

**Economic and Social Commission for Asia and the Pacific**Committee on Macroeconomic Policy, Poverty Reduction and
Financing for Development**Third session**

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Item 4 of the provisional agenda*

**Review of activities carried out in 2020 and 2021 in response
to the requests of the Committee at its second session and the
coronavirus disease pandemic, and consideration of the
future focus of the subprogramme****Report on activities carried out in 2020 and 2021 in
response to the requests of the Committee on
Macroeconomic Policy, Poverty Reduction and Financing
for Development at its second session and the coronavirus
disease pandemic, and consideration of the future focus of
the subprogramme****Note by the secretariat***Summary*

The present document provides an overview of the implementation by the secretariat of the requests of the Committee on Macroeconomic Policy, Poverty Reduction and Financing for Development, at its second session, held in November 2019. At that time, the Committee requested the secretariat to act on six points in the following broad areas: (1) further analysis and capacity-building support on assessing investment requirements, associated financing strategies, and common domestic tax challenges to achieve the Sustainable Development Goals; (2) support for countries with special needs, through research and capacity-building activities, in the implementation of their relevant programmes of action, including to ensure a smooth transition for countries graduating from the category of least developed countries; and (3) continued support for member States in developing capacities to implement the public-private partnership modality for infrastructure financing, facilitate regional cooperation on innovative finance, and enhance the access of micro-, small and medium-sized enterprises to finance.

In light of the unprecedented challenges posed by the coronavirus disease (COVID-19) pandemic in Asia-Pacific economies, additional research and capacity-building activities to support member States were carried out under the subprogramme on macroeconomic policy, poverty reduction and financing for development. The present document also provides a synopsis of that work.

* ESCAP/CMPF/2021/L.1.

The Committee may wish to provide feedback to the secretariat with regards to the steps taken by the secretariat in response to the Committee's requests and its COVID-19 related work. The Committee may also wish to provide guidance to the secretariat about which research and capacity-building activities it considers most useful for the specific circumstances of individual countries. Such feedback and guidance would help the secretariat to prepare the programme plan for 2023.

To facilitate more regular and substantive communication between the Committee and the secretariat and relevant government ministries, particularly ministries of finance, the Committee may also wish to consider establishing a consultative group on financing strategies for the Sustainable Development Goals.

I. Introduction

1. At its second session, the Committee on Macroeconomic Policy, Poverty Reduction and Financing for Development made six substantive requests to the secretariat for action in relation to the subprogramme on macroeconomic policy, poverty reduction and financing for development. Those requests are the following:

(a) **Request 1.** The Committee requested the secretariat to provide further analysis and capacity-building support on assessing investment requirements and associated financing strategies to achieve the Sustainable Development Goals, as well as on aligning national economic policies with the 2030 Agenda for Sustainable Development;

(b) **Request 2.** The Committee requested the secretariat to continue its support, through research and capacity-building activities, to countries with special needs in the implementation of their relevant programmes of action, including to ensure a smooth transition for countries graduating from the category of least developed countries;

(c) **Request 3.** The Committee requested the secretariat to continue supporting member States in developing capacities to implement the public-private partnership modality for infrastructure financing through, for example, South-South cooperation, exchanges of experiences and the development of bankable projects;

(d) **Request 4.** The Committee requested the secretariat to facilitate regional cooperation on innovative finance to achieve the Sustainable Development Goals;

(e) **Request 5.** The Committee requested the secretariat to assist member States, through its analytical work and capacity-building activities, in enhancing the access of micro-, small and medium-sized enterprises to finance by supporting the development of relevant policies, regulations and support mechanisms as well as pertinent information technology and financial technology solutions;

(f) **Request 6.** The Committee requested the secretariat to continue its support, through research and capacity-building activities, to member States, particularly countries with special needs, in addressing cross-border and common domestic tax challenges.

2. The secretariat also conducted several additional activities in response to the coronavirus disease (COVID-19) pandemic. These activities were in response to resolution 76/2 of 21 May 2020 of the Economic and Social Commission for Asia and the Pacific (ESCAP), in which it requested the Executive Secretary, inter alia, to develop ideas for concrete and coordinated actions by countries, the United Nations system and other relevant stakeholders,

including proposals for responding to the socioeconomic impacts of COVID-19.

II. Implementation of requests 1–6, including work related to the coronavirus disease

A. Response to request 1

3. Building on the seminal work of the *Economic and Social Survey of Asia and the Pacific 2019: Ambitions beyond Growth*, which included estimates for the overall investment needs for achieving the Sustainable Development Goals in the Asia-Pacific region, the secretariat implemented several initiatives in the period 2020–2021 to deepen the understanding of assessment methodology for Sustainable Development Goal investment needs, identify operational practices and lessons, and provide capacity-building and targeted technical assistance on this policy subject. These initiatives include the following:

(a) Conducting country case studies in Indonesia¹ and the Philippines² on mainstreaming the Goals into planning and budgetary processes;

(b) Producing and publishing *A Guidebook for Assessing SDG Investment Needs*, together with an online dashboard on Goal investment trends;³

(c) Presenting main findings included in *A Guidebook for Assessing SDG Investment Needs* at the subregional training on integrated national financing frameworks for North and Central Asia;⁴

(d) Providing technical support on Goal costing to the national planning agency of Indonesia, a government think tank of Kazakhstan and the United Nations Resident Coordinator Office in Thailand.

