

Asia-Pacific Countries with Special Needs Development Report 2022

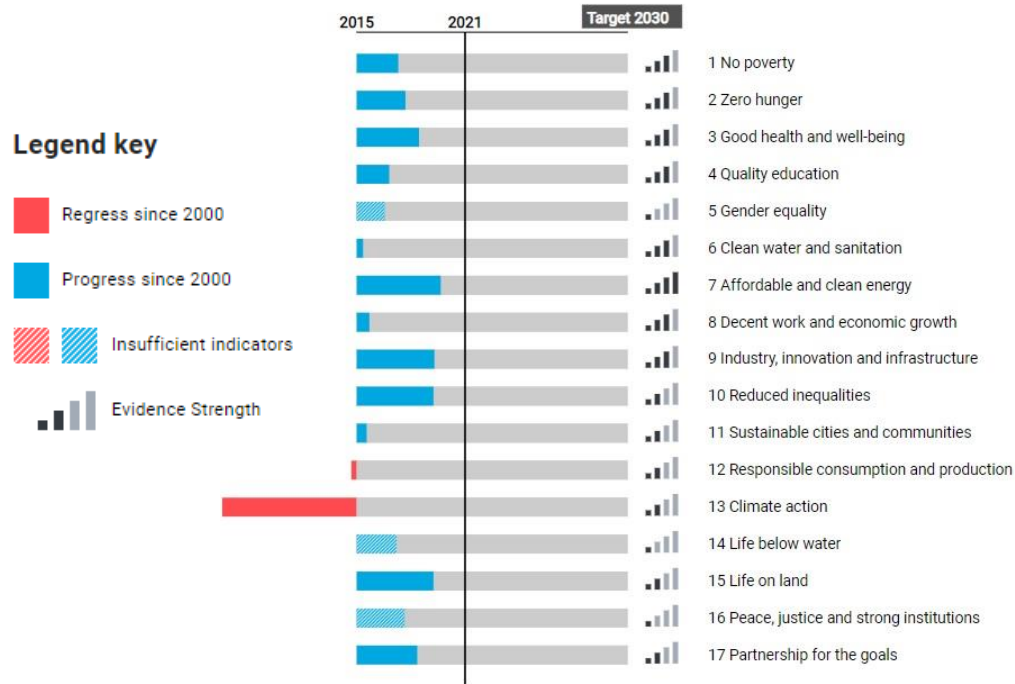
Financing a Sustainable Recovery from COVID-19 and Beyond

Agenda item 3: Special Body of Least Developed Countries,
Landlocked Developing Countries and Pacific Island Developing States
1400-1600 hours (Bangkok Time), 25 May 2022

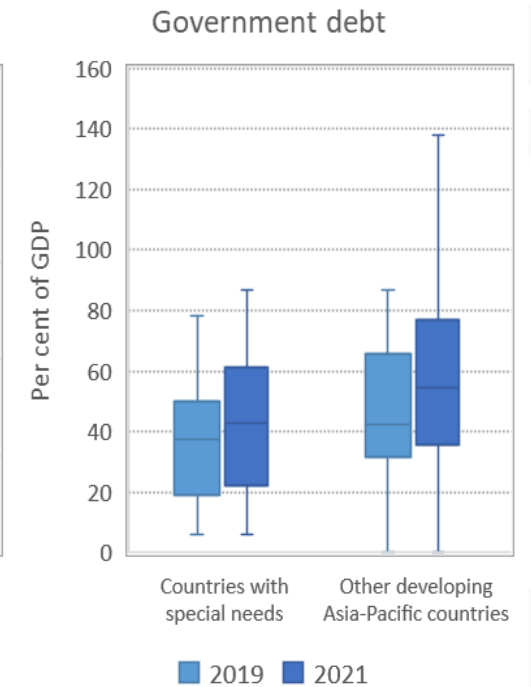
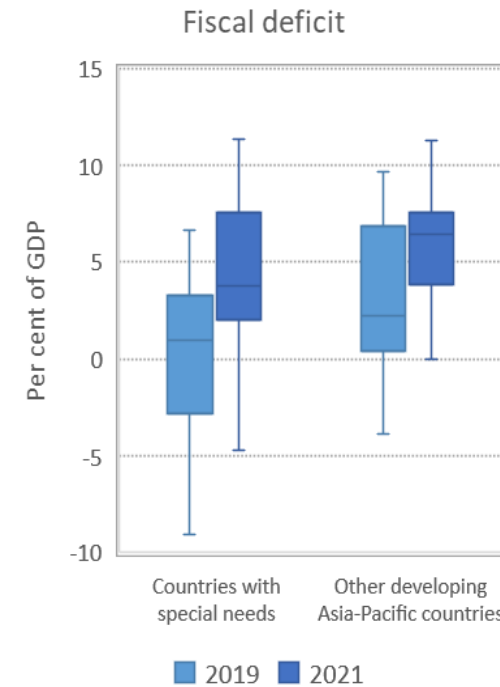
Ms. Armida Salsiah Alisjahbana

