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Economic and Social Commission for Asia and the Pacific

Eighty-first session
Bangkok, 21–25 April 2025
Item 5 (g) of the provisional agenda*
Review of the implementation of the 2030 Agenda for Sustainable Development in Asia and the Pacific and issues pertinent to the subsidiary structure of the Economic and Social Commission for Asia and the Pacific: macroeconomic policy, poverty reduction and financing for development

Note verbale dated 13 February 2025 from the Embassy of Nepal in Bangkok addressed to the secretariat of the Economic and Social Commission for Asia and the Pacific

The Embassy of Nepal in Bangkok presents its compliments to the secretariat of the Economic and Social Commission for Asia and the Pacific and has the honour to transmit to it the Chair's summary (see annex) of the high-level Regional Consultation on Financing for Development in Asia and the Pacific, held in Bangkok and online on 17 and 18 December 2024 in preparation for the Fourth International Conference on Financing for Development.

The Embassy of Nepal requests that the Chair's summary be brought to the attention of the Commission at its eighty-first session under item 5 (g) of the provisional agenda.

* ESCAP/81/1.

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Annex to the note verbale dated 13 February 2025 from the Embassy of Nepal in Bangkok addressed to the secretariat of the Economic and Social Commission for Asia and the Pacific

Chair's summary of the high-level Regional Consultation on Financing for Development in Asia and the Pacific

1. In preparation for the Fourth International Conference on Financing for Development, which will be held in Seville, Spain, from 30 June to 3 July 2025, the regional commissions were invited, through General Assembly resolution 78/271, to hold regional consultations with their member States and relevant stakeholders. In response to this, the Economic and Social Commission for Asia and the Pacific (ESCAP) organized the high-level Regional Consultation on Financing for Development in Asia and the Pacific, held in Bangkok and online on 17 and 18 December 2024. The organization of the Regional Consultation was supported by the United Nations Conference on Trade and Development (UNCTAD), the Asian Development Bank (ADB) and the Asian Infrastructure Investment Bank.

2. The objective of the Regional Consultation was to discuss four areas of financing for development from the perspective of Asia and the Pacific, namely: (a) strengthening domestic public resources; (b) accelerating the mobilization of domestic and international private finance and investment towards the Sustainable Development Goals; (c) tackling public debt sustainability concerns; and (d) addressing new and emerging issues.

3. The Executive Secretary of ESCAP and the Secretary-General of UNCTAD delivered opening remarks. The Deputy Prime Minister and Finance Minister of Nepal, Mr. Bishnu Prasad Paudel, delivered a keynote speech as the Chair of the Regional Consultation. The Under-Secretary-General for Economic and Social Affairs delivered closing remarks, along with the Executive Secretary of ESCAP and the Chair.

4. Other high-level speakers were: Deputy Prime Minister and Minister of Finance, Fiji, Mr. Biman Chand Prasad; Minister of Housing, Land and Urban Development, Maldives, Mr. Ali Haidar Ahmed; Minister of Finance, Bhutan, Mr. Lyonpo Lekey Dorji; Minister of Planning, Development and Special Initiatives, Pakistan, Mr. Ahsan Iqbal (video message); Governor, Bank of Mongolia, Mr. Byadran Lkhagvasuren; Governor, Central Bank of Sri Lanka, Mr. Nandalal Weerasinghe (online); Vice-President, ADB, Mr. Yingming Yang; and Director General, Operational Partnership Department, Asian Infrastructure Investment Bank, Mr. Rodrigo Salvado.

5. The Regional Consultation was attended by government officials, representatives of international organizations, other organizations in the United Nations system and civil society organizations, and eminent experts.

6. The main messages arising from the Regional Consultation are summarized in the present Chair's summary, which will be shared with the co-facilitators of the Fourth International Conference on Financing for Development as perspectives from Asia and the Pacific. It will also be presented to ESCAP at its eighty-first session, to be held in Bangkok from 21 to 25 April 2025.

I. Key summaries of potential actions and ways forward

A. The future of financing for development in Asia and the Pacific

7. Participants highlighted that developing countries faced multifaceted and interconnected challenges, including economic and political uncertainty, rising inequality, the impacts of climate change, debt distress, issues associated with the development of digital technologies and gender inequality. Among other implications, these challenges had increased government expenditures while reducing revenues, thus widening the financing gap and adversely affecting progress towards the achievement of the Sustainable Development Goals. Debt distress, in particular, was highlighted as a pressing issue, with many countries allocating more public resources to debt servicing than to critical sectors such as health and education. Participants found it imperative that effective actions and initiatives be identified to overcome those challenges in order for sustainable development to be financed effectively in Asia and the Pacific.

