I. SUMMARY

Sustainable Development Goal (SDG) 17 is critical in this Decade of Action to bolster the other 16 SDGs and accelerate implementation. Yet, progress on several targets of Goal 17 has been slow in the Asia-Pacific region. While countries are struggling to recover from COVID-19 and job disruptions, the rising costs of living due to high inflation and abrupt food and energy price shocks have exacerbated development challenges and further hampered progress toward Goal 17.

Mobilisation of necessary financial resources remains a key challenge for accelerating the SDGs in developing countries. Government budgets remain stunted due to slow economic growth and continued large fiscal spending for socio-economic recovery efforts following the pandemic. Debt is dangerously high in many developing countries, putting some at a high risk of debt distress. Although official development
I. SUMMARY

assistance (ODA) has increased amid the pandemic, it is far from meeting commitments and insufficient to address the many competing priorities that developing countries, especially least developed countries (LDCs), face. Trade, a key engine of growth, is stalling, impacted by pandemic-related border closures and restrictions imposed in the wake of the geopolitical tensions. Developing countries, particularly LDCs, can least reap trade benefits due to limited resources and expertise to engage with bilateral, regional, and multilateral trade partners. Although capacity development and multistakeholder partnerships are critical to attaining the SDGs, progress has been subdued. There is an urgent need to pool multiple actors with relevant resources, capacity and expertise to create the synergies and levers required to deliver system transformations.

Accelerating the implementation of Goal 17 requires expanding the fiscal space and improving the mobilisation of public resources. There is an urgent need to address immediate debt vulnerabilities and restore long-term debt sustainability with extended support from the international community. Developing countries need to scale up sustainable finance through the uptake of innovative and targeted approaches, especially incentivising the private sector to align and increase their investment in the SDGs. Additionally, benefits in international trade for developing countries need strengthening. This can be done through the adoption and acceleration of customs and trade digitalisation and regional cooperation and integration to streamline trade procedures and reduce trade barriers and costs. Further, development partners can provide capacity development and technical assistance to developing countries and strengthen partnerships among the governments and other stakeholders to mobilise resources more effectively, efficiently, and at a greater scale.

II. CURRENT STATUS

SDG 17 aims to "strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development" with the engagement of governments, development partners, the private sector, civil society, trade union organisations and other stakeholders. The targets under Goal 17 fall into five broad categories: finance, technology, capacity building, trade, and systemic issues. The goal specifically highlights the importance of mobilising financial resources; access to science, technology and innovation; improving international trade; and strengthening approaches to capacity building and multistakeholder initiatives.
II. CURRENT STATUS

In a period of overlapping crises—COVID-19, geopolitical conflicts, and climate change—progress in implementing Goal 17 has been further delayed in Asia and the Pacific, with several targets showing slow or reversed progress. Figure 1 indicates that, particularly in public finance, the ability to mobilise tax revenues (target 17.1) is severely constrained. This is worrying given the need for large stimulus spending to scale up pandemic recovery measures and address further challenges from the cost-of-living crisis. Debt services (target 17.4) have also worsened, reversing efforts to reduce the debt burden. The commitment to public-private and civil society partnerships (target 17.17) and the ability of development partners to align their intervention with developing countries’ government-led results frameworks for development priorities and goals (target 17.15) have also regressed. ODA from all sources (target 17.2 and 17.9) and data initiatives (target 17.18 and 17.19), including national statistical legislation, plan and capacity building, show little progress since 2015. Targets on foreign direct investments (FDI), personal remittances, internet users and exports have progressed faster than other targets.

With wide-ranging thematic areas in SDG 17, this policy brief will provide an in-depth focus on selected targets, specifically on financing for SDGs (targets 17.1–17.5), leveraging trade for sustainable development (targets 17.10–17.12) and the role of capacity building and partnerships (targets 17.9, 17.16 and 17.17).
II. CURRENT STATUS

Figure 1: Progress on Goal 17 indicators toward the 2030 targets.

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Source: Asia and the Pacific SDG Progress Report 2023, ESCAP.
II. CURRENT STATUS

A. PROGRESS IN EACH TARGET

TARGET 17.1 LIMITED PROGRESS IN DOMESTIC REVENUE COLLECTION

Domestic revenue collection in Asia and the Pacific remains low and varied across countries, with many lacking progress. Figure 2 indicates that total government revenue as a proportion of gross domestic product (GDP) has remained at 28 per cent or less since 2015, lower than in Europe and North America (43.9 and 31.7 per cent respectively) and the world average of 31.6 per cent. The figure masks wide variations across countries in the region, in which LDCs have the least capacity to collect domestic revenues, including taxes. Especially in countries such as Bangladesh and Lao People’s Democratic Republic, the governments can only collect their annual revenue between 10 and 20 per cent of GDP.

Tax is a major source of revenue collection in most of the region but has not been progressive. In many countries, the share of domestic tax represented, on average, over 70 per cent of the domestic budget during 2015-2020. Although tax revenues were gradually rising in absolute terms before the pandemic, their proportion to domestic budgets has decreased, and in many countries it was still below potential. Citing benchmark current tax revenue against key economic characteristics, the Asian Development Bank suggests that Asia-Pacific economies can increase tax revenues from the relatively low pre-pandemic average of 16 per cent of GDP by 3–4 percentage points on average. The pandemic, however, has caused steep declines in tax revenues directly due to the economic slowdown and indirectly due to tax relief measures.