4. Further work on the assessment of Sustainable Development Goal investment needs and related financing strategies is now merged into the ongoing United Nations initiative on integrated national financing frameworks, a mid- to long-term planning and delivery tool to assist countries in financing the Goals. The initiative aligns and integrates public and private and domestic and international financing sources, making efficient use of existing resources and attracting additional financing. To date, ESCAP and the Department of Economic and Social Affairs of the Secretariat, in partnership with the United Nations Development Programme and the United Nations Institute for Training and Research, conducted introductory subregional training workshops on integrated national financing frameworks for countries in North and Central Asia in January 2021 and for all countries in Asia and the Pacific

¹ Alin Halimatussadiyah, “Mainstreaming the Sustainable Development Goals into national planning, budgetary and financing processes: Indonesian experience”, MPFD Working Papers, No. WP/20/06 (Bangkok, ESCAP, 2020).

² Rosario G. Manasan, “Government budget and the Sustainable Development Goals: the Philippine experience”, MPFD Working Papers, No. WP/20/05 (Bangkok, ESCAP, 2020).

³ ST/ESCAP/2914.

⁴ See <https://unitar.org/upcoming-subregional-training-inff-north-and-central-asia>.

in March 2021.⁵ Sessions covered issues such as Sustainable Development Goal costing, aligning, planning and budgeting as well as capital markets and thematic bonds. The ESCAP secretariat is conducting further analytical and conceptual research, including baseline assessments, and exploring the feasibility of inclusive and innovative financing mechanisms in Indonesia, Kazakhstan and Pakistan. The secretariat and its partners are also developing an introductory online module on integrated national financing frameworks.

5. In parallel, the 2020 and 2021 editions of the *Economic and Social Survey of Asia and the Pacific* focused on the broad subject of aligning national economic strategies and policies with the 2030 Agenda. In the 2020 *Survey*, the authors urged policymakers to expedite the transition towards sustainable consumption and production. They provided a detailed analysis on the policy and market failures that constrain stakeholders from progressing on the sustainable path, took stock of existing policy initiatives in the region, and proposed corresponding solutions. The authors of the 2021 *Survey* advocated for a transformation towards resilient economies in view of the COVID-19 pandemic shock, while keeping in view the importance of inclusiveness and environmental sustainability in the post-pandemic recovery for greater resilience in the future. They proposed an illustrative policy package on building forward better to deliver such a transformation and showed that it is fiscally affordable if accompanied with bold policy actions.

6. A series of policy dialogues with governmental bodies and subregional and national think tanks was also organized after the launch of these two reports, to further disseminate their contents, gather national policy experiences, and promote policy deliberation and action in the directions pointed out in the publications.

7. In addition, in response to the COVID-19 pandemic, the secretariat developed an online tracker on policy responses to the pandemic in early 2020,⁶ which helps policymakers to conduct a comprehensive stocktaking and data visualization exercise to stay updated about the pandemic situation and related policy developments in all 53 member States of ESCAP.

8. The secretariat also developed an assessment toolkit for policymakers in 2020,⁷ which comprises three components: (a) an Excel-based model to assess the impact of COVID-19 and inform policy responses; (b) a user manual on how to use the model in different country contexts; and (c) an open webinar to introduce the model to policymakers and experts. The open webinar benefited more than 100 policymakers from 24 member States; policymakers from 10 member States indicated that they would use the toolkit for policymaking or economic research work.

B. Response to request 2

9. As part of its ongoing work, the secretariat continued to provide Asia-Pacific countries with special needs with knowledge products, capacity-building and technical assistance services. Regional

⁵ See <https://inff.org/event/training-workshop-or-integrated-national-financing-frameworks-inffs-and-budgeting-for-the-2030-agenda-financing-sustainable-and-inclusive-recovery>.

⁶ See www.unescap.org/covid19/policy-responses.

⁷ See www.unescap.org/resources/assessing-impact-covid-19-asia-and-pacific-and-designing-policy-responses-excel-based.

intergovernmental platforms have also supported the implementation of the relevant programmes of action for these countries.

10. The secretariat supported least developed countries in the region by focusing on structural transformation and by providing support to their preparations for graduation from the least developed country category. For example, in 2021, the secretariat developed knowledge products that suggest ways to drive structural transformation while addressing the impact of graduation. The studies covered Cambodia, the Lao People's Democratic Republic and Myanmar, as well as Kiribati, Solomon Islands, Timor-Leste, Tuvalu and Vanuatu (which graduated in December 2020). In addition, in 2020, two knowledge products were published that contained reviews of the expected impact of graduation on Bhutan and Nepal. These also included proposals for policy measures that could help to mitigate the potential adverse implications of graduation and that could be considered for inclusion in national smooth transition strategies. Notably, ahead of its graduation in December 2020, the Government of Vanuatu endorsed its smooth transition strategy, for which the secretariat has been providing technical assistance since 2018. Lastly, the secretariat also produced a series of background studies reviewing the progress of the implementation of the Programme of Action for the Least Developed Countries for the Decade 2011–2020 (Istanbul Programme of Action).

11. The secretariat also organized technical workshops to strengthen the capacities of policymakers. For instance, a workshop, organized in collaboration with the Government of Cambodia in December 2020, helped to identify policy options available to graduating countries that take into consideration the impact of COVID-19.