8. Participants emphasized that strengthening domestic resource mobilization through tax reform was crucial and should be driven by country-led approaches and platforms. Priority areas for tax reform mentioned by participants included enhancing tax collection, including through digitalizing tax administration; ensuring the effectiveness and efficiency of fiscal expenditures; and strengthening fiscal management. Participants also underscored the importance of diversifying and strengthening the revenue base through progressive taxation on income, property and wealth. The need for gender and climate considerations to be integrated into tax reforms, along with Sustainable Development Goal-aligned budgeting for better transparency, was also noted. Some participants emphasized the need to build on ongoing efforts by the United Nations to reach a consensus-driven outcome that strengthened international cooperation towards the development of a globally aligned taxation system that would prevent a race to the bottom and fight illicit financial flows, which reduced domestic tax revenues.

9. Participants expressed concern that the potential of private finance to support the achievement of the Sustainable Development Goals remained largely untapped. In that regard, creating an enabling business environment, strengthening financial regulations, deepening banking and capital markets and fostering robust public-private partnerships were highlighted as essential policy actions. De-risking mechanisms and blended finance solutions were highlighted as means of helping to attract private investment in key economic sectors. Also highlighted was the need to increase efforts to standardize innovative finance products to enhance the replicability and pooling of blended finance capital. In terms of instruments, participants noted the role of innovative instruments, such as green bonds and sustainability-linked loans, in scaling up private finance. Despite notable progress, access to affordable financing from the private sector, in particular for women, marginalized groups and micro-, small and medium-sized enterprises, remained a significant challenge and required particular attention.

10. Participants called for reforms to the international financial architecture to enable fair and inclusive access to financial resources by developing countries, in particular those in relatively vulnerable situations. In that regard, the need to improve and expand access to concessional financing, in particular for countries in vulnerable situations, was emphasized. The possibility of considering aid in support of budget as a mechanism for increasing finance to developing countries was also raised. It was observed that, while official

development assistance remained a vital funding source for developing countries, the official donor pool had not widened, reflecting the state of the global economy, while some traditional donor countries continued to fall short of their stated commitments. Urgent calls to increase the current climate finance commitments of the international community, in particular for small island developing States and climate-vulnerable countries, were also made. Several participants noted that simplified access to climate finance and the alignment of such finance with national priorities was also needed. Many participants called for reforms of the multilateral development banks to scale up finance, crowd in private financing, expand concessional financing, reduce borrowing costs and align funding with local development needs. Some countries emphasized the need to avoid further fragmenting or duplicating services through the creation of new investment support or investment financing facilities.

11. Participants emphasized the need for greater urgency from the international development community in addressing the public debt sustainability concerns of developing countries. Participants noted that it was imperative to strengthen the Group of 20 Common Framework for Debt Treatments beyond the Debt Service Suspension Initiative, reform debt relief mechanisms and employ innovative financing tools, such as State-contingent debt instruments for sovereigns. The need for improving disclosure, reporting, and data collection and reconciliation by both borrowing countries and creditors to enhance debt transparency was also highlighted. Participants noted that, if taken together, these actions would help alleviate the long-term financial vulnerabilities of developing countries and ensure sustainable recovery.

B. Strengthening domestic public resources

12. A representative of the secretariat gave a presentation highlighting that rationalized tax structures and tax rates, strengthened tax administration and reduction in wasteful tax exemptions had been key elements of successful tax revenue mobilization efforts in developing countries in Asia and the Pacific. He underscored the need for a holistic approach to long-term tax revenue enhancement, stemming from broad-based socioeconomic and public governance progress, to offset the otherwise diminishing returns of greater tax effort. Governments were encouraged to explore the under-tapped potential of income and wealth taxes and called for the equal representation and participation of developing countries in international tax cooperation for a fairer and more effective international tax regime.