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II. CURRENT STATUS

Figure 2: Government revenue (budgetary central government) as a percentage of GDP.

Note: Government revenue as a percentage of GDP in Kiribati in 2015 and 2020 was 127.8 and 117.8, respectively; in Nauru was 97.2 and 170.2, respectively; and in the Marshall Islands was 81.3 and 73.2, respectively.

Source: Asia-Pacific SDG Gateway, ESCAP.

TARGET 17.2 ODA BELOW COMMITMENTS

ODA provided by the OECD Development Assistance Committee countries has been far below commitments. From 2015–2020, only six of 19 Development Assistance Committee countries provided net ODA above 0.15 per cent of their gross national income (among which five provided more than 0.2 percent) to LDCs (Figure 3). As for recipients, ODA to LDCs in the Asia-Pacific region declined by around 15 percentage points between 2010–2014 and 2015–2019. Although ODA increased significantly during the pandemic, the overall target remains unmet.

Grants account for the largest share of ODA to LDCs. However, the share of grants for LDCs declined from 90 per cent in 2015 to 75 per cent in 2019 (Figure 4), substituted mostly by ODA loans. An OECD study indicated that ODA loans are gradually exhibiting higher interest rates and shorter maturities despite being highly concessional in nature.

The OECD Development Assistance Committee countries were committed to providing official development assistance of 0.7 per cent of their gross national income to developing countries, with the additional commitment of 0.15-0.2 per cent of gross national income to LDCs.
II. CURRENT STATUS

Figure 3: Net ODA from the OECD Development Assistance Committee countries to LDCs, 2015-2020 (as a percentage of each donor’s gross national income).

Source: Our World in Data.7

Figure 4: ODA disbursements by Development Assistance Committee countries by instruments to LDCs in Asia and the Pacific, 2015–2019 (as a percentage of total).

Source: Asia-Pacific Countries with Special Needs Development Report 2022, ESCAP.8

TARGET 17.3 STABLE, ROBUST FDI INFLOWS AND INCREASING REMITTANCE INFLOWS

As shown in Figure 5, the region has received annual FDI inflows of nearly US$600 billion, or nearly 2 per cent of regional GDP since 2015. Although there was a slight decrease to US$537 billion, or 1.6 per cent of GDP, during the first year of the
pandemic in 2020, inflows picked up significantly to US$679 billion, or 1.8 per cent of GDP, in 2021. FDI to the region remained significant, representing 43 per cent of the world’s US$1.6 trillion total investments. Among the countries in the region, China is the largest recipient of investments, followed by Hong Kong, Singapore, India and the Russian Federation (Figure 6). In contrast, the group of LDCs received less than US$10 billion, or 2 per cent of the total regional investment.\(^c\)

**Figure 5: Inflows of FDI to Asia and the Pacific (in USD billions and as a percentage of GDP).**

![Chart showing inflows of FDI to Asia and the Pacific (in USD billions and as a percentage of GDP).](chart.png)

*Source: World Investment Report 2022, UNCTAD.*\(^9\)

\(^c\) ESCAP calculation based on UNCTAD’s World Investment Report 2022.
Remittance inflows to the region continue to increase, despite a slight decrease in 2020 due to border closures and other COVID-19 administrative measures. Asia and the Pacific remain the highest remittance recipient region in the world, both in absolute and relative terms. In 2021, remittance inflows to the region amounted to US$338 billion, or 44 per cent of global remittances (Figure 7)—the highest for the region in the last three decades. In absolute terms, India ranked first globally, receiving US$89 billion in remittances, while China (US$53 billion), the Philippines (US$37 billion), Pakistan (US$31 billion), and Bangladesh (US$22 billion) are also among the top 10 recipients globally (Figure 8). As a percentage of GDP, many countries in the Pacific, North and Central Asia, and South and South-West Asia highly depend on remittances. For example, in Tonga, remittances represented 44 per cent of GDP in 2021, ranking the highest among Asia-Pacific countries and the second highest globally (Figure 9). Tajikistan (34 per cent), Kyrgyzstan (33 per cent) and Samoa (32 per cent) ranked third, fourth and fifth, respectively, in the world ranking.
II. CURRENT STATUS

**Figure 7:** Remittance inflows to Asia and the Pacific and the World, 1990–2021.

Source: KNOMAD/World Bank, 2022

**Figure 8:** Top recipients of remittances in 2021.

Source: KNOMAD/World Bank, 2022
II. CURRENT STATUS

Figure 9: Remittance inflows as a percentage of GDP, 2021.