Under-Secretary-General of the United Nations and Executive Secretary of ESCAP

Stalled SDG progress amid the pandemic requires a sustainable recovery...

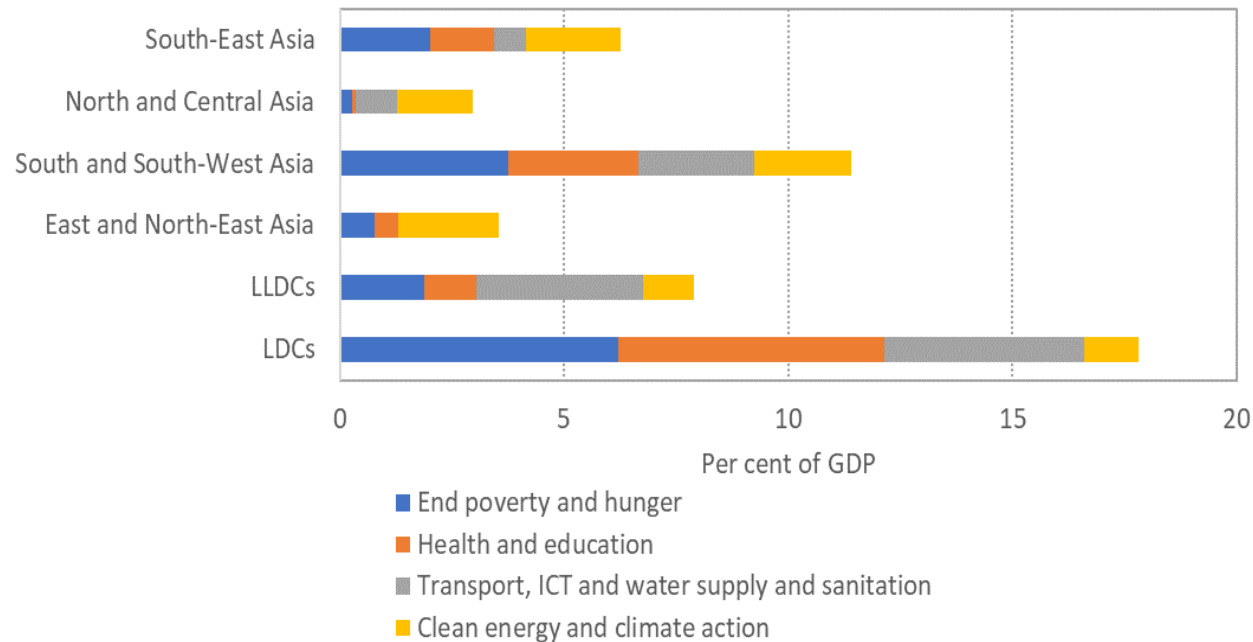


Snapshot of SDG progress made by Asia-Pacific countries with special needs



Projected increase in fiscal deficit and government debt

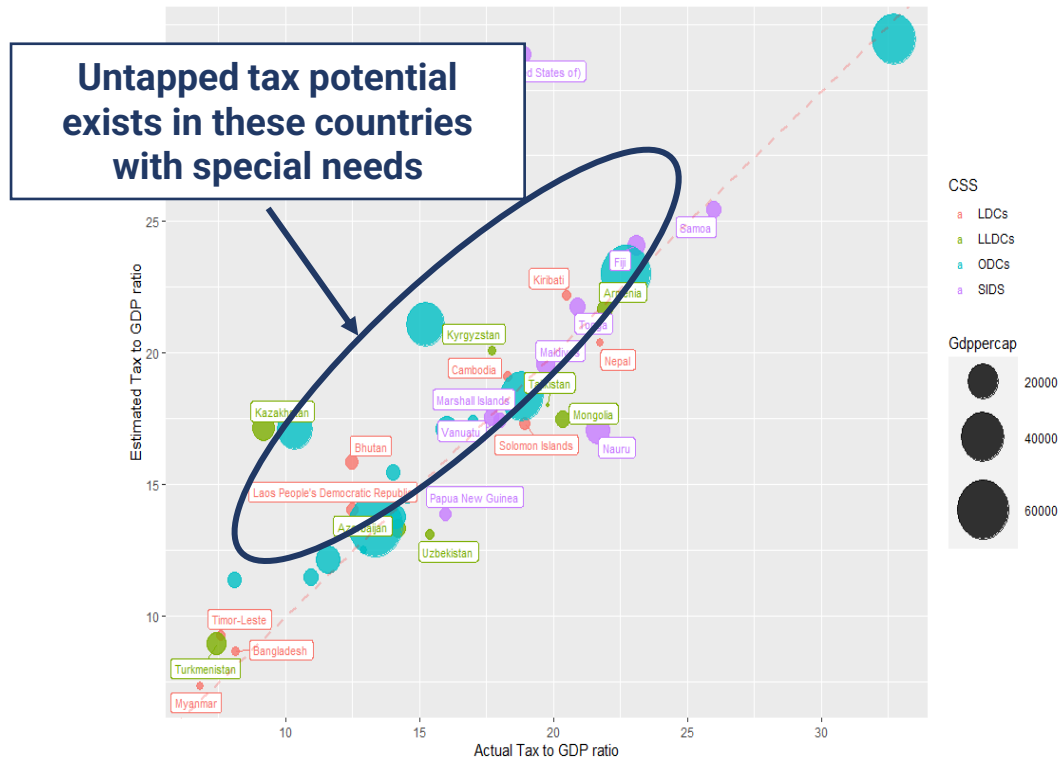