13. During a fireside chat between experts, speakers noted the encouraging progress that had been made in the exchange of tax-related data, which was essential for reducing tax evasion and avoidance and combating illicit financial flows. They also noted that taxpayer engagement improved when tax administrations involved taxpayers in policymaking and implementation, nurturing a culture of tax compliance in the process. Digitalized tax administration had been found to be cost-effective over time, despite high initial costs, given gains in tax enforcement, collection efficiency and accountability. Speakers underscored the importance of strengthening domestic policy knowledge, expertise and capacity in order to prepare for external tax-related developments and to engage in cross-border tax cooperation effectively. Speakers also stressed the need for a prudent balance between competing demands and for adaptive fiscal strategies to pursue long-term development and fiscal goals.

14. Participants recognized the essential role of domestic resource mobilization, since international financial flows into developing countries remained limited. Country-led and integrated national financing frameworks were observed to be a cornerstone of ambitious domestic reforms to expand the fiscal space for investment in the Sustainable Development Goals. Participants noted that efforts to strengthen domestic policy and institutional capacity would act as a catalyst for mobilizing development financing from a wider array of sources. Participants emphasized that Governments should aim to build a tax system that was simple, efficient and fair and that provided certainty and confidence to businesses and households.

15. Participants highlighted the importance of broadening the tax base through policy reform, reducing exemptions and exceptions and improving tax compliance. They stressed that effective, efficient and transparent tax administration would be essential for that purpose, while the digitalization of tax administration would be a key enabler. Participants noted that the modernization of tax administration – for instance, through electronic invoicing and online filings, automated revenue collection and management systems, and digitalized data processing and analytics – could simplify tax processes and reduce compliance costs significantly, enhance transparency, reduce corruption, strengthen tax auditing and document verification and unlock additional revenue by enabling tax authorities to tap into underutilized sources of revenue.

16. Participants called for strengthened capacity-building and technical assistance for tax authorities and officials in developing countries in order to equip them with the knowledge and skills needed to effectively design and implement domestic tax reforms and policies, respond to new changes in international tax systems and norms and contribute proactively to international tax dialogues and cooperation.

17. Participants emphasized the importance of international and regional tax cooperation for ensuring effective taxation in an age of economic digitalization, for combating illicit financial flows and transfer pricing, for establishing fair global tax standards and for using tax resources efficiently and in alignment with efforts to achieve the Sustainable Development Goals. Participants acknowledged that strengthened tax transparency, including through effective cooperation, could support the achievement of the Goals, especially for developing countries, which lacked information on the operations and cross-border transactions of multinational enterprises. Some participants also welcomed the progress made towards achieving a multilateral two-pillar solution for taxing the digitalized and globalized economy and towards developing a United Nations framework convention on international tax cooperation, with the view to ensuring fairer and more efficient taxation of multinational enterprises and cross-border services. Participants also highlighted the importance of tax cooperation to facilitate knowledge exchange, which enabled countries to learn from each other, including through South-South and North-South cooperation. Some participants noted, however, that the current approach did not leverage the comparative strengths of the United Nations and fell short in terms of prioritizing the consensus-based decision-making necessary for inclusive and durable international tax cooperation.

18. Participants noted the necessity of building on the achievements of existing tax cooperation and international tax reform processes, while respecting the division of labour between different platforms and processes based on their comparative strengths, taking into consideration existing limitations and safeguards and avoiding duplication of effort. In that vein, one participant noted the role of the Global Partnership for Effective Development

Cooperation in facilitating dialogue on the effective use of development finance. Some participants also noted challenges with introducing progressive taxation in developing countries and emphasized that some of the needed reforms might weigh on economic growth and increase inflationary pressure.

19. Participants recognized the importance of public expenditure and budget reforms to ensure financial discipline, effective resource allocation and transparency. They pointed out that the effective and efficient use of development finance was important. Measures such as clear fiscal frameworks and accountability mechanisms, centralized fiscal management and real-time budget monitoring could significantly enhance fiscal governance and accountability and ensure productive resource allocation. Participants called for public spending to be prioritized in critical sectors like healthcare, education and social protection, which would help to build trust, improve tax compliance and encourage informal workers to join the formal economy, creating a positive feedback loop between resource mobilization and improved public services.

20. Representatives of civil society emphasized the need to prevent trade mispricing and profit shifting, stop illicit financial flows, uphold tax justice, explore progressive and gender-responsive tax systems, tax digital businesses effectively, scrap wasteful tax incentives and reverse regressive tax policies, including through the implementation of wealth taxes and the adoption of a minimum corporate tax rate of 25 per cent. They also noted that trade agreements involving military and arms trade, natural resource extraction and global supply chains should include accountability provisions and be subject to public participation.