Source: KNOMAD/World Bank, 2022

TARGET 17.4: INCREASING DEBT SERVICE LEVELS

Debt service levels among developing countries in Asia and the Pacific have been increasing since 2015. Figure 10 indicates that the ratio of debt services to exports of goods, services and income has increased from single digits to double digits in many Asia-Pacific developing countries from 2015–2020. A few countries, such as Fiji, Pakistan and Sri Lanka, reached notably high levels at 20, 27 and 33 per cent, respectively. The debt service levels may have declined in 2021 as economies started to recover, but compared to 2015 levels or earlier, this remains worrisome in the wake of the war in Ukraine and the food and energy crises.
II. CURRENT STATUS

**Figure 10:** Debt services in Asia-Pacific countries (as a percentage of exports of goods, services and primary income).

Source: Asia-Pacific SDG Gateway, ESCAP.¹⁴

**TARGET 17.5 LIMITED LDC INVESTMENTS**

Investment in LDCs continues to be underwhelming, despite efforts to reform and initiate investment policies to attract private sector investment. Figure 11 suggests that as of 2021, 120 and 102 countries, respectively, have adopted and implemented investment promotion regimes for LDCs, while up to 183 and 176 countries, respectively, have done so for other developing countries. Moreover, the trend suggests only a minimal increase in the number of countries that have adopted and implemented investment promotion regimes for LDCs since 2015. Globally, around US$372 billion of investment related to SDGs was channelled to developing countries in 2021, with LDCs receiving only 15 per cent, compared to 19 per cent in 2020.¹⁵ The persistent large gaps between LDCs and other developing countries point to the need for LDCs to continue developing a conducive investment environment and for development partners to support them in tackling regulatory, institutional and capacity constraints.
II. CURRENT STATUS

**Figure 11**: Number of countries that have adopted investment promotion regimes, developing countries and least developed countries.

![Bar chart showing number of countries adopting investment promotion regimes](chart)

**TARGET 17.10 IMPROVED MARKET CONDITIONS BY TRADE AGREEMENTS**

Bilateral, plurilateral and regional trade agreements are enabling favourable market conditions with faster tariff reductions, despite limitations in the multilateral trading system. The Addis Ababa Action Agenda\textsuperscript{17} recognises international trade as an engine for inclusive growth and poverty reduction. This immense potential to promote sustainable development is reflected in the Asia-Pacific region, particularly in the pre-pandemic landscape. While average most favoured nation tariffs have been decreasing in Asia, this momentum has plateaued in recent years.\textsuperscript{18} Continued efforts at bilateral, plurilateral and regional levels have significantly reduced the effectively applied average rates and further guarantee better market access conditions for trade in services.\textsuperscript{19} However, non-tariff measures are becoming a larger impediment to trade (Figure 12), even though nearly half in the region have a direct and positive link to SDGs, e.g., ensuring food and medicine safety.\textsuperscript{20} Addressing trade costs while maintaining the benefits of non-tariff measures requires enhanced cooperation at multilateral, regional and national levels.
II. CURRENT STATUS

Figure 12: Average most favoured nation and effectively applied tariffs and annual new notifications to the World Trade Organisation (WTO) of Sanitary and Phytosanitary Measures (SPS) and Technical Barriers to Trade (TBT) measures in the Asia-Pacific region.

TARGET 17.11 SOME EXPORT INCREASES

An increase in exports from developing countries in Asia and the Pacific has been driven mostly by a few countries, while LDCs were lagging even before the COVID-19 pandemic. The region’s developing economies’ share of global exports increased from 32 per cent in 2015 to 34 per cent in 2021. In nominal terms, total trade increased significantly from US$6.9 trillion to US$9.7 trillion. However, this increase results from select economies, most notably China and India, that make up 46 per cent of this increase. The share of LDCs in the Asia and the Pacific region in global trade has marginally increased from 0.338 per cent to 0.353 per cent, with nominal values increasing from US$73 billion to US$100 billion in 2021. Notably, the nominal value was significantly lower in 2020 due to pandemic-related trade disruptions. Nevertheless, even with the recent 2021 nominal figures, the target concerning the expansion of trade share by LDC economies has been missed by nearly two-thirds so far.

- Excluding Australia, Japan and New Zealand.
- Merchandise and services.
II. CURRENT STATUS

TARGET 17.12 LIMITED PROGRESS IN BALANCING TRADE PREFERENCE LOSSES FOR GRADUATING LDC ECONOMIES

Greater cooperation and trade agreements can help extend and refine phasing out of LDC trade preferences for graduating countries. The applied tariffs faced by developing countries, LDCs and small island developing States (SIDS) in Asia and the Pacific have not changed much since 2015 (Figure 13). Notably, these include preferential tariffs afforded to LDCs by their trade partners. Due to preference losses by graduating economies (e.g. Bangladesh and Vanuatu), applied tariffs faced by developing countries are likely to increase since graduating necessarily means gradual withdrawal of preferences given to LDCs. As such, action must be taken to substitute these preferences with trade agreements and partners in sectors where such preference losses are likely to have the greatest impact. Other countries in Asia and the Pacific and beyond are encouraged to provide further preferences to developing economies, in particular LDCs and SIDS.

Figure 13: Average trade-weighted tariffs faced by developing countries, LDCs and SIDS in Asia and the Pacific.

