respect.

demands.⁴⁷ This upstream policy engagement of the UN system in MICs contrasts with traditional forms of UN engagement, which to a large extent have been project-oriented and technical in nature, and often structured in reference to the MDGs and guided by donor funding approaches and priorities. UNCTs in MICs often face the difficult task of having to respond to an increasing importance of high-level engagement in policy advisory services while at the same time the role and importance of the UN in terms of ODA relative to GDP declines as the country develops more financial resources of its own and donors reduce support.

- 49.** There is an argument to be made for a much a stronger UN integrated approach and convergences of interventions that better melds the operational capacities of the Funds and Programs with the technical expertise of the Specialized Agencies which are often in much greater demand in MICs. This may well require major changes in the human resources, roles and activities in the agencies (more policy and advocacy, less project implementation).
- 50.** In many MICs there appears to be an opportunity for the UN to focus on the challenge of how increasing fiscal space can be used to address the thematic issues discussed in section C. In MICs where the high national income is based on high reliance on extractive industries, for instance, there is generally a strong need for institutional development regarding economic and democratic governance.
- 51.** The strategic response of the UN to the declining importance of MDGs and ODA in MICs could be to build up the value of the UN in non-ODA terms around an upstream agenda. This means a considerable shift in the modus operandi of the UN system in MICs and requires strategic action, especially with regards to the aspects listed below.

Demand driven engagement and national ownership

- 52.** As has been stressed by several MIC studies, a crucial precondition for successful UN engagement at the policy level is to align the UN system's work with governments' priorities and goals within the broader context of national development priorities as well as regional and global aspirations.⁴⁸ To define their role in the regional or global community, countries often strive to take on leading roles regarding specific development challenges of regional or global importance. The UN system is well positioned to assist countries in this respect. Supporting countries in their role as champions for regional or global development issues—in addition to UN support for the national development agendas of MICs—can also harbour important benefits in terms of the political alignment of countries towards such issues and in terms of the effective and efficient use of UN resources.
- 53.** In order to position the UN system as an effective partner for MICs in formulating and implementing national, regional and global development strategies and visions, UNCTs need to take on a long-term perspective in their cooperation with MICs. The engagement with planning and implementation processes of key national planning documents, such as the national development strategies (long-term) as well as mid-term development plan will allow UNCTs to ensure an intimate relevance of UN work to the upstream policy agenda of MICs.

⁴⁷ United Nations August 2009. *Development Cooperation with Middle Income Countries: Report of the Secretary General*, A/64/253, p. 15.

⁴⁸ Porter, C. and Suddhi-Dhamakit, K. March 2010. *UN Operations in a Middle-Income Country: Formulation of a Strategy for Enhanced UN Coherence and Effectiveness in Thailand*.

Consultative communication with government representatives and other key stakeholders will be crucial in this respect.

- 54.** Allowing for extensive ownership of joint work by governments and other stakeholders has always been an element in successful UN engagement, but becomes all the more important when the financing of the UN shifts in MICs from ODA to cost-sharing or even full financing by the host country. It is important to note the specific preferences and priorities of partners in MICs, as these may vary across countries and sectors. China's policy makers, for instance, insist in strong evidence from strategic experiments that can inform their policy, in line with their approach to "crossing the river by feeling out for the stones" (Deng Xiaoping). ... UN as catalyst ...

Advocacy and the UN's normative mandate

- 55.** In its repositioning necessitated by the development context of MICs, it is important that UNCTs maintain their full commitment to the normative mandate of the UN. To this end UNCTs should aim to uphold a relationship of equal partnership with governments and other stakeholders. This will likely become more challenging due to the decreasing leverage of UNCTs caused by reduced levels of ODA and increased competition with consulting firms, NGOs and Foundations, who may offer similar services, but at the same time do not operate with an equally extensive normative role as part of their mandate.

Identifying and capitalizing on the UN's comparative strength

- 56.** In responding to government demands, the UNCT should identify and capitalize on its unique strength. This requires a careful analysis of which comparative advantage can be leveraged in the respective country setting and how the UNCT's assets can be used most effectively and efficiently. Often cited comparative strength elements of the UN system include those listed below.⁴⁹ These also apply to UN work at the country level in general. In MICs the content of these elements is likely to be of a somewhat different nature than in LICs and LDCs.