12. The support to least developed countries also included assistance on the effective use of existing intergovernmental platforms. A prime example of such a platform includes the Special Body on Least Developed, Landlocked Developing and Pacific Island Developing Countries, organized by the Commission at its seventy-sixth session, in May 2020. Preliminary findings of the final review of the implementation of the Istanbul Programme of Action were presented to the Special Body. As a follow up, the *Asia-Pacific Countries with Special Needs Development Report 2021: Strengthening the Resilience of Least Developed Countries in the Wake of the Coronavirus Disease Pandemic*, launched in April 2021, was the last part of the progress review. In it, the authors noted that, in view of the COVID-19 pandemic, preparations for graduation must acquire a much more holistic focus on sustainability. This *Report* was one of the background studies for the Intergovernmental Preparatory Committee for the Fifth United Nations Conference on the Least Developed Countries, whose mandate is to agree on elements of the new programme of action for the least developed countries. The *Report* will thereby contribute directly to the preparation for and the deliberations of the Fifth United Nations Conference on the Least Developed Countries, which will be held in Doha, in early 2022.

13. The secretariat is convening the High-level Asia-Pacific Regional Review of the Istanbul Programme of Action for Least Developed Countries from 30 August to 2 September 2021, in collaboration with the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States and the Government of Bangladesh. Ministers of Asia-Pacific least developed countries and their development partners will have a dialogue on lessons learned in the implementation of the Istanbul Programme of Action and highlight the need to

reinvigorate financing for development in these countries in the next decade, including through new and innovative financing mechanisms.

14. The secretariat's support to landlocked developing countries focused on accelerating the implementation of the Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014–2024. For the high-level midterm review of the Vienna Programme of Action in December 2019, the secretariat published a report that examined the link between structural transformation, poverty reduction and financing for development in the region's landlocked developing countries. In September 2020, the secretariat organized, jointly with several United Nations agencies, the Fourth North and Central Asian Multi-Stakeholder Forum on Implementation of the Sustainable Development Goals. This Forum provided Governments, development partners, civil society, academia, the private sector and other stakeholders with unique opportunities to develop inclusive subregional perspectives and discuss the implementation of subregional priorities. The priorities discussed at the Forum included the six priorities of the Vienna Programme of Action. The discussion also covered gender equality and empowerment of women, girls and youth, which are factors identified as crucial to turn landlocked into land-linked countries under the Political Declaration of the High-level Midterm Review on the Implementation of the Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014–2024.

15. For small island developing States, the *Asia-Pacific Countries with Special Needs Development Report 2020: Leveraging Ocean Resources for the Sustainable Development of Small Island Developing States* contains an assessment of how these States can leverage their vast ocean resources for sustainable development. The authors of the *Report* highlighted that, while fisheries and tourism are among the most promising sectors to accelerate sustainable development, greater regional cooperation is essential for creating an enabling framework. Several policy dialogues were held to elaborate on how to scale up action for oceans, including through the enforcement of international frameworks, norms and standards.

16. In addition to supporting the implementation of the Istanbul and Vienna Programmes of Action, the secretariat provided assistance for the pandemic response of countries with special needs. For example, the *Asia-Pacific Countries with Special Needs Development Report 2020* includes a timely analysis and policy suggestions to build back better in the post-COVID-19 era. This *Report* was presented and discussed during the meeting of the Special Body on Least Developed, Landlocked Developing and Pacific Island Developing Countries during the seventy-seventh session of the Commission, in April 2021. In addition, several knowledge products were published on the impact of the pandemic on countries with special needs, which also contained suggestions for policy priorities to contain the impact and build back better from the pandemic.

C. Response to request 3

17. The secretariat continued its various activities under the umbrella of the Infrastructure Financing and Public-Private Partnerships Network of Asia and the Pacific, which has been functioning since 2018. The Network has provided technical assistance for capacity-building at both the subregional and the country levels to help member States to address challenges related to the implementation of public-private partnership projects. It continues to attract strong interest from member States through the web portal, network meetings

and its thematic workshops. To date, 42 member States have joined the Network.

18. In order to disseminate the knowledge developed so far by the Network and to bolster and consolidate infrastructure project information, the secretariat launched the digital platform or web portal InfraPPPnet.org in October 2020. The secretariat continuously upgrades and updates this web portal based on the latest information and feedback from public-private partnership units in member States and registered users of the Network. This information is organized in four main categories: infrastructure projects, public-private partnership policies, case studies, and news and developments. To complement this, the secretariat has also launched a dedicated quarterly newsletter of the Network in January 2021.

19. The fourth meeting of the Network was held on 15 October 2020 with a subregional focus on North and Central Asia. Apart from the official launch of InfraPPPnet.org, the participants discussed the latest public-private partnerships-related developments in member States, assessed how public-private partnerships can facilitate economic recovery in the era of COVID-19, and exchanged views on the issue of increasing government obligations in public-private partnership projects and management.

20. The fifth meeting of the Network was held on 22 June 2021. It brought together and engaged heads of public-private partnership units, infrastructure financing specialists, development partners and academic institutions to enhance the knowledge and capacity of public-private partnership units on the effective use of public-private partnership mechanisms, as well as other infrastructure financing strategies, to support the pursuit of sustainable and resilient infrastructure development.

21. To supplement and deepen discussions on practical challenges encountered during the implementation of public-private partnership projects and possible solutions to those challenges, the secretariat organized a series of thematic capacity-building workshops. The first thematic workshop was held online on 15 December 2020 and focused on resilient infrastructure development for public-private partnerships for recovery in order to discuss the socioeconomic impact posed by COVID-19 in the region. The second thematic workshop was held on 10 March 2021, with a focus on preparing and assessing sustainable and resilient public-private partnership infrastructure projects. This workshop provided member States with technical support on preparing bankable public-private partnership infrastructure projects with a focus on the health-care and renewable energy sectors.