C. Accelerating the mobilization of domestic and international private finance and investment towards the Sustainable Development Goals

21. A representative of the secretariat gave a presentation highlighting the need to strengthen sustainable financial regulations; develop and deepen domestic banking and capital markets and ensure that sustainability considerations were further embedded; and ensure that more concessional and private finance flowed towards developing countries and towards sectors and projects that were faced with more challenges. She noted that more needed to be done to promote the use of foreign direct investment to finance efforts aimed at accelerating progress towards the Sustainable Development Goals.

22. During a fireside chat between experts, speakers emphasized the importance of transparency, consistent policy-setting and appropriate risk allocation. Speakers also highlighted the need for innovative financing mechanisms, such as blended finance, credit enhancements (e.g. guarantees) and political risk insurance to de-risk projects. They stressed the importance of expanding international bond markets to provide diversified, long-term financing.

23. Participants shared their experiences with thematic bond issuances and green taxonomie**s** and emphasized the potential of new and innovative financing mechanisms, such as debt-for-nature swaps. They emphasized the potential benefit of banking and capital market reforms to attract sustainable investments and the role of domestic financial regulatory bodies in driving financial sector reforms. Also noted was the importance of increasing access to banking services, which were vital for economic resilience, growth and financial inclusion, and of lowering the cost of remittances.

24. Participants emphasized the catalytic role of concessional finance, technical assistance, blended finance instruments and official development assistance in attracting private finance, especially for climate-vulnerable countries, considering the disproportionate impacts they faced. Participants considered a wish for international financial institutions to prioritize concessional financing and grants over loans to ensure financing remained affordable and accessible for least developed countries and climate-vulnerable countries.

25. Participants noted that private finance must be firmly aligned with national strategies and priorities and be tailored to the specific needs and challenges of countries. In that regard, policies supporting good governance, the rule of law, accountability, country ownership and transparency were highlighted. Participants observed that fiscal incentives also helped redirect capital towards sustainability initiatives. Participants highlighted that, to attract Sustainable Development Goal-aligned investments, in renewable energy and infrastructure in particular, stronger regulatory frameworks, consistent policies and robust domestic financial systems were critical. Sustainability reporting was also noted as vital, as it contributed to building trust and aligning the corporate strategies of the private sector with the Goals.

26. Participants pointed out that capacity-building and technical assistance were essential for policymakers and the private sector. They enhanced the ability to mobilize investments effectively, improve policy implementation and facilitate policy alignment with international standards. Participants also deemed capacity-building important for fostering institutional resilience, addressing reporting challenges and supporting the development of Sustainable Development Goal-aligned projects. Participants also emphasized the need to respond to declines in correspondent banking services, which were vital for economic resilience, growth and financial inclusion.

27. Participants noted the importance and value of regional cooperation. Regional frameworks, such as the Association of Southeast Asian Nations (ASEAN) Catalytic Green Finance Facility and the ASEAN Green Bond Standards, were highlighted as examples of effective mechanisms for de-risking investments and attracting private finance. Participants noted that collaboration across countries could help harmonize financial policies, support the interoperability of financial regulations, improve market integration and reduce investment barriers, in particular for sectors most relevant to making progress towards the Sustainable Development Goals, while recognizing that the jurisdictions and mandates of financial regulators varied between countries.

28. Participants cited the importance of building pipelines of bankable projects and leveraging innovative financing mechanisms, including blended finance products.

29. Representatives of civil society emphasized that it would be important to establish a United Nations-led process to review and assess the impacts of public-private partnerships and other private finance instruments. This was aligned with their calls for a new social contract based on six key areas: decent and climate-friendly jobs in the context of just transitions; rights for all workers; living wages and equal pay for work of equal value; universal social protection, including from the impacts of climate-induced disasters; equality and non-discrimination; and inclusion.

D. Tackling public debt sustainability concerns

30. A representative of the secretariat gave a presentation highlighting the central importance of developing countries making productive use of borrowed funds and ensuring effective public debt management in order to leverage debt financing effectively without compromising fiscal sustainability. He called for the international community to scale up ex-ante development transfers to support fiscal strengthening and undertake reforms to help developing countries avoid falling into debt distress or needing potentially complicated and painful ex-post debt relief. For countries already in public debt distress, it was emphasized that there were different sources underlying the distress, each requiring different treatment. In addition, it was suggested that the international community should build on recent progress and take a pragmatic approach to sovereign debt restructuring.