- Global perspective –the UN's ability to independently monitor and assess MICs' development progress
- Network of UN institutes and offices around the world
- Access to world class expertise and knowledge
- Social credit – credibility of the UN and its brand name which can be more useful than money
- Neutrality/impartiality – perceived as being objective and as not taking sides in internal political debates
- Convening power – ability to bring together many different stakeholder groups from within and outside the country

Generate expertise and keep it accessible

- 57.** As policy advice becomes the dominant form of engagement of the UN in MICs, the UN system should strengthen related capacities. A key capacity is the gathering, maintenance and brokering of policy relevant knowledge and information.⁵⁰ This would include the standardization of knowledge generation,

⁴⁹ See for example: Porter, C. and Suddhi-Dhamakit, K. March 2010. *UN Operations in a Middle-Income Country: Formulation of a Strategy for Enhanced UN Coherence and Effectiveness in Thailand*, p. 7; See also UNDAF Guidelines (February 2010) on this.

⁵⁰ Ferranti, David. 2006. *The World Bank and the Middle Income Countries*.

storage, and communication and could be done in combination with the role of the UN as a facilitator of south-south cooperation (through the gathering of results produced and presented in this context). The goal should also be to build networks of high level experts (within and outside of the UN system), which the UN can draw on when faced with specific government requests. Based on this role of the UN as a knowledge bank and broker, the UN system should work to increase its visibility amongst policy makers and other stakeholders through effective communication strategies, based on successful experiences. Both the repositioning of the UN system vis-à-vis development partners in the MIC context and the internal adjustments of the UN system that are necessitated by this repositioning will need to be approached with a long-term perspective and an explicit strategy for change management perhaps in the conjunction with the new CPD cycle.

Supporting MICs' role in International Cooperation

58. As MICs transition to become less dependent on ODA, and in some cases even active providers of development assistance, MICs have the potential for a strong role and voice in international development cooperation. This applies to different forms of cooperation. First, MICs can share their development experience with LICs and LDCs through South-South Cooperation (SSC) or Triangular Development Cooperation (TDC). A recent IFAD report cites MICs' general interest in intensifying this form of development cooperation.⁵¹

59. Second, MICs in Asia-Pacific have great potential to lead the region in the formulation of key regional policy initiatives, including means for environmental conservation and the formation of effective regional policies for migration and trafficking. Migration is likely to be an issue of particular concern for MICs in the region. Migration both countries and internally towards urban centres is increasing. MICs therefore face related social impacts, such as, sexual, labour and other forms of exploitation in-country and for their respective migrant populations abroad. Third, MICs can also function as engines of economic growth for their poorer neighbours. Moreover, MICs can also be sources of negative externalities and spillover, for example in the case of poverty regression or political instability that affect neighbouring countries.

60. The UN's international connectedness, its credibility and neutrality qualifies it as a useful facilitator of the above forms of development cooperation between MICs and LICs/LDCs. The UN system can also support a new role of MICs in development cooperation through capacity development and policy support. One example of such UN support has been its role in the development and implementation of the Jakarta Commitment on Development Effectiveness which focuses on improving the effectiveness of the Government of Indonesia's role as both recipient and provider of development assistance.

Building Public-Private Partnerships

61. Through building Public-Private Partnerships (PPPs) within MICs the UN can play a role in enhancing stakeholder inclusion in MICs, promote knowledge exchange between the two sectors and allows for the mobilization of previously untapped resources. Connecting with the private sector often needs to be part of a UNCT's strategy of locating resources as alternatives to ODA in MICs. In building PPPs the UN can draw on its credibility, political neutrality and experience in facilitation and coordination (including those gained through agency specific models such as the ILO's tripartite structure).

⁵¹ IFAD. October 2008. *IFAD's Role in Middle Income Countries*.

