COVID-19 Pandemic in Asia and the Pacific: Regional cooperation to address the socio-economic effects of the global health crisis

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SDG Progress in Asia and the Pacific faced challenges before COVID-19
SDG progress in Asia-Pacific

SDG progress in Asia and the Pacific in 2019

- **Progress**
- **Stagnant**
- **Regression**
- **Insufficient data**
- **Evidence strength**

<table>
<thead>
<tr>
<th>SDG</th>
<th>2000</th>
<th>2019</th>
<th>TARGET 2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 No poverty</td>
<td>![Progress]</td>
<td>![Progress]</td>
<td>![TARGET 2030]</td>
</tr>
<tr>
<td>2 Zero Hunger</td>
<td>![Progress]</td>
<td>![Progress]</td>
<td>![TARGET 2030]</td>
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<tr>
<td>3 Good health and well-being</td>
<td>![Progress]</td>
<td>![Progress]</td>
<td>![TARGET 2030]</td>
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<tr>
<td>4 Quality education</td>
<td>![Progress]</td>
<td>![Progress]</td>
<td>![TARGET 2030]</td>
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<tr>
<td>5 Gender equality</td>
<td>![Progress]</td>
<td>![Progress]</td>
<td>![TARGET 2030]</td>
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<tr>
<td>6 Clean water and sanitation</td>
<td>![Progress]</td>
<td>![Progress]</td>
<td>![TARGET 2030]</td>
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<tr>
<td>7 Affordable and clean energy</td>
<td>![Progress]</td>
<td>![Progress]</td>
<td>![TARGET 2030]</td>
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<tr>
<td>8 Decent work and economic growth</td>
<td>![Progress]</td>
<td>![Progress]</td>
<td>![TARGET 2030]</td>
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<tr>
<td>9 Industry, innovation and infrastructure</td>
<td>![Progress]</td>
<td>![Progress]</td>
<td>![TARGET 2030]</td>
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<tr>
<td>10 Reduced inequalities</td>
<td>![Progress]</td>
<td>![Progress]</td>
<td>![TARGET 2030]</td>
</tr>
<tr>
<td>11 Sustainable cities and communities</td>
<td>![Progress]</td>
<td>![Progress]</td>
<td>![TARGET 2030]</td>
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<tr>
<td>12 Responsible consumption and production</td>
<td>![Progress]</td>
<td>![Progress]</td>
<td>![TARGET 2030]</td>
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<tr>
<td>13 Climate action</td>
<td>![Progress]</td>
<td>![Progress]</td>
<td>![TARGET 2030]</td>
</tr>
<tr>
<td>14 Life below water</td>
<td>![Progress]</td>
<td>![Progress]</td>
<td>![TARGET 2030]</td>
</tr>
<tr>
<td>15 Life on land</td>
<td>![Progress]</td>
<td>![Progress]</td>
<td>![TARGET 2030]</td>
</tr>
<tr>
<td>16 Peace, justice and strong institutions</td>
<td>![Progress]</td>
<td>![Progress]</td>
<td>![TARGET 2030]</td>
</tr>
<tr>
<td>17 Partnerships for the Goals</td>
<td>![Progress]</td>
<td>![Progress]</td>
<td>![TARGET 2030]</td>
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COVID-19 has magnified existing inequalities and vulnerabilities with major impacts on the region’s sustainable development
COVID-19 affects some population groups more than others

Vulnerable population groups often live in the margins of our societies and economies, often working in informal employment and without adequate social protection systems.

<table>
<thead>
<tr>
<th>Increased risk of infection</th>
<th>Women</th>
<th>Older Persons</th>
<th>Persons with Disabilities</th>
<th>Migrants</th>
</tr>
</thead>
<tbody>
<tr>
<td>70% of workers in social and health sectors</td>
<td>Higher morbidity rate, underlying NCDs</td>
<td>Social distancing from support persons impossible</td>
<td>High-risk occupations and living conditions</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Conditions of lock down</th>
<th>Gender-based violence</th>
<th>Isolation and abuse</th>
<th>Essential support services unavailable</th>
<th>Xenophobia and discrimination</th>
</tr>
</thead>
</table>

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<thead>
<tr>
<th>Immediate economic impact</th>
<th>Loss of jobs due to increased unpaid care responsibilities</th>
<th>Survival dependent on savings and handouts</th>
<th>Further decrease in employment opportunities</th>
<th>Loss of earnings: 'no work, no pay'; more than 20% decline in remittances</th>
</tr>
</thead>
</table>

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<thead>
<tr>
<th>Lack of access to health care</th>
<th>Sexual and reproductive health and services</th>
<th>Treatment for NCDs and any other health services</th>
<th>Prescription medicines, respirators, oxygen tanks</th>
<th>Any health care services, including testing and treatment for COVID-19</th>
</tr>
</thead>
</table>
Impact on the economy

Downgrade of GDP growth in Asia and the Pacific

Source: ESCAP, based on DESA’s World Economic Forecasting Model.
Subregional progress low on environmental goals.
Asia and the Pacific is taking actions to cope with impacts of COVID-19
All countries in Asia and the Pacific have implemented containment measures

**Containment measures implemented in Asia and the Pacific**


Note: The numbers on the bars illustrate the number of countries. Implemented = Implemented nationwide; Partially implemented = implemented in selected locations.
Fiscal stimulus packages have been rolled out out

Size of fiscal stimulus (as a share of GDP) by country grouping

Source: ESCAP, based on information available up to 1 May 2020 from IMF Policy Responses to COVID-19, ILO COVID-19 Country Policy Tracker, and various national sources.
Note: If a country announced a fiscal stimulus package but did not reveal its size, then it is not included in calculating the range and the median.
Supporting healthcare systems, and vulnerable businesses and households