31. During a fireside chat between experts, speakers discussed collective action challenges and the lack of coordination among creditors and debtor countries and stressed the importance of ambitious and speedy debt-relief initiatives involving bilateral, multilateral and private creditors. With regard to public debt sustainability, speakers highlighted that public debt must be invested in productive endeavours that generated economic growth rates higher than the cost of debt. Public debt assessments must also include climate change impact analysis, alongside the re-evaluation of fiscal policies to include considerations for climate adaptation and long-term economic viability.

32. Participants noted that public debt served as a powerful tool for economic growth and stressed the importance of productive public debt allocation for investments in the Sustainable Development Goals and climate action. Many participants emphasized the need for expenditures in priority sectors, such as social spending, public infrastructure, healthcare, digital infrastructure and climate adaptation. Some participants called for the consideration of issuances of additional special drawing rights to strengthen the global financial safety net and enable more special drawing rights to be channelled through international financial institutions to support poverty reduction, children’s well-being and sustainable development.

33. Participants underlined that debt distress was not only a financial problem but also a broader development challenge and noted that the need for increased Sustainable Development Goal investment was undermined by excessive debt, which was exacerbated by more frequent disasters. Referring to debt overhang, participants mentioned the need for faster, more equitable and more transparent debt restructuring processes.

34. Participants highlighted the need for disciplined fiscal policies, efficient and productive spending, robust debt management, improved data collection and sharing, adherence to international public debt management standards and increased transparency of debt management and restructuring to reduce debt sustainability risks. Participants also noted that increases in tax revenue collection, progressive taxation, the tackling of tax avoidance and prudent expenditure practices could improve debt sustainability. Participants further noted debt sustainability risks originating from climate change and overreliance on foreign currency-denominated debt. With regard to climate change risks, participants suggested integrating environmental sustainability considerations into public debt frameworks and increasing the use of climate-resilient and disaster-relief debt clauses. To avoid overreliance on foreign currency-denominated debt, participants underscored the importance of developing deep, liquid and well-functioning local currency debt markets.

35. Participants emphasized the need for capacity-building, legal advice and access to tools and mechanisms to address liquidity challenges and manage unsustainable debt.

36. To reduce the risk of debt distress, participants highlighted the importance of innovative financing instruments, debt-for-nature swaps, concessional financing, increased official development assistance and a shift away from short-term borrowing towards long-term financing. Participants also highlighted the importance of expanding available financing from all sources and measures for increasing investor confidence.

37. Acknowledging the progress that had been made through the Group of 20 and the Global Sovereign Debt Roundtable, participants underscored the need for more inclusive creditor participation and predictable debt restructuring frameworks. It was noted that the proposal by the Alliance of Small Island States to establish a debt sustainability support service would offer a promising means for addressing sovereign debt challenges faced by climate-vulnerable countries. The use of South-South and triangular cooperation was highlighted as a means for improving debt sustainability and addressing liquidity challenges. Some participants also noted the coordinating role that the United Nations could play in mobilizing the collective action of creditors in multilateral forums and its ability to amplify borrowers' voices in multilateral discussions on debt. Some others noted the need to leverage existing processes and their competitive advantages to avoid duplication and fragmentation of effort. To prevent future crises, participants advocated a reformed global financial architecture with increased development financing and greater representation of developing countries. Some participants noted that new intergovernmental processes and multilateral mechanisms would undercut the Common Framework for Debt Treatments and undermine efforts to establish faster and more predictable debt restructuring processes.

38. Representatives of civil society called for the immediate cancellation of all unsustainable debt. They stressed the need to end structural conditionality and the enforcement of austerity measures imposed by international financial institutions, while noting the need for well-resourced universal social protection. They called for a United Nations-led multilateral debt workout mechanism that facilitated the participation and cooperation of all bilateral, multilateral and private creditors. They also highlighted the need for a human rights approach to debt sustainability frameworks and analyses, as well as the need to ensure that debt assessments were aligned with rights-based, climate-sensitive, sustainability-minded and gender-responsive principles. They called for debt relief instruments to adhere to the principles of transparency and accountability and for non-debt-creating climate finance delivery processes to remain separate from official development assistance commitments.