D. Response to request 4

22. The secretariat continued its work on innovative financing issues to achieve the Sustainable Development Goals by developing knowledge products, organizing capacity-building workshops and providing technical assistance services. For example, in 2020, in one report, the secretariat analysed factors affecting financial institutions' environmental and social risk management in selected developing countries in Asia and the Pacific and distilled policy options to improve innovative finance integration within the region. The report, and the survey it was based on, included in-country consultations with partner organizations and covered several member countries, including Afghanistan, Bangladesh, Cambodia, Indonesia, Malaysia, Myanmar, Nepal, Pakistan, the Philippines, Sri Lanka and Thailand. In addition, in 2021, a feasibility study of sustainability bonds in the Pacific

islands was published. These knowledge products contained proposals for policy measures for Governments to take advantage of innovative finance instruments that could contribute to the achievement of the Goals.

23. The secretariat also conducted national and institutional capacity-building workshops with policymakers and private sector stakeholders to examine different aspects of innovative finance. These included national workshops on capital market development in Bhutan, Indonesia and Sri Lanka in 2019 and consultations on capacity-building regarding green banking in Bangladesh, Indonesia, Pakistan and Sri Lanka. In 2019, the secretariat also contributed to the Climate Finance and Sustainable Investing Conference in Hong Kong, China, which brought together policymakers, private business, financial institutions, international organizations and other relevant stakeholders to discuss pressing issues in promoting climate-resilient investment to support the Sustainable Development Goals and scale up Asia-Pacific's green capital markets.

24. Capacity-building workshops and seminars also focused on deepening stakeholder engagement with innovative finance and discussed the practical challenges of implementing innovative finance to achieve the Sustainable Development Goals. For example, an online webinar on sustainable finance and financing the Sustainable Development Goals in South-East Asia was held in 2020 with speakers from across the region. The webinar was a joint initiative of ESCAP and the Global Reporting Initiative, the World Wildlife Fund for Nature and the Association of Development Financing Institutions in the Asia and the Pacific. In addition, in 2020, the secretariat contributed to the Fourth North and Central Asian Multi-Stakeholder Forum on Implementation of the Sustainable Development Goals by sharing knowledge products and holding a workshop that examined how green and sustainable bonds could contribute to the Goals.

25. To further the work on innovative financing, the secretariat conducted workshops at the country level as well. For example, in 2021, the secretariat held a one-day conference on sustainable green financing in Sri Lanka to identify the need and means of implementation for the issuance of green/Sustainable Development Goal bonds in Sri Lanka. The secretariat also continues to engage with the Governments of Bhutan, Cambodia and Indonesia regarding the prospects for green and sustainable bonds and how such innovative finance solutions could support national Sustainable Development Goals.

26. To consolidate ongoing stakeholder engagement with innovative finance, the secretariat has also developed sustainable finance e-learning modules and tools to enable stakeholders to continue to engage with innovative finance products and strategies. The secretariat updates these modules based on feedback from partner organizations and users.

27. The secretariat also engages with other intergovernmental platforms, for example, the Association of Southeast Asian Nations (ASEAN) Capital Markets Forum, regarding the ongoing development of green bond markets and taxonomies and to strengthen regional cooperation and integration for sustainable development. For instance, in line with the subregional priorities of South-East Asia to issue sovereign green and Sustainable Development Goal bonds and develop a strategic road map for such bonds, the secretariat continues to offer advisory services for South-East Asian countries. Similarly, the secretariat engaged with ASEAN countries at the Fourth South-East Asian Multi-Stakeholder Forum on Implementation of the Sustainable Development

Goals in 2020, which emphasized the need to address capacity gaps in order to explore innovative approaches to scale up climate finance. In 2021, the secretariat also held a policy dialogue on sustainable and innovative finance for the 2030 Agenda in South-East Asia to exchange views and experiences among potential investors and financial institutions on the potential of green bonds issued by South-East Asian countries to access the European Union market.

28. In the context of COVID-19, the secretariat contributed to the pandemic response by providing an analysis of the impact of the pandemic and exploring the potential role of innovative financial instruments to build back better. For example, in 2021, the secretariat held a workshop on innovative climate financing instruments and supporting post-COVID-19 pandemic recovery in Asia-Pacific small island developing States. Participants examined the potential of green and Sustainable Development Goal bonds and debt-for-climate swaps in combating the effects of the pandemic and in supporting the achievement of the Goals.

29. In addition, ESCAP participated in a side event on financing a sustainable recovery and the role of debt-relief instruments at the 2021 high-level political forum on sustainable development, where participants discussed the potential for debt-for-climate swaps to simultaneously relieve debt burdens and facilitate investment in climate resilience in the context of the Pacific small island developing States. The secretariat is currently supporting the Pacific Islands Forum Secretariat in conducting a feasibility study of debt-for-climate swaps to finance climate adaptation projects in the Pacific.

30. To explore the role of financial technology as an innovative instrument to address financing challenges, the secretariat organized an online conference on digital finance transformation in Bhutan in December 2020. It highlighted the importance of a digital future for the country's capital markets. The conference focused on two main areas: (a) key challenges and opportunities with regard to digital finance transformation and (b) digitalization in the capital market and the development of a road map for digital bond tokenization.