Coverage of fiscal policy packages in Asia and the Pacific


Note: The numbers on the bars illustrate the number of countries. Fiscal support includes following components: health sector: increased spending on public health services, such as epidemic prevention and control and acquisition of medical supply; businesses: sectoral specific financial support, tax exemption or deferral, utility or rental payment exemption or deferral, etc.; SMEs: SME-specific business support measures; employment: wage subsidies, employment retention, and employment training; social assistance: child allowance, elderly care, unemployment benefits, pension payments, suspension of social insurance payments; households: direct cash transfers, reduction in utility bill payment, house rental subsidies, and education grants for vulnerable households. Tax cuts or exemptions cover both businesses and households. Other measures include budget saving or infrastructure investment. Some of the categories may overlap. For example, a tax cut for SMEs will be recorded in “businesses”, “SMEs” and “Tax cuts/exemptions” categories.
Monetary policy used to avoid credit crunch

Cuts in policy rates since the beginning of 2020

- Cut RRRs
- Open market operations
- Set up special facility

Target financial support for SMEs

- Targeted RRR cuts
- Lower interest rates
- Interest free loans
- Interest and principal repayment deferrals
- Loan refinancing
- Expand loan facilities

Source: ESCAP, based on information available up to 1 May 2020 from IMF Policy Responses to COVID-19, ILO COVID-19 Country Policy Responses, and various national sources. Note: *For Viet Nam, its Central Bank cut benchmark policy rates by 50-100 basis points, effective on March 17. In the figure, the average policy rate cut is illustrated.
ESCAP has rallied regional support: immediate response and building back better
Role of ESCAP

ESCAP’s offer to support member States revolves around three immediate streams of work:

• Supporting economic recovery
• Protecting people and enhancing resilience
• Restoring supply chains and supporting SMEs

We are also collaborating with multi-stakeholders to strategically approach member States to advise policy responses and provide meaningful support.
Policy priorities for immediate response and building back better

1. Invest in social protection and healthcare systems to reduce inequalities and build resilience against shocks

2. Align fiscal and monetary stimulus with the 2030 Agenda by integrating decarbonization, energy efficacy and pollution reduction

3. Build resilience in supply chains through regional cooperation on sustainable trade and investment and accelerated trade digitalization

4. Restore ecosystems to build resilience to future pandemics, using fiscal stimulus for green economy investments and action on air pollution, climate change and biodiversity

5. Ensure sustainable transition for ICT and transport sectors to enhance green connectivity
1. Investing in social protection

- Inclusive protection must be at the centre of recovery efforts, particularly for vulnerable groups in the informal sector.
- Responses must combine short-term relief with long-term strategies for comprehensive social protection systems.
- ESCAP is supporting countries through analytical products which will build training and knowledge platforms of social protection policies.

Public spending on social protection remains low, and must be stepped up in the wake of COVID-19

![Graph showing public spending on social protection as a share of GDP](source: UNESCAP)
2. Eco-friendly fiscal measures

- Fiscal and monetary stimuli must be aligned with the 2030 Agenda by integrating decarbonization, energy efficacy and pollution reduction.
- Spending and investments should be in line with existing environmental and climate objectives.
- As an initial step, ESCAP is analyzing adverse economic impacts and the environmental implications of policy packages while suggesting policy guidelines on climate compatibility.

Phasing out fossil fuel subsidies can support financing spending to combat COVID-19

![Graph showing fossil fuel subsidies as a share of GDP and fiscal stimulus as a share of GDP for various countries.](image-url)
3. Resilient supply chains

- The region must build resilience in supply chains through cooperation on sustainable trade and investment and accelerated trade digitalization.

- Efforts to enhance regional and subregional connectivity should emphasize healing supply chains, facilitating logistics and transport and narrowing the digital divide.

- The launch of a regional network of transport think tanks will enhance ESCAP’s analytical support to member States on sustainable transport connectivity.
4. Restore ecosystems

- **Restoring ecosystems** can build resilience to future pandemics, by using fiscal stimulus for green economy investments and action on air pollution, climate change and biodiversity.

- Policy measures must balance short-term economic recovery and long-term environmental and climate benefits.

- In the second half of 2020, technical assistance will be provided to at least three countries to design climate change and environment “compatible” policy responses to COVID-19.

- Policy briefs will be produced to discuss decarbonization, climate change mitigation and adaptation, and air pollution reduction policies.
5. Green connectivity

- Ensuring a sustainable transition for ICT and transport sectors enhances green connectivity.

- Policy measures must avoid a rebound in negative environment externalities and ensure a low-carbon and climate resilient transition.

- ESCAP will provide advisory services on enhancing environmental sustainability of urban public transport and freight transport operations, particularly rail and port operations.

- Cross border power system connectivity will be promoted to integrate more renewable energy to contribute to decarbonization and low carbon development.
Regional cooperation

• ESCAP’s intergovernmental coordination platforms, including the Commission session and APFSD, will be leveraged to fully to implement the ESCAP Framework of support.

• To embed sustainability into national policy responses, UN Resident Coordinators and Country Teams are essential.

• ESCAP will mobilize its eight substantive divisions and five subregional offices.

• UN Development System coordination is strengthened through issue-based coalitions on climate change mitigation, resilience, inclusion and empowerment, gender and human rights and human mobility and urbanization.

• We will also step up multi-stakeholder partnerships with subregional organizations, think tanks, the private sector, philanthropies and civil society.
A dedicated page to COVID-19 resources on ESCAP’s revamped web site provides the latest policy guidance, research and analysis, news and more.

ESCAP’s framework to support socio-economic response to the COVID-19 pandemic promotes regional and subregional efforts to build back better through policies aligned with the Sustainable Development Goals.
THANK YOU

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