SDG financing requirements



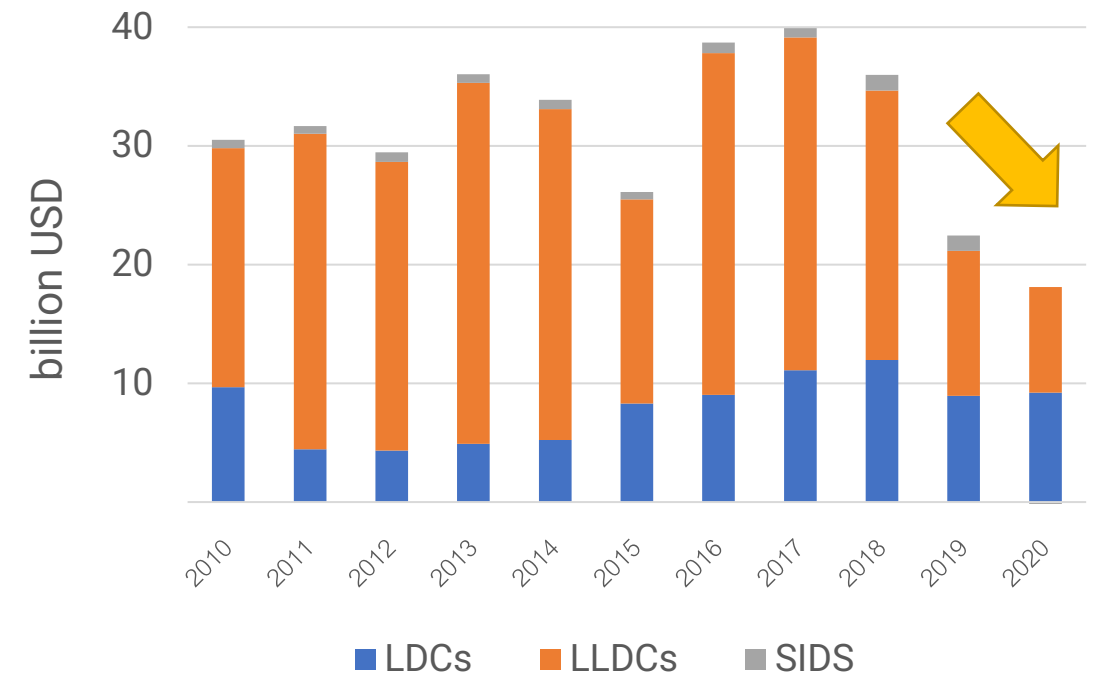
...also requires additional financing to achieve SDGs

- Additional financing needs per year: 19% of GDP in LDCs and 8% of GDP in LLDCs
- Only a fraction of the required amount can be currently mobilized
- Post-pandemic needs will be even greater

These traditional sources will continue to dominate and must be strengthened...