Source: Authors’ calculations based on data from UN Comtrade\(^23\), WTO\(^24\) and World Integrated Trade Solutions.\(^25\)
II. CURRENT STATUS

TARGET 17.9, 17.16, 17.17 SLOW PROGRESS IN BUILDING CAPACITY AND STAKEHOLDER PARTNERSHIPS

Progress across the Asia-Pacific region on capacity building and multistakeholder partnerships for the achievement of SDGs is slow and, in many subregions, lagging. The COVID-19 pandemic led many countries as well as regional and subregional organizations in Asia and the Pacific to demonstrate acts of solidarity and mutual assistance through South-South cooperation, such as setting up grants and loans and sharing medical equipment and technology, experiences and lessons learned (indicator 17.9.1). The 2022 data shows that ODA, including through North-South, South-South and triangular cooperation, committed to developing countries increased during the pandemic. However, it is still well short of meeting the 2030 target. At the subregional level, only East and North-East Asia remains on track to achieve the target, while South-East Asia continues to show regression, and other subregions have made little progress.

The progress made in commitment to public-private and civil society partnerships (indicator 17.17.1) has been varied across subregions. The East and North-East Asia and the Pacific have already met the target for 2030, as have the Countries in Special Situations group. South-East Asia appears to be making good progress, while South, South-West, North and Central Asia have experienced notable regression since 2015.

Finally, lack of data on monitoring frameworks that support the achievement of SDGs (indicator 17.16.1) highlights the gap in understanding the status of the role and impact that multistakeholder partnerships is having in support of SDG implementation.

B. AREAS REQUIRING ATTENTION AND ASSOCIATED KEY CHALLENGES

LARGE SDG FINANCING NEEDS

The financing needs for Asia and the Pacific to achieve the SDGs by 2030 are estimated to be US$1.5 trillion, or 5 per cent of region’s combined GDP before the pandemic. For Asia-Pacific LDCs, the estimated annual investment needs amounted to approximately 19 per cent of GDP. With their limited financing capacities, it is estimated that at least 76 per cent of these gaps cannot be fulfilled by the LDCs alone,
II. CURRENT STATUS

based on the past trends of financial flows.\textsuperscript{30} The prospect to close the financing gaps has been derailed since the onset of the pandemic. The widespread impacts of the pandemic on investment, trade, employment and growth have disrupted the investment and financing flows from private sources. With decreased tax revenues and necessary increases in public expenditure to address the pandemic and the cost-of-living crisis, financing gaps to achieve the SDGs have further widened, making the SDG financing target further out of reach for the countries in the region, especially for LDCs. To build back better, improving existing sources and exploring new sources are required to meet financing needs.

DEBT SUSTAINABILITY

Several Asia-Pacific countries have experienced rising public debt levels due to pandemic-induced pressure on government revenue and the need for large stimulus expenditure. Following the pandemic, the debt dynamic, both private and public, has worsened as a result of rising interest rates and borrowing costs, currency depreciation, slower growth, ongoing fiscal subsidies and support to address food and energy crises. These have put several countries at high risk of debt distress. For example, high debt in Sri Lanka forced the Government to default debt for the first time in its history in May 2022. For LDCs, debt levels and debt service ratios are relatively low compared to other groups of countries including landlocked developing countries and SIDS.\textsuperscript{31} However, their debt situation is precarious, considering that their underlying economy and sources of financing are undiversified and thus vulnerable to shocks, and a majority of their debts are external and denominated in foreign currency. Although a large share of LDCs’ debts is concessional, the trend suggests an increase in the share of commercial and non-concessional loans, which have higher interest rates and shorter maturity in these countries.

GREEN AND CLIMATE FINANCE

The pandemic has underlined the importance of green and climate finance as a critical source for building back better in the long term. While fiscal spending was largely concentrated on addressing urgent health and economic issues in response to the pandemic, several countries seem to lose sight of green and climate financing, a crucial element for a more resilient recovery. Even before the pandemic, climate finance was far from what is needed to address the impacts of the climate crisis. At the 15th session of the United Nations Framework Convention on Climate Change Conference of the Parties (COP), developed countries pledged to scale up joint climate
II. CURRENT STATUS

finance from multilateral, bilateral, public and private sources, to reach US$100 billion annually by 2020 to address the needs of developing countries. However, the goal was not met. The funding only increased gradually from US$52.4 billion in 2013 to US$83.3 billion in 2020.32

At COP27, stakeholders agreed to review this goal, set a "new collective quantified goal on climate finance"33 in 2024, and establish a process to develop modalities for a new loss and damage funding mechanism for developing countries that are "particularly vulnerable" to climate change.

Only a small fraction of climate finance has been absorbed by LDCs and SIDS, with average inflows of 18 and 2 per cent of total climate flows in the region during 2015 and 2019, respectively. Lack of climate finance policies and frameworks as well as unclear, insufficient and contradictory legal and regulatory systems in these countries have inhibited them from attracting necessary climate finance.34 Lack of identifiable investment-ready projects is also a significant barrier. Many LDCs and SIDS do not have common investment risk management criteria, but rather high implementation risks and low technical capacity among domestic climate investors, all of which result in limited project funds in these countries, despite increasing demand for green projects.