E. Response to request 5

31. Micro-, small and medium-sized enterprises, an important engine of economic growth and development, are often disadvantaged due to poor access to markets; low bargaining power with customers and suppliers leading to low product prices, high costs and lower profits; weak organizational capacities and low-skilled human resources; inadequate institutional support and networking; and difficulties in accessing finance. Regarding that last, Governments and related agencies have devised mechanisms to facilitate the flow of finance to micro-, small and medium-sized enterprises. However, many challenges remain.

32. To understand the challenges to enhancing financing for micro-, small and medium-sized enterprises, ESCAP conducted a series of detailed national studies based on a common framework it developed. Studies for Bangladesh, Cambodia, Nepal and Samoa have been published in an ESCAP series on financing for micro-, small and medium-sized enterprises.

33. Micro-, small and medium-sized enterprises have been severely affected by the socioeconomic crisis caused by the COVID-19 pandemic. They need continued policy support from Governments to deal with the situation. In

this regard, as part of the global initiative towards post-COVID-19 resurgence of the micro-, small and medium-sized enterprises sector, led by the United Nations Conference on Trade and Development and with the participation of the Department of Economic and Social Affairs of the Secretariat and the five regional commissions, ESCAP has published a book which takes a chronological approach to the topic. Each chapter focuses on different stages of the pandemic's effect on financing for micro-, small and medium-sized enterprises in Asia and the Pacific: before, during, after and beyond. Its last two chapters include specific recommendations and take-aways that illustrate new and potential avenues of intervention to enhance access to finance by micro-, small and medium-sized enterprises in the region. As part of this initiative, the secretariat also developed training materials on financing issues for micro-, small and medium-sized enterprises for one regional and two national workshops that are scheduled to take place in the second half of 2021.

34. During 2021, ESCAP also implemented a technical cooperation project on supporting the digital adaptation of micro-, small and medium-sized enterprises during and after the COVID-19 pandemic in Cambodia and the Lao People's Democratic Republic. The project included two technical reports, one for each of the two countries, on the priority actions their Governments need to take to develop their capacities to send digital government-to-person and government-to-business transfers to all adults and micro-, small and medium-sized enterprises and to facilitate access to digital international transfers at a cost of no more than 3 per cent of the value of the transfer. The project also included a survey on the use of digital economy tools such as fintech and e-commerce by Cambodian micro-, small and medium-sized enterprises. Both reports and the survey results were presented at a capacity-building project delivered online simultaneously to participants in Phnom Penh and Vientiane. The results of the survey showed an important uptake of digital economy tools among Cambodian micro-, small and medium-sized enterprises during 2020, and many micro-, small and medium-sized enterprises expressed interest in enhancing the use of such tools to take advantage of emerging e-commerce opportunities.

F. Response to request 6

35. Partly due to the prioritization accorded to COVID-19-related work, the secretariat's work on tax-related challenges in 2020 and 2021 was somewhat limited. Nevertheless, the secretariat supported global efforts to promote tax cooperation. For instance, the secretariat co-hosted the high-level Asia-Pacific regional consultation with the High-level Panel on International Financial Accountability, Transparency and Integrity for Achieving the 2030 Agenda on 12 November 2020.⁸ Cooperation on tax matters was the main subject of this consultation and is a policy concern in the Asia-Pacific region, as highlighted in the opening remarks of the Executive Secretary in her keynote address.⁹ The Ambassador of Pakistan to Thailand and Permanent Representative to ESCAP and the President of the New Zealand Council of Trade Unions also highlighted the importance of tax cooperation for implementing the 2030 Agenda.¹⁰

⁸ www.factipanel.org/events/facti-panel-high-level-asia-pacific-regional-consultation.

⁹ See www.unescap.org/speeches/facti-panel-high-level-asia-pacific-regional-consultation.

¹⁰ See https://uploads-ssl.webflow.com/5e0bd9edab846816e263d633/5fc57336579ce631d5161a46_Summary%20FACTI%20Panel%20consultation%20ASIA.pdf.

36. The secretariat is also developing a technical paper to take stock of progress on international tax cooperation regarding the taxing treatment of the digital economy. It is expected to be published in late 2021.

37. Common domestic tax challenges have also been analysed as part of the secretariat's work on general fiscal issues. For example, the introduction of a carbon tax and related bottlenecks and practices¹¹ was discussed in both the 2020 and 2021 editions of the *Economic and Social Survey of Asia and the Pacific* and in multiple other publications of the secretariat in 2020 and 2021, such as chapter 3 of the theme study for the seventy-seventh Commission session, *Beyond the Pandemic: Building Back Better from Crises in Asia and the Pacific*.

G. Special initiatives around financing for development issues in the context of the coronavirus disease pandemic

38. In 2020, ESCAP organized a series of high-level regional conversations to discuss how the Asia-Pacific region could build back better after the COVID-19 pandemic through regional cooperation. The second conversation of the series, in August 2020, was on financing for development in the era of COVID-19 and beyond in Asia and the Pacific. The Executive Secretary opened the event with special messages from the Deputy Secretary-General of the United Nations and the President of the Asian Development Bank. The conversation included a ministerial segment and an eminent persons' round table. Key issues for discussion included debt vulnerability, recovering better for sustainability and regional cooperation. The secretariat is planning a follow-up regional conversation on the sidelines of the third session of the Committee on Macroeconomic Policy, Poverty Reduction and Financing for Development.