E. PROGRAMMATIC CONSIDERATIONS

Capacity Development

62. Capacity development in MICs is an important modality of engagement. It is a programming principle which UNCTs must take into account in their strategic framework development in any country. For MICs, however, capacity development needs to take a longer-term view with a particular focus on complementing leadership capacities with institutional capacity. This will allow the UNCT to support countries to avoid the “Middle Income Trap” and also provide an enabling environment for a human rights based approach for both rights holders and duty bearers.

Support Mechanisms for UNCTs

63. The comparative advantage analysis within the preparation process of strategies of engagement in MICs, which includes a resource / expertise analysis as well as the provision of high level policy advice, would need to reach beyond the confines of the UNCT. Each agency will need to take into account its access to supporting budgetary resources and capacity from regional and headquarters levels. Also, a strong and early Non-Resident Agency (NRA) engagement should bolster the capacities of the UNCT. NRAs are also those agencies whose mandate and expertise is situated in the upstream policy MIC interest areas. Agencies should strive to further develop inter-agency cooperation and networking, including at the regional level, to help generate relevant expertise for effective upstream engagement in MICs. For the cases in which there is insufficient capacity within the UN system, it will be important for UNCTs to be able to rely on a knowledge network that allows them to effectively draw on support from outside the UN system.

Budgetary Considerations

64. A quick reaction to emerging issues and engagement opportunities in MICs needs to be facilitated in budgetary terms. Over the long term, an agency-specific approach based on projects or programmes with detailed and advance planning and documentation will be less suitable. Rather, the demand setting in MICs makes a strong case for single window modalities, such as the One Fund, where relevant, and should be supported with a review of competences and role of UNCT. This window should also include budget equivalents of the regional or headquarters drawdown expertise that agencies can commit to, in order to allow for a fair reflection of all contributions.

65. As the UNCT's in MICs are likely to face a considerable decrease of ODA, UNCTs have to begin developing strategies for alternative resource mobilization as soon as a country's entry into the MIC category can be projected on a medium term horizon.⁵² This challenge is complicated by the attribution problems of upstream UN engagement in MICs. The need for strategies for alternative resource mobilization implies that the UNCT has to (re-)position itself in order to be able to draw on alternative resources. This will likely require partnering with the private sector, and the mobilization of budgeted support from governments and other sources. An important element of a strategy for alternative resource mobilization will likely be the enhanced stakeholder ownership of UN engagement as a basis for further funding. In the context of enhanced stakeholder ownership it will be important to maintain a clear profile of the UN within development cooperation in MICs as basis for resource mobilization from external donors. This is especially relevant to UN engagement in Lower MICs, as in these countries external donors remain an important funding source. While resource mobilization from the private sector in Lower MICs might be constrained by its nascent status, an early emphasis on building partnerships with the private sector could lay the groundwork for future cooperation. As part of the positioning strategy of UNCTs in the MIC context, it is also conceivable that UNCTs will take on or expand their coordinating function for non-UN channelled funding into MICs, such as direct bilateral budget support.

Data Quality

⁵² For further discussion of resource mobilization in the MIC context, see: UNDP Task Force on UNDP's Role in Middle Income and Net Contributor Countries. March 2008. *Context and Options: Contribution to a strategic policy approach*; UNCT Mexico. *Draft UNCT Mexico Response to the Deputy Secretary-General*.

66. Often, quite an array of data and studies are available in MICs. However, they often are of differing quality, lack data on subnational dynamics, and vary in terms of definitions and concepts. Naturally, in MICs, given the wealth of data, UNCTs often opt for complementary or summative country analyses. They may also decide to use a government-led analytical process. In all of these options special care must be taken that data quality is ensured and that the data and hence the country analyses allow for an objective and untainted assessment of development challenges in the country. In MICs with a significant lack of comprehensive and differentiated data collection, analysis and utilization, capacity building of national staff should be a priority.