CONTINUED INVESTMENTS IN STRENGTHENING TRADE-RELATED CAPACITIES OF DEVELOPING AND LEAST DEVELOPED COUNTRIES

Developing countries, especially LDCs, are less able to reap socio-economic development opportunities offered by international trade, largely due to stalled progress at the multilateral level. However, developing countries are also less prepared to engage with trade partners at bilateral and plurilateral levels due to time, resources and expertise limitations. In addition, the rise of non-traditional barriers to trade, such as non-tariff measures, that often serve other important SDGs increases market access difficulties compared to traditional barriers, such as tariffs. This means that unless significant progress is made at upscaling capacity and addressing procedural obstacles (including hard infrastructure, such as sanitary and phytosanitary testing laboratories), developing countries, especially LDCs, will be further excluded from lucrative foreign markets.
II. CURRENT STATUS

TRADE IN THE CONTEXT OF ESSENTIAL SECURITY INTERESTS

While trade has been viewed as a vehicle for peace, recent developments globally show that the number of trade sanctions, including export bans, increased tariffs and revoking of MFN status in response to hostilities, is growing. Countries are increasingly facing the dilemma of protecting essential security, while ensuring that trade remains as a key engine for growth and sustainable development, particularly in post-pandemic economic recovery amidst the current geopolitical tensions in Europe.35

INCREASING PRIVATE SECTOR ENGAGEMENT, COLLABORATION AND INVESTMENT ON SDGS

Calls for bolder and more innovative approaches to partnerships have been made since the launch of the 2030 Agenda. South-South cooperation and triangular cooperation are critical partnership models to strengthen, along with greater private sector involvement. Engaging the private sector helps not only to catalyse business investment in development, but also to encourage corporate accountability. For this, countries require support to overcome the challenges they face in incentivising greater private sector investment, including the need to: i) create a stronger enabling policy environment that reduces risk and impediment to investment; ii) catalyse and leverage private investment through new financing models to share risks between the public and private sector; iii) align private sector incentives with public goals; and (v) balance regulations and policies to ensure that financial system stability is not jeopardised. Monitoring and reporting on the private sector’s impact and progress on SDG targets is another vital component.

C. AVAILABILITY OF DATA

The lack of available data about SDG 17 targets and indicators continues to pose a challenge. As shown in Figure 14, there is no data available in the Asia and the Pacific countries to assess investment promotion regimes for LDCs (indicator 17.5.1), developing countries’ and LDCs’ share of global exports (indicator 17.11.1) and statistical capacity for SDG monitoring (indicator 17.18.1). For some indicators, including those to assess the policy coherence for sustainable development (indicator 17.14.1) and progress in development effectiveness in support of the SDGs (indicator 17.16.1), data remains largely insufficient or unavailable for most countries.
II. CURRENT STATUS

**Figure 14:** Data availability for indicators in Goal 17.

III. HUMAN RIGHTS AND GENDER EQUALITY CONSIDERATIONS

**GENDER AND HUMAN RIGHTS-BASED APPROACHES**

Gender-responsive and human rights-based approaches to priority-setting, planning, macroeconomic policies and development financing (domestic resource mobilisation and ODA) are critical for Goal 17 implementation. Building national capacities to engage in consultative processes and assessing whether financial resources are raised and used in human-rights-compliant ways will be conducive. Evaluating whether public budgets reflect obligations to dedicate resources to economic, social
and cultural rights could assist governments in advancing more equitable financing for sustainable development.

On gender-related investments, as of 2021 only 26 per cent of countries globally had comprehensive systems to track gender budget allocations. Fifty-nine per cent of countries had some features, while 15 per cent lacked minimal elements to track gender budgets. Stronger international cooperation is needed to finance gender equality. Allocations to programmes where gender equality is the main objective constituted only 4.6 per cent of bilateral allocable ODA in 2020. Funding fluctuations impact strategic planning and reduce the likelihood of achieving lasting, transformative change for women and girls. Budget decisions and increased and more effective public investments related to economic, social and cultural rights can reduce inequalities within and between countries. This requires transparency, accountability and space for social dialogue, scrutiny and participation.

FISCAL AND MONETARY TOOLS TO PROTECT THOSE IN VULNERABLE ECONOMIC SITUATIONS

Fiscal and monetary policies and tools, including the budget, are key to promote, fulfil and respect human rights; reduce inequalities and poverty; facilitate the attainment of the SDGs; prioritise the generation of sustainable revenue; and promote a clean, healthy and sustainable environment. In Asia and the Pacific, fiscal privileges persist in the shape of exemptions, evasion and low rates of income tax, while much of the tax burden is indirect, falling on consumption and carried by low-income individuals and households. These economic realities require an obligation for states in promoting and protecting the human rights of people in vulnerable economic situations who may be marginalised and experiencing multiple and persistent forms of inequalities. There is a need to mobilise funds to mitigate the harms to health following the pandemic and risks to other rights, including social protection, food, housing and education.