39. To share policy ideas on how to recover from COVID-19 and how to continue pursuing the Sustainable Development Goals, the subregional Sustainable Development Goal forums continued to be supported, and targeted presentations on fostering sustainable and resilient recovery from COVID-19 were delivered. Examples include the Fourth North and Central Asian Multi-Stakeholder Forum on Implementation of the Sustainable Development Goals, September 2020; the Fourth South-East Asian Multi-Stakeholder Forum on Implementation of the Sustainable Development Goals, October 2020; and the North-East Asia Development Cooperation Forum 2020: Experience and Challenges of North-East Asian Countries on Development Cooperation in the face of the COVID-19 pandemic, October 2020.

40. To support discussions on dealing with rising debt distress in developing countries among policymakers, ESCAP organized a side event on "Debt relief in the aftermath of the pandemic: How can regional dialogue help?" during the seventy-seventh session of the Commission. The event was opened by the Executive Secretary, the Permanent Representative of Pakistan, and the President of the Economic and Social Council. It included a round table of finance ministers and high-level officials with responsibilities in sovereign debt management from Pakistan, Maldives, Mongolia and Tajikistan. The event provided an opportunity for a useful exchange of experiences on the challenges of managing debt during the pandemic. The overall message was

¹¹ For instance, ESCAP, "Raising the level of ambition on carbon pricing in Asia and Pacific", MPFD Policy Briefs, No. 107 (Bangkok, 2020), and ESCAP, "Carbon pricing options - to tax or trade?", MPFD Policy Briefs, No. 108 (Bangkok, 2020) directly addressed a carbon tax as a main carbon pricing policy option.

that while the participating countries have been successful in avoiding a debt crisis amid a very complex economic situation, risks remain, and additional measures may be needed.

41. Since July 2020, ESCAP has been actively participating in the global Initiative on Financing for Development in the Era of COVID-19 and Beyond, convened by the Secretary-General and the Governments of Canada and Jamaica, to support member States in their efforts to recover from COVID-19. Specifically, ESCAP is contributing and supporting work in five of the six thematic clusters: sustainability and climate action, finance and technology, liquidity and debt vulnerability, illicit financial flows, and addressing issues of countries with special needs. Besides contributing to discussions at cluster meetings and drafting selected policy documents, participation in this global financing for development process has allowed ESCAP to be cognizant of the latest developments in financing for development at the global level, increase its engagement with colleagues from other United Nations entities, and ensure that its work at the regional level is aligned with the United Nations work at the global level.

III. Issues for consideration by the Committee

42. The Committee is invited to provide feedback with regard to the secretariat's actions in response to the Committee's requests and its COVID-19-related work. Such feedback would serve as a valuable input for the secretariat regarding the future focus of the subprogramme and preparations for the programme plan for 2023.

43. Bearing in mind the impact of the COVID-19 pandemic and the need to move towards economies that are more inclusive, resilient and sustainable, the Committee may also wish to provide guidance to the secretariat about which research and capacity-building activities members consider most useful for their specific circumstances. Such ideas can then help to shape the future focus of the subprogramme.

44. Given the importance of fiscal resources and financing strategies to recover from the COVID-19 pandemic and achieve the Sustainable Development Goals, it would be helpful to have a mechanism that facilitates a more regular and substantive communication between the Committee and the secretariat and relevant government ministries, particularly ministries of finance. To this end, the Committee may also wish to consider establishing a consultative group on financing strategies for the Sustainable Development Goals. The proposed consultative group could operate in the following manner:

(a) The members of the consultative group could be nominated by interested member States, and work on a voluntary basis with no budgetary implications;

(b) The consultative group could serve as an informal technical subsidiary of the Committee and facilitate the exchange of policy ideas, guide the secretariat's work and support policy initiatives by member States;

(c) The consultative group could meet periodically online, with the secretariat, at a frequency to be agreed upon, and could report minutes of its meetings and any other activity to the Committee through its Bureau;

(d) The consultative group could also serve as a network of experts that the secretariat could turn to for technical guidance on specific issues, and its members could collaborate with the secretariat regarding its substantive work, such as joint research or capacity-building workshops.

Annex I

Publications

A. Analytical studies and reports

Asia-Pacific Countries with Special Needs Development Report 2020: Leveraging Ocean Resources for Sustainable Development of Small Island Developing States (Sales No. E.20.II.F.11).

Asia-Pacific Countries with Special Needs Development Report 2021: Strengthening the Resilience of Least Developed Countries in the Wake of the Coronavirus Disease Pandemic (Sales No. E.21.II.F.7).

Asia's Landlocked Developing Countries: Structural Transformation, Poverty Reduction and Financing for Development (Sales No. E.20.II.F.3).

“Assessing the impact of COVID-19 in Asia and the Pacific and designing policy responses: an Excel-based model – manual” (Bangkok, 2021).

Economic and Social Survey of Asia and the Pacific 2020: Towards Sustainable Economies (Sales No. E.20.II.F.16).

Economic and Social Survey of Asia and the Pacific 2021: Towards Post-COVID-19 Resilient Economies (Sales No. E.21.II.F.5).

Financing the SDGs to Build Forward Better from the COVID-19 Pandemic in Asia and the Pacific (Sales No. E.21.II.F.13).

“A framework for country studies on MSMEs access to finance in Asia and the Pacific”. MSME Financing Series, No. 1.

A Guidebook for Assessing SDG Investment Needs. ST/ESCAP/2914.

“Micro-, small and medium-sized enterprises’ access to finance in Cambodia”. MSME Financing Series, No. 2.