Monitoring and Evaluation

67. The transformation of UN engagement in MICs away from ODA-based technical work, towards advisory and advocacy work implies the need for a shift in M&E systems towards the higher order, impact leveraging level of the results matrix. In programmatic terms this implies increased emphasis on outcomes, rather than outputs and project budget-attributable results. Attribution problems will likely increase, the further upstream the UN contribution is situated. As UNCTs will have to move beyond the country level to address pockets of poverty and marginalization in MICs, M&E systems will also need to reflect this shift, for instance, regarding the assessment of progress towards the MDGs at the sub-national level. At the same time, progress needs to be maintained at the national level regarding higher level development goals including the Internationally Agreed Development Goals (IADGs) and the Millennium Declaration.

ANNEX 1: Overview of MICs and LICs in Asia-Pacific

World Bank list of economies (as of September 2010)

(Bold indicates recent change in status, Italics indicate LDC status)⁵³

Upper-middle-income economies (5)

American Samoa

Fiji

Malaysia

Palau

Iran, Islamic Rep.

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Bhutan
China
India

⁵³ http://data.worldbank.org/about/country-classifications/country-and-lending-groups#Lower_middle_income

According to the World Bank, high-income economies in Asia and the Pacific are Australia; Brunei Darussalam; Hong Kong SAR, China; Japan; Korea, Rep.; Macao SAR, China; New Zealand; Singapore (as of September 2010).

Indonesia

Kiribati

Maldives

Marshall Islands

Micronesia, Fed. Sts.

Philippines

Samoa

Sri Lanka

Thailand

Timor-Leste

Vietnam

UN list of LDCs in Asia and the Pacific (as of November 2010)

Of the 48 least developed countries, the following 14 are located in Asian and the Pacific⁵⁴:

Afghanistan

Bangladesh

Bhutan

Cambodia

Kiribati

Lao Peoples Democratic Republic

Myanmar

Nepal

Samoa

Solomon Islands

Timor-Leste

Tuvalu

Vanuatu

Yemen

54

http://www.un.org/wcm/content/site/ldc/home/quick_facts#11127

ANNEX 2: Overview of Human Development, Income Inequality and Governance in MICs in Asia-Pacific

	HDI	Country	Gini Index 1992-2007	EIU Democracy Index³	Worldwide Governance Indicators (World Bank) Avg. value⁴
Very high HD²	2	Australia	35.2	9.22	1.58
	20	New Zealand	36.2	9.26	1.74
	23	Singapore	42.5	5.82	1.44
	24	Hong Kong, China	43.4	5.92	1.40
	26	Korea (Republic of)	31.6	8.11	0.73
	30	Brunei Darussalam	..	..	0.72
High	66	Malaysia	37.9	6.19	0.24
Medium HD	87	Thailand	42.5	6.55	-0.23
	88	Iran, Islamic	38.3	1.94	-1.20
	92	China	41.5	3.14	-0.51
	94	Samoa	..	..	0.36
	95	Maldives	..	..	-0.31
	99	Tonga	..	..	-0.33
	102	Sri Lanka	41.1	6.64	-0.45
	105	Philippines	44	6.12	-0.48
	108	Fiji	..	3.62	-0.72
	111	Indonesia	39.4	6.53	-0.41
	115	Mongolia	33	6.36	-0.34
	116	Viet Nam	37.8	2.94	-0.52
	126	Vanuatu	..		0.28
	132	Bhutan	46.8	4.68	0.06
	133	Lao PDR	32.6	2.10	-0.98
	134	India	36.8	7.28	-0.21
	135	Solomon Islands	..	..	-0.46
	137	Cambodia	40.7	4.87	-0.81
	138	Myanmar	..	1.77	-1.89
	141	Pakistan	31.2	4.55	-1.20
144	Nepal	47.3	4.24	-0.97	
146	Bangladesh	31	5.87	-0.90	
148	Papua New	50.9	5.54	-0.70	
Low	162	Timor-Leste	39.5	7.22	-0.82

Sources: - EIU. 2008. [The Economist Intelligence Unit's Index of Democracy 2008](#).

- UNDP. 2008. Human Development Report 2009: HDI Rank and Gini Index.