LEAVING NO ONE BEHIND

Planning, implementation, and monitoring processes of multistakeholder partnerships need to ensure that no one is left behind and enjoy equal opportunities to participate and benefit from a partnership. These partnerships need to be inclusive,
accountable and align with international normative commitments, including gender equality commitments. Relevant stakeholders need to be identified, and all structures and procedures must be designed with a view to equality and non-discrimination. Ensuring meaningful participation in partnership planning, decision-making and implementation activities is an important aspect of inclusion. Mechanisms, platforms and processes to include voices and participation of women, young people, indigenous communities, workers in the informal economy, migrant workers, persons with disabilities, LGBTQI and other vulnerable groups have the potential to make the most effective transformation. Strong coordination with civil society organisations, especially women’s advocacy and human rights groups, is crucial. All people as rights holders must have the opportunities and capabilities to substantively participate in and benefit from a human rights economy.

**EQUITABLE TRADING AND THE ELIMINATION OF FORCED LABOUR**

Steering towards a rules-based, open, non-discriminatory, equitable multilateral trading system as well as global, regional and bilateral trade agreements that are human-rights-compliant is integral to achieving the SDGs. Human rights and gender equality considerations within the trading system extends beyond governments. A large share of this responsibility lies with the private sector, who can ensure human rights due diligence in supply chains and overall operations. Respect for human rights in supply chains is indispensable to achieving the SDGs and prevent trade that funds conflicts and human rights abuses.

Addressing human rights and gender equality deficits experienced in Asia-Pacific countries means proactively eliminating forced labour and child labour in the region's supply chains, complying with labour standards and advancing the decent work agenda. Developing and applying due diligence guidance at sectoral level for trade and finance activities is instrumental to assisting companies in the region. The UN Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises and ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration) provides direct guidance to companies to respect human rights. SDG 17 emphasises the potential of partnerships with the private sector, yet mechanisms must be in place to avoid risks for human rights and conflicts of interest in public-private partnerships and related policymaking processes.
Lack of knowledge, technology and expertise sharing has had and will continue to have adverse implications for the right to health and has come to the fore in issues around access to COVID-19 vaccine. To avoid further retrogression in the right to health, future pandemics and other global health crises will require international cooperation and the private sector to fully commit to promoting cross-border rights-based supply chains.

ACCOUNTABILITY THROUGH DATA AND MONITORING

Data and monitoring play an essential role in not only holding governments accountable for their SDG commitments, but also highlighting uneven progress and contributing to adaptive policymaking. Establishing inclusive national review processes to monitor SDG progress is important. Participation of relevant stakeholders, including civil society and trade union organisations, in the processes such as Voluntary National Reviews (VNR) and United Nations Sustainable Development Cooperation Frameworks (UNSDCF) is essential to ensure equitable implementation and fair monitoring of SDGs. Using data to highlight disadvantages and intersecting inequalities that may become hidden in national aggregations will be a significant contribution to realising the ambition to leave no one behind. Policies should be informed by analyses of the structural underpinnings of poverty, inequality, marginalisation and discrimination based on age, ethnicity, gender, geography, income, race, religion, sexual orientation, wealth (as relevant for the context in question) and should embody the human rights principles of free and meaningful participation, transparency and accountability.

IV. PROMISING INNOVATIONS AND PRACTICES

DIGITALISATION IN TAX ADMINISTRATIONS

Technologies and related innovations are driving a paradigm shift, opening greater opportunities to strengthen tax administration and thus increase fiscal space. Digitalisation helps improve tax collection by enhancing taxpayers' compliance and expanding tax base. For example, e-filing, e-payments and e-customs, implemented in some countries in the region, can help collect information, improve administrative
efficiency and lower taxpayers’ compliance costs. Some developed countries including Australia, Japan, New Zealand and the Republic of Korea have advanced to integrate taxpayers’ and tax administrators’ technology solutions, enabling real-time or near-real-time tax filing that provides more benefits in terms of increased revenue yield and reduced administrative and compliance costs. Some countries are piloting the use of frontier technologies like artificial intelligence, big data and blockchain to extract and utilise more third-party data, such as data from banks, platforms or clients. This enables cross-checking of taxpayers’ information, strengthening of tax compliance and further improvement of administrative efficiency.

From the expenditure side, the use of digital technology can improve the efficiency of public spending by enabling more efficient distribution and reducing leakage rate. For instance, in India, Indonesia and the Philippines, a digital social registry has enabled direct cash transfer programmes to be more efficient and transparent in distribution, improving the overall credibility of the programmes and avoiding multiple or fraud claims. E-services and other administrative simplification strategies, such as chatbots and online portals, can also help facilitate interaction between tax authorities and taxpayers.

As the digital economy continues to grow rapidly, accelerated efforts to advance tax reforms and fast forward digitalisation of tax administration have become more urgent and imperative. At multilateral level, the OECD established the Task Force on the Digital Economy, comprising of 137 countries as members of an Inclusive Framework on the Base Erosion and Profit Shifting Project. The Task Force aims to drive consensus and derive long-term solutions to address corporate tax avoidance and digital taxation, including developing unified rules and standards for digital taxation. At the country level, momentum is also growing. China has introduced e-invoices using blockchain technology that allows tax administrators to supervise and inspect the whole taxation process and established an import tax for cross-border e-commerce retailers. India planned to reform its tax system to include foreign companies that advertise on Indian internet provider addresses, while Malaysia and Singapore have introduced a tax rule extended to cover digital supplies from foreign providers.
SUSTAINABLE FINANCE

Sustainable finance has become widely accepted as an option to direct private funds to climate action or countries’ specific economic development. This includes finance that is directed towards sustainable uses (through use-of-proceed clauses) and finance that is becoming more sustainable (e.g. through environmental, social and governance risk and management practices). While the former is mainly directed towards green and climate targets, the latter has gained more attention in the past few years as governments and corporations alike can raise the funds for several objectives in one-time issuance.