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“Mainstreaming the Sustainable Development Goals into national planning, budgetary and financing processes: Indonesian experience”. MPFD Working Papers, No. WP/20/06.

“Nepal's graduation from the least developed country group: potential implications and issues for consideration”. MPFD Working Papers, No. WP/20/01.

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“A review of access to finance by micro, small and medium enterprises and digital financial services in selected Asia-Pacific least developed countries”. MPFD Working Papers, No. WP/20/03.

“Socioeconomic impact of coronavirus disease 2019 in South Asia: fiscal policy response and fiscal needs for supporting the economic recovery”. ESCAP Working Papers, No. ESCAP/1-WP/3.

“Strengthening financial interlinkages among the SPECA countries”. MPFD Working Papers, No. WP/20/08.

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Annex II

Capacity-building workshops

A. Concluded as of 30 June 2021

1. Economic and Social Commission for Asia and the Pacific (ESCAP)-United Nations Conference on Trade and Development workshop on promoting structural economic transformation in Asia-Pacific landlocked developing countries, Bangkok, 4–7 November 2019
2. National workshop on resource mobilization for sustainable development, Cambodia, 19 and 20 November 2019
3. Regional workshop on fostering financial inclusion, digital financial services and micro-, small and medium-sized enterprises' access to finance for sustainable development in the least developed countries of Asia and the Pacific, Cambodia, 21 and 22 November 2019
4. National workshop on capital market development, Bhutan, 18 and 19 December 2019
5. Workshop on an Excel-based policy simulation tool to assess the economic impact of the coronavirus disease (COVID-19), Thailand, 19 August 2020 (online)
6. Workshop on InfraPPPnet.org, web portal of the Infrastructure Financing and Public-Private Partnership Network of Asia and the Pacific, 3 September 2020 (online)
7. Fourth meeting of the Infrastructure Financing and Public-Private Partnership Network of Asia and the Pacific, in conjunction with the Second Public-Private Partnership Investment Forum of Kazakhstan: Public-Private Partnership in the face of the pandemic: challenges and opportunities, 15 October 2020 (online)
8. Webinar on micro-, small and medium-sized enterprises' access to finance in Nepal, 5 October 2020 (online)
9. Introduction to ESCAP macroeconomic model, Thailand, 19 November 2020 (online)
10. Conference on capital market development: leveraging private finance through green and sustainable bonds, Bhutan, 24 November 2020 (online)
11. Workshop on driving structural transformation beyond least developed country graduation towards the sustainable development of Cambodia, the Lao People's Democratic Republic and Myanmar, Thailand, 8 December 2020 (online)
12. Workshop on the digital adaptation of micro-, small and medium-sized enterprises in Cambodia and the Lao People's Democratic Republic, including the role of digital government transfers and remittances, Cambodia, 9 December 2020 (online)
13. Conference on digital finance transformation: a digital future for capital markets in Bhutan, Bhutan, 9 December 2020 (online)

14. First thematic workshop of the Infrastructure Financing and Public-Private Partnership Network of Asia and the Pacific, 15 December 2020 (online)
15. Integrated National Financing Frameworks Training Course on Building Block 1 and design for assembly methodology, Sustainable Development Goal costing, Sustainable Development Goal planning and budgeting, introduction to capital markets and themed bonds and country discussions on integrated national financing frameworks, 18–27 January 2021 (online)
16. Conference on sustainable green financing, Sri Lanka, 18 February 2021 (online)
17. Second thematic workshop of the Infrastructure Financing and Public Private Partnership Network of Asia and the Pacific, 10 March 2021 (Bangkok and online)
18. Training workshop on integrated national financing frameworks and budgeting for the 2030 Agenda for Sustainable Development and towards sustainable and inclusive recovery, 29–31 March 2021 (online)
19. Fifth meeting of the Infrastructure Financing and Public-Private Partnership Network of Asia and the Pacific, 22 June 2021 (online)
20. Workshop on innovative climate financing instruments: supporting post-COVID-19 pandemic recovery in Asia-Pacific small island developing States, Fiji, 23 June 2021 (online)

B. Upcoming workshops in 2021

1. Technical regional workshop on the role of fiscal policies in a green COVID-19 recovery in Asia-Pacific, 14 and 15 September 2021 (online)
2. Third thematic workshop of the Infrastructure Financing and Public-Private Partnership Network of Asia and the Pacific, September 2021 (online)
3. National workshop on supporting Tajikistan on meeting the challenge of resource mobilization for achieving the 2030 Agenda for Sustainable Development, Tajikistan, September 2021
4. Resource mobilization subregional workshop for least developed countries (to be confirmed)
5. National workshop on supporting the Government of Bangladesh in meeting the challenge of resource mobilization for achieving the 2030 Agenda for Sustainable Development, August 2021
6. Capacity-building workshop on response and recovery: mobilizing financial resources for development in the time of COVID-19, Pakistan, tentatively set for the third quarter of 2021 (online)
7. Joint Sustainable Development Goal component 1, Kazakhstan, national workshop, tentatively set for the third quarter of 2021
8. Inception workshop, Indonesia, September 2021

9. Technical workshop in Pakistan, tentatively set for the third quarter of 2021

10. One regional and two national workshops based on the training materials developed in phase II of the global initiative towards post-COVID-19 resurgence of the micro-, small and medium-sized enterprises sector, tentatively set for the fourth quarter of 2021