- World Bank. 2009. [Worldwide Governance Indicators](#)

1. Bold indicates MIC status; “U” indicates upper MIC; L indicates LDC (please turn page to view further notes)
2. Low/medium/high/very high HD: A classification of countries based on the value of the HDI according to the most recent data. The ranges are 0–0.499 for low HDI, 0.500–0.799 for medium HDI, 0.800–0.899 for high HDI and greater than 0.900 for very high HDI.
3. EIU. 2008. [The Economist Intelligence Unit's Index of Democracy 2008](#). The Economist's democracy index is based on the ratings for 60 indicators grouped in five categories: electoral process and pluralism; civil liberties; the functioning of government; political participation; and political culture. The overall index is the simple average of the five category indices on a 0 to 10 scale, 10 being most democratic.
1. World Bank. 2009. [World Wide Governance Indicators](#). The Worldwide Governance Indicators comprise six governance indicators: Voice & Accountability, Political Stability & No Violence, Government Effectiveness, Regulatory Quality, Rule of Law, and Control of Corruption. Each indicator is measured in units ranging from -2.5 to 2.5, with higher values indicating better governance outcomes. The final governance index value for each country is the average value of the six indicators rounded to two decimal places. The governance indicators reflect the statistical compilation of a large number of enterprise, citizen and expert surveys in industrial and developing countries, as reported by a number of survey institutes, think tanks, non-governmental organizations, and international organizations.

ANNEX 3: Transparency International Corruption Perception Index (CPI) in Asia-Pacific

Rank	Regional Rank	Country / Territory	CPI 2009 Score	Confidence Interval		Surveys Used
				Lower bound	Upper bound	
1	1	New Zealand	9.4	9.1	9.5	6
3	2	Singapore	9.2	9.0	9.4	9
8	3	Australia	8.7	8.3	9.0	8
12	4	Hong Kong	8.2	7.9	8.5	8
17	5	Japan	7.7	7.4	8.0	8
37	6	Taiwan	5.6	5.4	5.9	9
39	7	Brunei Darussalam	5.5	4.7	6.4	4
39	7	South Korea	5.5	5.3	5.7	9
43	9	Macao	5.3	3.3	6.9	3
49	10	Bhutan	5.0	4.3	5.6	4
56	11	Malaysia	4.5	4.0	5.1	9
56	11	Samoa	4.5	3.3	5.3	3
79	13	China	3.6	3.0	4.2	9
84	14	India	3.4	3.2	3.6	10
84	14	Thailand	3.4	3.0	3.8	9
95	16	Vanuatu	3.2	2.3	4.7	3
97	17	Sri Lanka	3.1	2.8	3.4	7
99	18	Tonga	3.0	2.6	3.3	3
111	19	Indonesia	2.8	2.4	3.2	9
111	19	Kiribati	2.8	2.3	3.3	3
111	19	Solomon Islands	2.8	2.3	3.3	3
120	22	Viet Nam	2.7	2.4	3.1	9
130	23	Maldives	2.5	1.8	3.2	4
139	24	Bangladesh	2.4	2.0	2.8	7
139	24	Pakistan	2.4	2.1	2.7	7
139	24	Philippines	2.4	2.1	2.7	9
143	27	Nepal	2.3	2.0	2.6	6
146	28	Timor-Leste	2.2	1.8	2.6	5
154	29	Papua New Guinea	2.1	1.7	2.5	5
158	30	Cambodia	2.0	1.8	2.2	8
158	30	Laos	2.0	1.6	2.6	4
178	32	Myanmar	1.4	0.9	1.8	3
179	33	Afghanistan	1.3	1.0	1.5	4

Orange highlight=LMIC, yellow highlight=UMIC

The TI Corruption Perceptions Index (CPI) ranks countries in terms of the degree to which corruption is perceived to exist among public officials and politicians (from 0.00/“highly corrupt” to 10 highly clean) . It is a composite index, drawing on corruption-related data in expert surveys carried out by a variety of reputable institutions. It reflects the views of businesspeople and analysts from around the world, including experts who are locals in the countries evaluated. The CPI focuses on corruption in the public sector and defines corruption as the abuse of public office for private gain. The surveys used in compiling the CPI ask questions that relate to the misuse of public power for private benefit, with a focus, for example, on bribetaking by public officials in public procurement. The sources do not distinguish between administrative and political corruption or between petty and grand corruption.