*Figure 15: Green, social and sustainability bonds issuance in Asia and the Pacific.*

In Asia and the Pacific, thematic (green, social and sustainability) bond issuance (through the use-of-proceed clauses) increased more than two fold in 2021, although data for the first half of 2022 suggested some decline possibly due to the global economic pressures. The surge in issuance of these bonds is mainly driven by the East and North-East Asia subregions, specifically China, the Republic of Korea and Japan, accounting for over 70 per cent of the total thematic bonds issued in the region.

Despite current challenges in market uptake, several developing countries are preparing for the rise of sustainable finance. The United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) assists member states in green and sustainable finance, such as supporting the development of the Green Bond Framework in Bhutan and Sri Lanka and drafting guidelines on thematic bond issuance with Global Green Growth Institute in Cambodia. The United Nations Development Programme has supported the Government of Indonesia in issuing
IV. PROMISING INNOVATIONS AND PRACTICES

Green Sukuk since 2018, providing technical assistance and capacity building in the pre- and post-issuance stages. So far, in the five rounds of Global Green Sukuk, US$5 billion has been issued, with about US$800 million issued through retail Green Sukuk.

DIGITALIZATION OF TRADE PROCEDURES

One of the main reasons that developing countries in the region are behind in attaining benefits offered by international trade is higher-than-average trade costs. Such trade costs often stem from inefficient cross-border trade procedures with survey results continuously showing that LDCs lag in trade facilitation implementation. During the COVID-19 pandemic, many countries in the region accelerated the implementation of digitalisation of trade procedures. While this was originally meant to be a COVID-19 prevention measure to reduce human-to-human contact, the longer-term benefits are evident, as these changes offer long-lasting decreases in trade costs.

The Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific, a United Nations treaty, is an inclusive and enabling platform that can support participating economies in the region regardless of their stance on trade facilitation or single window or paperless trade implementation. The 2021 Global Survey on Digital and Sustainable Trade Facilitation shows continued progress on streamlining trade procedures in Asia and the Pacific (Figure 16). The most progress was in implementing cross-border paperless trade, with the overall implementation rate increasing from 31.2 per cent in 2019 to 38.5 per cent in 2021. Paperless trade implementation also increased by 5.7 percentage points. South Asia, Iran and Turkey, made most progress, increasing more than 10 percentage points since 2019. With the implementation of compatible, integrated and synchronised bilateral, subregional and regional platforms, as well as the acceleration of digital transformation triggered by COVID-19, countries in the region have strived to improve digital infrastructure to facilitate data sharing.
IV. PROMISING INNOVATIONS AND PRACTICES

Figure 16: Implementation of groups of trade facilitation measures in Asia and the Pacific, 2019 and 2021.

A GREEN DEAL ADVOCATING FOR BUSINESS LEADERSHIP IN THE REGION

While the governments of the Asia-Pacific region must act decisively to achieve progress on the SDGs, many real social and economic advances will come through the action of private enterprises. In recognition that businesses and governments must take steps to ensure inclusive social and economic progress, regional businesses in the ESCAP Sustainable Business Network have promulgated the Asia-Pacific Green Deal for Business. This Green Deal calls on businesses to work together and with the public sector to act in five specific areas (1) advancing a zero-carbon energy system; (2) building low-carbon and climate-resilient cities; (3) mobilising public and private finance for green transformation; (4) accelerating innovation for sustainable development; and (5) moving towards a more circular economy. This partnership will promote the alignment of the interests of the private and public sector in sustainable development.\(^\text{48}\)
IV. PROMISING INNOVATIONS AND PRACTICES

MULTISTAKEHOLDER COLLABORATIONS IN PROMOTING FINANCIAL INCLUSION

The Pacific Financial Inclusion Programme\(^9\) was initiated by a partnership with private sector telecom operators and commercial banks in the South Pacific to foster innovative financial products that target low-income households. Regulators from several countries of the Pacific partnered to create "regulatory sandboxes" for developing new and innovative technologies, channels and financial products. They collectively pioneered the first regional working group of the global Alliance for Financial Inclusion. The successes of the Pacific Financial Inclusion Programme reflects the role of South-South cooperation in bringing together cross-border lessons and experiences to solve the developmental challenges of Pacific countries. Moreover, the efforts at this subregional level elevated financial inclusion as a national development priority. Six countries made international commitments to financial inclusion through the Alliance for Financial Inclusion, 2011 Maya Declaration and 2020 Money Pacific Goals. Five countries also developed national financial inclusion strategies to create strong, sustainable frameworks to support financial inclusion efforts.