E. Addressing new and emerging issues

39. A representative of the secretariat gave a presentation that was framed around two critical issues: enhancing synergies between global commitments and mobilizing financial flows; and addressing the underrepresentation of developing countries in international financial institutions. He outlined three priorities for action: achieving coherence and consistency in sustainable finance systems; achieving fair representation for Asia-Pacific countries in global financial decision-making; and supporting more flexible regional financial institutions and development banks.

40. During a fireside chat between experts, speakers highlighted the meaningful role of South-South and triangular cooperation in enhancing

financing for development, fostering coherence in international development systems and leveraging the unique strengths of developing countries, in the Asia-Pacific region in particular. Speakers discussed the role of regional mechanisms, such as regional collaborative platforms, in aligning such efforts with country priorities and promoting cross-regional exchanges. One speaker also noted the urgent need for data that could be used for purposes beyond descriptive statistics, in other words, more predictive and prescriptive data that could be used to guide policy actions as opposed to only monitoring progress towards commitments.

41. Participants highlighted the need for consolidating global partnerships on development, which included further promoting North-South cooperation as the main channel for development cooperation, stepping up South-South cooperation to synergize efforts among developing countries and encouraging international financial institutions to provide more financial support for development. Emphasizing the importance of effective development cooperation, one participant reiterated the principles of country ownership, focus on results, inclusive development partnerships and transparency and accountability and highlighted the role of global partnerships in effective development cooperation and the need to strengthen them. Participants also called for enhancing macroeconomic policy coordination and building a global financial safety net.

42. Participants noted the importance of reforming the international financial architecture to enhance the voice and representation of developing countries in international financial institutions, while recognizing the mandate and role of the governing bodies of those institutions. Participants also called for strengthening the capacity and efficiency of international financial institutions. To address the specific challenges and vulnerabilities of middle-income countries, participants noted the importance of looking beyond gross national income per capita as an assessment criterion and assessing multidimensional vulnerability. Many participants also highlighted the need for tailored debt relief mechanisms and the incorporation of disaster-contingent debt clauses.

43. Many participants underscored the importance of aligning climate financing with development financing to maximize the effectiveness of development efforts. Participants noted that inclusive development partnerships, including country-led platforms, were effective mechanisms for pooling resources and expertise, thereby enabling the alignment of financing strategies with national development and climate priorities and reducing inefficiencies. Some also observed that reforms to strengthen trade and investment were critical to mobilize resources and stimulate inclusive economic growth, and that there was a need to build an open world economy, resisting all forms of protectionist measures, and to safeguard global industrial chains and supply chains. Some participants also noted the growing role of middle-income countries in providing technical expertise and financial support in the context of South-South cooperation.

44. Participants observed that innovative financing strategies were needed to address debt vulnerabilities. Some participants highlighted the need to expand access to concessional financing and increase official development assistance to meet international commitments, especially for vulnerable countries, and that it was essential to alleviate the compound pressures of climate change, debt burdens and volatile markets. One participant noted that financing for disaster risk reduction strategies and pre-arranged financing mechanisms, such as insurance, were critical for building disaster resilience and supporting vulnerable communities. Several participants noted that scaling

up private sector contributions through blended finance and engaging new donors were essential for expanding financial resources and fostering collaboration. The importance of gender-responsive budgeting and the empowerment of women and girls as central pillars of inclusive development was also emphasized. Participants noted the importance of responding to the needs of people with disabilities in development financing.

45. Some participants noted the role of robust data systems and digital technology as enablers of effective financing for development and highlighted the utility of viewing data not merely as a tool for monitoring but also as a transformative resource that could unlock solutions across sectors. Many participants noted the importance of bridging the digital divide and leveraging technology to promote financial inclusion and sustainable development.

46. Participants noted the role that regional cooperation could play in aligning development priorities with financing strategies, enhancing access to finance and addressing shared vulnerabilities. Participants also highlighted that regional collaborative platforms could help to reduce inefficiencies and scale up localized solutions.

47. Participants emphasized the importance of investments and innovative financing in key areas of development, such as poverty alleviation, infrastructure and the combating of hunger, malnutrition and food crises, and highlighted the need for agrifood systems to be transformed to be greener and more inclusive and climate-resilient. Participants also underscored the importance of empowering people to have access to technology and bridging the digital divide, so as to help developing countries to better harness the ongoing technological revolution and industrial transformation for the development of new, high-quality productive forces.