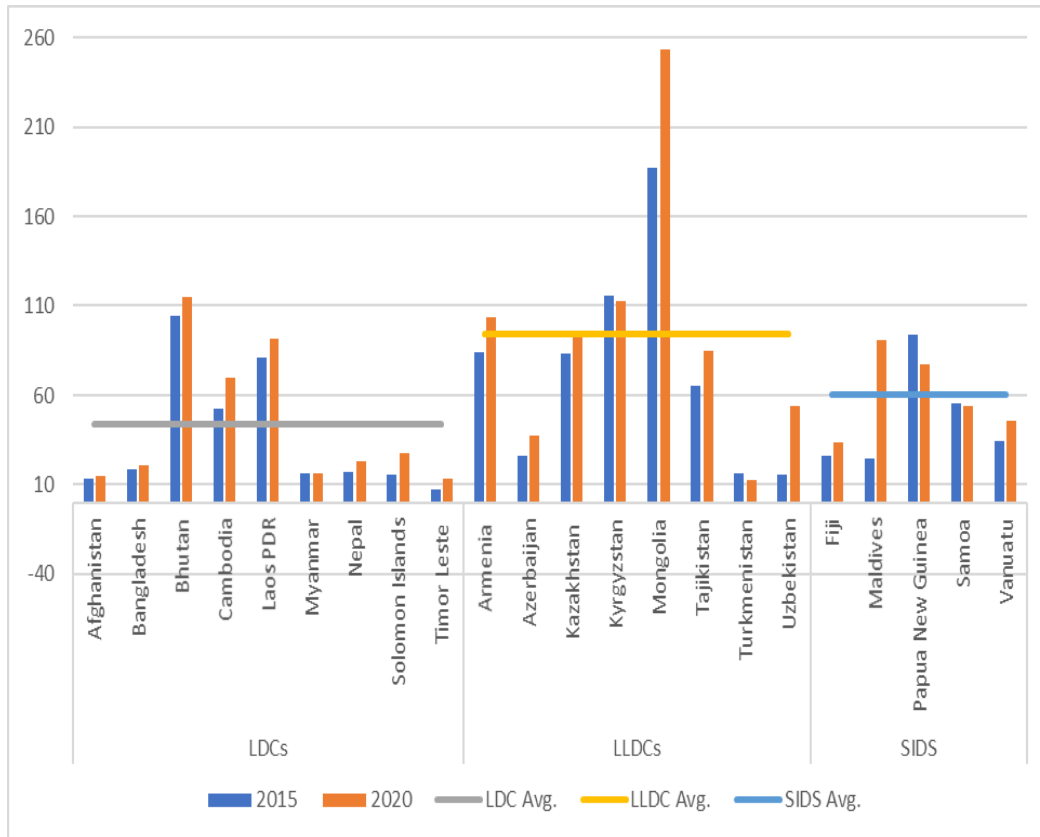


Actual vs. potential tax-to-GDP ratio



Total FDI flows to countries with special needs

...and need to be complemented by innovative sources



Public debt as % of GDP, 2015 and 2020

- Countries with special needs can take advantage of expanding global markets for thematic bonds
- 11 are classified as 'high risk', out of which 8 are SIDS
- COVID19- Public debt increased from 51% of GDP in 2019 to 61% in 2020 and 63% in 2021
- Debt-for-climate swaps could reduce debt exposure while also increasing investments in climate adaption or mitigation.

Regional cooperation and solidarity can enhance resource mobilization capacities of countries with special needs

- Address international taxation challenges
- Addressing immediate debt vulnerabilities and restoring long-term debt sustainability
- Meeting climate commitments and leveraging innovative climate and environment-related finance
- Harnessing digital technology for financial services



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