Annex III

Policy dialogues

1. Policy dialogue in partnership with the Sustainable Development Policy Institute, Islamabad on 29 April 2020 (online)
2. Policy dialogue in partnership with the World Bank Group Malaysia, the Philippines, Thailand on 8 May 2020 (online)
3. Policy dialogue in partnership with the Economic and Social Commission for Asia and the Pacific (ESCAP) Subregional Office for South and South-West Asia on 13 May 2020 (online)
4. Policy dialogue in partnership with the ESCAP Subregional Office for North and Central Asia on 27 May 2020 (online)
5. Policy dialogue in partnership with the ESCAP Subregional Office for East and North-East Asia on 28 May 2020 (online)
6. Policy dialogue in partnership with the Philippine Institute for Development Studies on 4 June 2020 (online)
7. Policy dialogue in partnership with the Climate Change Commission of the Philippines on 9 June 2020 (online)
8. Policy dialogue in partnership with the Economic Research Institute for ASEAN and East Asia on 10 June 2020 (online)
9. Joint event of the regional launch and policy dialogue for *Asia-Pacific Countries with Special Needs Development Report 2020: Leveraging Ocean Resources for the Sustainable Development of Small Island Developing States* on 30 June 2020 (online)
10. Policy dialogue in partnership with the ESCAP Subregional Office for the Pacific for *Asia-Pacific Countries with Special Needs Development Report 2020*, interactive dialogue as a side event at the third Asia-Pacific Day for the Ocean on 29 October 2020 (online)
11. Policy dialogue in partnership with the ESCAP Subregional Office for South and South-West Asia on 12 April 2021 (online)
12. Policy dialogue in partnership with the ESCAP Subregional Office for East and North-East Asia on 19 April 2021 (online)
13. Policy dialogue in partnership with the ESCAP Subregional Office for North and Central Asia on 21 April 2021 (online)
14. Policy dialogue in partnership with the Indonesian Economist Association on 22 April 2021 (online)
15. Policy dialogue in partnership with the ESCAP Subregional Office for the Pacific on 4 May 2021 (online)
16. Policy dialogue in partnership with the ESCAP Subregional Office for South-East Asia on 5 May 2021 (online)

17. Policy dialogue in partnership with the United Nations Conference on Trade and Development on 3 June 2021 (online)
18. Policy dialogue in partnership with the Foundation for Economic Growth and Welfare, Delhi, on 11 June 2021 (online)
19. Policy dialogue in partnership with the Asian Development Bank on 17 June 2021 (online)
20. Policy dialogue with economists in the United Nations Resident Coordinator Office of the Asia-Pacific region, 1 July 2021 (online)
21. Policy dialogue in partnership with the Asian Development Bank Institute on 15 July 2021 (online)
22. Policy dialogue in partnership with the Research and Information System for Developing Countries, India, on 29 July 2021 (online)

Annex IV

Intergovernmental engagements

1. Contribution to a document on sustainable and just economies, in preparation for the Seventh Asia-Pacific Forum on Sustainable Development, May 2020
2. Organization of a webinar on sustainable and just economies, as part of the Virtual Discussion Series on Accelerating Transformation in Asia and the Pacific, 3 April 2020
3. Special Body on Least Developed, Landlocked Developing and Pacific Island Developing Countries, at the seventy-sixth session of the Commission, May 2020
4. Regional conversation series on building back better: financing for development in the era of the coronavirus disease (COVID-19) and beyond, August 2020
5. Presentation on socioeconomic recovery in United Nations Special Programme for the Economies of Central Asia countries in the aftermath of the COVID-19 pandemic: some policy considerations at the Special Programme
6. 2020 United Nations Special Programme for the Economies of Central Asia Economic Forum, “Regional cooperation to support socioeconomic recovery in the wake of COVID-19”, 18 and 19 November 2020
7. Presentation on the socioeconomic impact of COVID-19 on Asia-Pacific economies and policy responses at the Forum for East Asia–Latin America Cooperation, Extraordinary Senior Officials’ Meeting 2020, 26 November 2020
8. Panel member at the Fourth South Asia Forum on the Sustainable Development Goals on fostering sustainable and resilient recovery from COVID-19 in South Asia, 2 and 3 December 2020
9. Organization of a parallel breakout group on financing at the Eighth Asia-Pacific Forum on Sustainable Development, 23–26 March 2021
10. Special Body on Least Developed, Landlocked Developing and Pacific Island Developing Countries, at the seventy-seventh session of the Commission, 28 April 2021
11. Asia-Pacific Regional Review Meeting on the Istanbul Programme of Action in Preparation for the Fifth United Nations Conference on the Least Developed Countries, Geneva, 30 August–2 September 2021

Annex V

Members of the Infrastructure Financing and Public-Private Partnership Network of Asia and the Pacific

1. As of August 2019: Afghanistan; Bangladesh; Bhutan; Cambodia; China; Fiji; India; Indonesia; Iran (Islamic Republic of); Kazakhstan; Kyrgyzstan; Lao People's Democratic Republic; Malaysia; Mongolia; Myanmar; Nepal; Pakistan; Papua New Guinea; Philippines; Samoa; Sri Lanka; Tajikistan; Thailand; Uzbekistan; Vanuatu; and Viet Nam.

2. As of June 2021: all of the above, plus Armenia; Australia; Brunei Darussalam; Hong Kong, China; Maldives; New Zealand; Republic of Korea; Russian Federation; Singapore; Timor-Leste; Turkey; and Turkmenistan; plus network member States from other regions: Canada; Ethiopia; Namibia; Nigeria; Saudi Arabia; and United States of America.