48. Participants noted the importance of migrant worker remittances and diaspora investment in bridging financing gaps and fostering sustainable development. They also noted the importance of integrating human mobility considerations into climate finance to address the impacts of displacement and support adaptation measures.

49. Representatives of civil society highlighted the urgent need to address the challenges disproportionately faced by developing countries, like the impacts of climate change and unsustainable debt, and reiterated the insufficiency of the new collective quantified goal on climate finance of $300 billion decided by the Conference of the Parties serving as the Meeting of the Parties to the Paris Agreement at its sixth session, held in parallel with the twenty-ninth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change. They noted that climate finance must be increased from billions to trillions and must be in non-debt-creating forms, in particular for climate-vulnerable countries. They also noted that trade rules often limited policy options for developing countries, reducing tariff revenues and limiting market access, and reinforced inequalities through unfair investment treaties. They noted that it was critical to reform the investor-State dispute settlement framework and mechanisms under a new, multilateral, cooperative United Nations system. The redirection of military funding to social services and efforts to achieve the Sustainable Development Goals was also recommended, as were ex-ante and ex-post reviews of trade agreements with a focus on human rights and sustainable development. Representatives of civil society also highlighted the criticality of debt sustainability issues in least developed countries and small island developing States and called for a United Nations framework convention on solving debt issues.

F. Multi-stakeholder dialogue on financing for development: public, private, philanthropic and civil society perspectives from Asia and the Pacific

50. During a special session that brought together speakers from private sector entities, philanthropic organizations, alliances of financial institutions, United Nations entities, independent think tanks and civil society organizations from across Asia and the Pacific, a dialogue was held in which participants emphasized the need for a reimagined partnership for sustainable development that included all stakeholders.

51. Speakers highlighted the importance of tax reforms in raising tax-to-gross domestic product ratios and noted the challenges related to tax reforms under International Monetary Fund programmes, which often required austerity measures to be introduced during economic crises. Digitalizing tax processes was highlighted as essential to reduce corruption and individual and corporate tax avoidance and to improve compliance. On expenditure, the need for improved government transparency was stressed, with calls to enhance data collection and reporting to track public spending and ensure its alignment with Sustainable Development Goal priorities. Speakers also noted that developed countries were instituting subsidies and tax incentives for certain industries, while developing countries were being encouraged to remove such incentives.

52. Speakers emphasized the need for clear government policies to guide investments, especially in least developed countries. Strong enabling policies, the effective rule of law and regulations on the repatriation of capital were highlighted as policies that could incentivize sustainable foreign direct investment. In particular, speakers noted that sector-specific strategies for transitioning to a net-zero economy provided important signalling and guidance for the private sector. Speakers also emphasized that the private sector must balance obligations to shareholders, consumers, people and the planet.

53. Speakers also noted the necessity of providing capacity-building assistance to private sector entities, especially domestic financial institutions, to ensure they could effectively participate in sustainability efforts alongside their international counterparts. Speakers emphasized that financial institutions should be encouraged to adopt holistic approaches to sustainability that were tailored to portfolio priorities and real economy conditions. With regard to the real economy, speakers stressed the importance of effective impact-based sustainability strategies that could be implemented by micro-, small and medium-sized enterprises and noted that capacity-building for such enterprises was needed to ensure they were able to access the right financing opportunities.

54. Speakers also noted that blended finance was an effective tool to lower the cost of capital and align private sector priorities with public objectives. In addition, speakers highlighted that carbon credits should be used in combination with blended finance approaches, especially for the early retirement of coal-fired power plants. Speakers underscored the importance of local philanthropic organizations (in addition to international philanthropic organizations) in providing concessional financing and catalysing private finance. Some speakers also observed that there were insufficient financial incentives for private institutions to take on certain climate investments and that it was likely that banks would face credit losses by investing in some such projects.

55. Civil society speakers noted the importance of ensuring that sovereign debt restructuring processes and debt sustainability assessments placed human rights at the centre. They highlighted that the details of sovereign debt

restructuring processes should be transparent and made available to the public. They emphasized that it was important to have a debt restructuring framework that made it compulsory for all lenders to participate, consistent with the notion of equitable burden-sharing. They noted the importance of establishing a binding and transparent multilateral debt workout mechanism, hosted by the United Nations, which could pave the way for a United Nations framework convention on sovereign debt.