V. PRIORITY ACTIONS

The following actions are recommended for priority consideration to accelerate progress on the delivery of SDG 17 and reverse current regression on some targets:

ACCELERATE EFFORTS TO EXPAND THE FISCAL SPACE AND IMPROVE MOBILISATION OF PUBLIC RESOURCES

In the current economic situation, while it may not be feasible to raise further taxes or expand the tax base, a possible option to increase fiscal space is to enhance the efficiency of tax administration in revenue collection and government expenditure, for

\(^9\) Implemented between 2008 and 2020, by UNDP and UNCDF and supported by Government of Australia, New Zealand Aid Programme, European Union, UNCDF, UNDP, and the Caribbean and Pacific Microfinance Framework Programme.
example, through adoption of digital technologies that are proven to reduce leakages, increase transparency and clarity, and lower administrative and compliance costs. With the help of digital technologies, governments can target their support towards the poor and vulnerable population groups or prioritised sectors of the economy with a reduced leakage rate.

ADDRESS IMMEDIATE DEBT VULNERABILITIES AND RESTORE LONG-TERM DEBT SUSTAINABILITY

While the overlapping crises are dragging several countries into riskier situations with widened fiscal deficits and higher debt levels, Asia-Pacific countries that are experiencing or showing early signs of debt distress can look for ways to restructure debts and explore options to reduce debt exposure within their own efforts and through regional and global cooperative approaches.

The international community needs to extend further support to these developing countries. The Debt Service Suspension Initiatives was short-lived, covering only 73 eligible countries (International Development Association countries and LDCs) and bilateral official debts. The Common Framework for Debt Treatments has yet to deliver to any country. These initiatives need further improvement, specifically by expanding country coverage to middle-income countries, extending the duration and scope of debt relief, bringing in more creditors and accelerating negotiation and implementation. The international community can further develop a comprehensive debt relief programme that reduces immediate or short-term debt pressure and incentivises long-term solutions. This can be done, for example, by mixing temporary debt suspension with sovereign debt reprofiling and restructuring and building the capacity of developing countries to implement long-term debt sustainability frameworks.49

SCALE UP SUSTAINABLE FINANCE ACCESS AND DEVELOP NECESSARY FRAMEWORKS

Scale up access to sustainable finance and develop necessary legal, regulatory and institutional frameworks for issuing sustainable financial instruments, including bonds, debt-swaps and guarantees, through technical assistance and capacity-building support from development partners. Since the amount of private finance
remains far below the ambition of the 2030 agenda, efforts to improve the mobilisation and alignment of private finance for the SDGs are among key priorities. To do so, there is a need to enhance awareness and engagement in key private finance programmes, including the Glasgow Financial Alliance for Net Zero, UN Environment Programme Finance Initiative, the Sustainable Stock Exchange Initiative, International Finance Corporation's Sustainable Banking and Finance Network and the Principles for Responsible Investment.

**ACTIVELY SEEK TO ACCELERATE CUSTOMS AND TRADE DIGITALISATION AND ADOPTION**

Accelerating digitalisation and adoption should include leveraging tools and solutions available across the United Nations system and acceding to the Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific. Such acceleration would streamline trade procedures to reduce costs, increase exports by LDCs—which have among the lowest rates of trade facilitation implementation, significantly inhibiting trade—and make trade more inclusive.

**ACCELERATE REGIONAL COOPERATION EFFORTS**

Accelerate efforts on regional cooperation and integration to reduce trade barriers and trade costs, particularly those facing developing and least developed countries. Countries may further wish to examine the prospect of regional integration at bilateral and plurilateral levels to ensure cost competitiveness with countries that already have established trade agreements. At the same time, compliance with due diligence guided by international instruments such as the UN Guiding Principles for Business and Human Rights, OECD Guidelines for MNEs and ILO MNE Declaration should be promoted and respected.

**ENHANCE SOUTH-SOUTH COOPERATION**

Enhance South-South cooperation among countries by strengthening mechanisms for sharing experiences among state and non-state actors in building back better. Strengthening existing networks, best practice communities, and knowledge platforms among different stakeholders is crucial in promoting South-South and triangular cooperation. Where such networks, communities or platforms do not exist, countries may need to consider creating mechanisms to support the effective and
V. PRIORITY ACTIONS

efficient process of building back better. Countries may also consider undertaking analysis and peer learning to ensure sharing of information, experience, skills, and lessons learned. Such practices may include innovations and lessons to accelerate pandemic response and mitigation and strategies and approaches to build back better.

INCREASE CAPACITY AT NATIONAL LEVELS TO TACKLE DATA GAPS ACROSS ALL SDGS TO REPORT ON PROGRESS

The following SDG 17 targets have limited data available to measure progress: 17.2, 17.5, 17.14, 17.15, and 17.16. Member States can engage in relevant capacity-building mechanisms provided by custodian agencies, such as the newly launched Global Community of Practice on SDG 17.14.1 by the UN Environment Programme. At the national and regional levels, multistakeholder participation including private sector, civil society and trade union organisations in governance systems of SDGs is essential. Further, countries can benefit from regional initiatives for strengthening SDG reporting, including SDG progress assessments with the National SDG Tracker and SDG data portals.
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