(Source:http://www.transparency.org/regional_pages/asia_pacific/resources/surveys_and_indices#regionalsurveys)

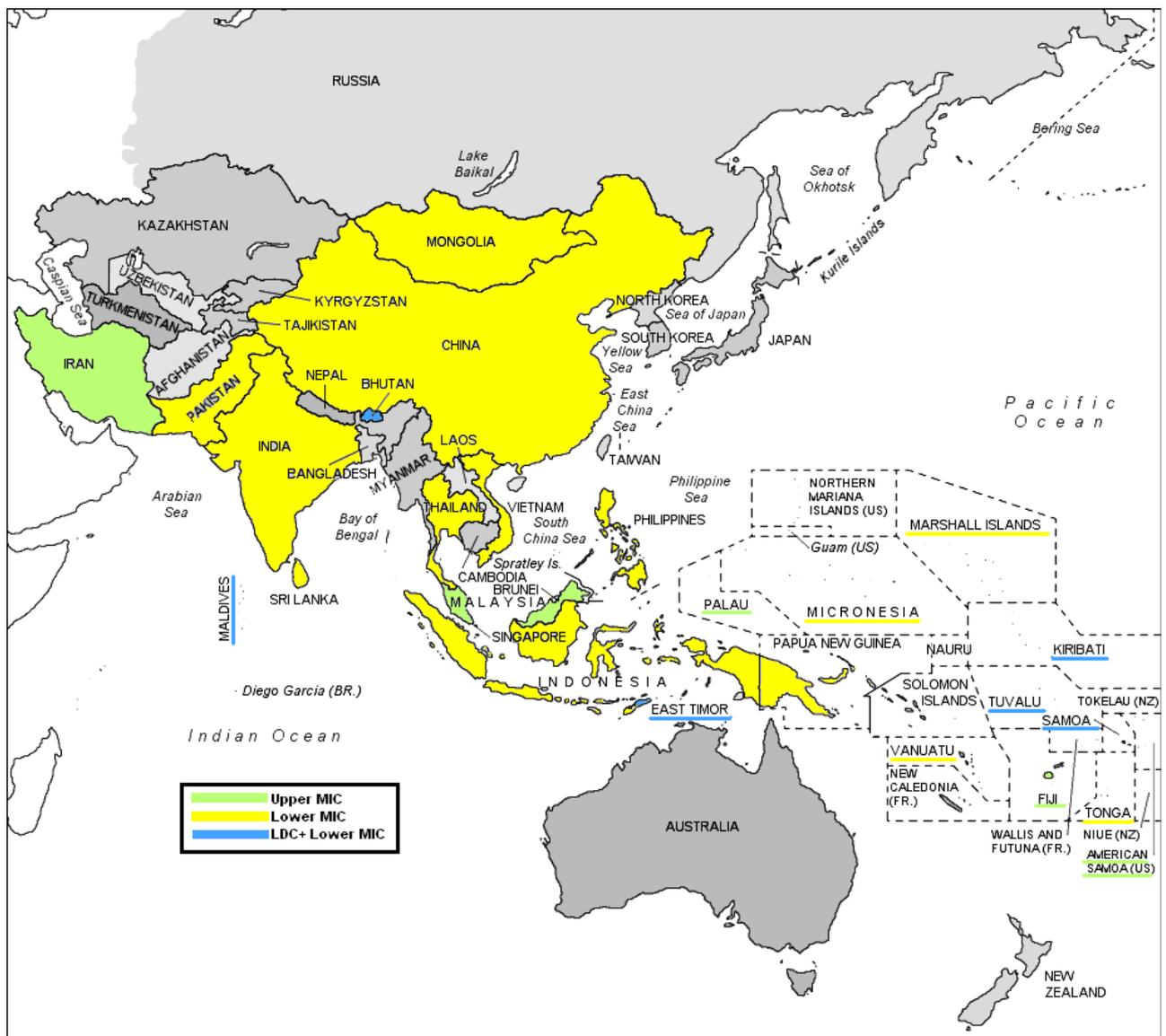
ANNEX 4: Countries on and off track for selected MDG targets