56. Civil society speakers also noted the importance of ensuring that ultra-rich individuals and multinational corporations paid their fair share of taxes, as well as the importance of adopting progressive and gender-responsive tax systems, implementing wealth taxes and imposing a minimum corporate tax rate of 25 per cent.

57. Civil society speakers noted that, in order to ensure consistency and coherence within the financing for development process, it was important to adopt approaches that prioritized accountability, transparency and meaningful engagement with civil society and trade unions. Civil society speakers also emphasized the need for greater accountability for financing commitments made by member States, donors and other stakeholders, through the adoption of concrete indicators and parameters to review and assess implementation, thereby ensuring transparency. They noted that an outcome of the Fourth International Conference on Financing for Development should be greater legitimacy, effectiveness and responsiveness to workers, including women, trade union workers and marginalized workers. They noted that specific measures could include institutionalizing a dedicated session on financing for development in regional forums for sustainable development, ensuring that civil society organizations could provide substantive inputs and engage in follow-up and review processes effectively.

II. Organization of the Regional Consultation

58. At the Regional Consultation on Financing for Development in Asia and the Pacific, the following officials were elected as members of the bureau:

Chair:	Mr. Bishnu Prasad Paudel (Nepal)
Vice-Chairs:	Mr. Anthony Swan (Australia) Mr. Lyonpo Lekey Dorji (Bhutan) Mr. Amenatave V. Yauvoli (Fiji) Mr. Ali Haidar Ahmed (Maldives) Mr. Tumur Amarsanaa (Mongolia) Ms. E.A.S. Wijayanthi Edirisinghe (Sri Lanka)

59. Representatives of the following ESCAP members attended: Armenia, Australia, Bangladesh, Bhutan, Cambodia, China, Fiji, Indonesia, Iran (Islamic Republic of), Japan, Kazakhstan, Kyrgyzstan, Lao People's Democratic Republic, Maldives, Mongolia, Nepal, Pakistan, Philippines, Republic of Korea, Russian Federation, Singapore, Sri Lanka, Tajikistan, Thailand, Türkiye, United Kingdom of Great Britain and Northern Ireland, United States of America and Viet Nam.

60. The Cook Islands, an associate member of ESCAP, was also represented.

61. Representatives of the following Permanent Observers attended: Egypt, Finland, Spain and Sweden.

62. Representatives of the following United Nations bodies and specialized agencies attended: Department of Economic and Social Affairs, Development Coordination Office, Food and Agriculture Organization of the United Nations, International Atomic Energy Agency, International Development Association of the World Bank Group, International Labour Organization, International Organization for Migration, International Telecommunication Union, Joint United Nations Programme on HIV/AIDS, secretariat of the United Nations Framework Convention on Climate Change, UNCTAD, United Nations Capital Development Fund, United Nations Children's Fund, United Nations Development Programme, United Nations Environment Programme, United Nations Institute for Training and Research, United Nations Office for South-South Cooperation, United Nations Population Fund and World Trade Organization.

63. Representatives of the following intergovernmental organizations attended: ADB, Asian Disaster Preparedness Center, Asian Infrastructure Investment Bank, Asian Reinsurance Corporation, Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation, Conference on Interaction and Confidence-building Measures in Asia, Eurasian Economic Commission and Organisation for Economic Co-operation and Development.

64. Representatives of the following non-governmental organizations, civil society organizations and other entities attended: Action Group on Erosion, Technology and Concentration; Asia Pacific Forum on Women, Law and Development; Asia-Pacific Regional Civil Society Engagement Mechanism; Association of Development Financing Institutions in Asia and the Pacific; Buddhist Tzu Chi Foundation; ChildFund International; Climate Bonds Initiative; Coastal Association for Social Transformation Trust; Education International; Empower India; Glasgow Financial Alliance for Net Zero; Global Campaign for Education; Global Finance and Technology Network; GT Capital; Indorama Ventures; Institute of Policy Studies of Sri Lanka; International Batasang Obrero at Mamamayan International; International Bureau of Fiscal Documentation; International Federation of Red Cross and Red Crescent Societies; International Trade Union Confederation – Asia-Pacific; LDC Watch; Moody's; Nagorik Uddyog; Rockefeller Foundation; Society for International Development; Thammasat University; and Third World Network. Representatives and members of the ESCAP Sustainable Business Network also attended.