Goal	1	2	3	4	5	6	7
	\$ 1.25/day poverty	Underweight children	Primary enrolment Reaching last grade Primary completion	Gender primary Gender secondary Gender tertiary	Under-5 mortality Infant mortality	Antenatal care, at least once Births by skilled professionals	HIV prevalence TB incidence TB prevalence Forest cover Protected area CO2 emissions ODP substance consumption Water, total Sanitization, total
East and North-East Asia							
China	● ●	●	● ● ● ●	● ● ● ●	● ●	● ● ● ●	● ● ● ● ● ● ● ●
China, Hong Kong SAR		▼	● ● ● ●	● ● ● ●		● ● ● ●	● ● ● ● ● ● ● ●
China, Macao SAR		●	▼ ● ● ●	● ● ● ●		● ● ● ●	● ● ● ● ● ● ● ●
Korea, Democratic People's Republic of	●		● ● ● ●	▼ ▼	▼	● ● ● ●	● ● ● ● ● ● ● ●
Korea, Republic of		● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ● ● ● ● ●
Mongolia	● ●	● ●	● ● ● ●	● ● ● ●	● ●	● ● ● ●	● ● ● ● ● ● ● ●
South-East Asia							
Brunei Darussalam		● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ● ● ● ● ●
Cambodia	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ● ● ● ● ●
Indonesia	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ● ● ● ● ●
Lao People's Democratic Republic	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ● ● ● ● ●
Malaysia	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ● ● ● ● ●
Myanmar	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ● ● ● ● ●
Philippines	● ● ● ●	▼ ▼ ▼ ▼	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ● ● ● ● ●
Singapore			● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ● ● ● ● ●
Thailand	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ● ● ● ● ●
Timor-Leste	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ● ● ● ● ●
Viet Nam	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ● ● ● ● ●
South and South West Asia							
Afghanistan	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ● ● ● ● ●
Bangladesh	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ● ● ● ● ●
Bhutan	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ● ● ● ● ●
India	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ● ● ● ● ●
Iran (Islamic Republic of)	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ● ● ● ● ●
Maldives	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ● ● ● ● ●
Nepal	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ● ● ● ● ●
Pakistan	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ● ● ● ● ●
Sri Lanka	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ● ● ● ● ●
Turkey	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ● ● ● ● ●
North and Central Asia							
Armenia	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ● ● ● ● ●
Azerbaijan	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ● ● ● ● ●
Georgia	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ● ● ● ● ●
Kazakhstan	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ● ● ● ● ●
Kyrgyzstan	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ● ● ● ● ●
Russian Federation	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ● ● ● ● ●
Tajikistan	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ● ● ● ● ●
Turkmenistan	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ● ● ● ● ●
Uzbekistan	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ● ● ● ● ●
Pacific							
American Samoa		● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ● ● ● ● ●
Cook Islands		● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ● ● ● ● ●
Fiji		● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ● ● ● ● ●
French Polynesia		● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ● ● ● ● ●
Guam		● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ● ● ● ● ●
Kiribati		● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ● ● ● ● ●
Marshall Islands		● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ● ● ● ● ●
Micronesia, Federated States of		● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ● ● ● ● ●
Nauru		● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ● ● ● ● ●
New Caledonia		● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ● ● ● ● ●
Niue		● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ● ● ● ● ●
Northern Mariana Islands		● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ● ● ● ● ●
Palau		● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ● ● ● ● ●
Papua New Guinea		● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ● ● ● ● ●
Samoa		● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ● ● ● ● ●
Solomon Islands		● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ● ● ● ● ●
Tonga		● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ● ● ● ● ●
Tuvalu		● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ● ● ● ● ●
Vanuatu		● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ●	● ● ● ● ● ● ● ●

Legend
 ● Early achiever ● On track
 ● Slow ▼ Regressing/No progress
 Orange =LMIC, Yellow =UMIC

Source
 ESCAP, ADB, UNDP.
 2010. *Achieving the Millennium Development Goals in an Era of Uncertainty: Asia-Pacific Regional Report 2009/10*

ANNEX 5: MICs in Asia-Pacific



Data Source: The World Bank, 2011; UN.org: Quick Facts 2011

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