A. Background

In 2019 the United Nations General Assembly proclaimed the Decade of Action to accelerate efforts to deliver the Sustainable Development Goals (SDGs) by 2030, but the onset of the COVID-19 pandemic in 2020-2021 has posed extraordinary challenges to it. The latest ESCAP SDG Progress Report finds that the Asia-Pacific region is not on track to reach any of the 17 SDGs, while a prior ESCAP analysis estimated that the additional investment requirements to achieve the SDGs needs are unlikely to be within reach for many Asia-Pacific countries.¹

Of particular concern is the rapid increase of public indebtedness in the region. Even before the pandemic, gradually widening fiscal deficits had pushed the average government debt-to-GDP ratio in developing Asia-Pacific region to a 14-year high level of 42.3 per cent in 2019, but large stimulus packages and declining government revenues during the pandemic pushed up the region’s average government debt level to 51.7 per cent of GDP by 2021. Going forward, the global increases in food and oil prices resulting from the war in Ukraine are pushing up inflation worldwide and leading central banks to rapidly unwind the accommodating monetary policy of the last two years. The resulting increase in interest rates will increase the cost of servicing debt and reduce access to much needed debt financing by developing countries.

The rapid escalation of indebtedness and the increased cost of servicing debt are highly problematic. Recent analyses by ESCAP show that as Asia and the Pacific seek to build forward better by providing universal access to social services, closing the digital divide and strengthening climate action, government debt levels in many economies of the region would surge in coming years.² The prospect of a reduced access to external borrowing in the near future could thus threaten progress towards the attainment of the SDGs in the region.

Despite this negative outlook, recent developments in financial markets may allow developing countries in the region to access additional funding for the SDGs. Since the development of the Green Bond Principles by the International Capital Markets Association (ICMA) in 2014, interest by investors in sustainable finance products has increased exponentially. In 2021, the issuance of labelled bonds, including green, social, sustainability and sustainability-linked bonds, reached $1 trillion, a 20-fold rise from 2015 and now accounting for 10 per cent of global debt markets.³

While this trend is encouraging, most of this financing is being raised in developed countries, with developing countries lagging considerably behind. A recent estimate suggests that investors may need to funnel over $2 trillion annually into emerging market decarbonization by 2030, relative to just $70 billion as of 2020. Challenges to mobilize sustainable financing by developing countries in the region include a limited range of available instruments for mobilizing private resources and weak institutional

capacity to formulate and present bankable projects.\textsuperscript{4}

Removing obstacles for the attainment of the SDGs in Asia and the Pacific, thus, requires a concrete effort on the macroeconomic front, to address challenges related to excessive public indebtedness, and on the financial front, to take advantage of new opportunities for sustainable financing. This expert group meeting will consider both elements as complementary policy strands to support developing countries in the region in the way forward towards achieving the SDGs.

\textbf{B. Objectives, structure and participation}

This expert group meeting has two main \textbf{objectives}:

1. To peer-review draft chapters of two ESCAP publications that will be published in 2023, namely, \textit{Economic and Social Survey of Asia and the Pacific}, with the theme of “rethinking public debt for achieving the SDGs” and \textit{Financing for Development Series No. 5}, with the theme of “the rise of sustainable finance in Asia and the Pacific: how to move forward”.

2. To engage with experts, policymakers and other stakeholders on the issues of public debt and sustainable finance in Asia and the Pacific.

\textbf{Structure}. The meeting will start with an opening session with two keynote addresses, followed by a roundtable discussion on debt and sustainable finance. Session 1–4 will review the preliminary findings in \textit{Economic and Social Survey of Asia and the Pacific} 2023 and Session 5–7 will discuss the policy messages in \textit{Financing for Development Series No.5}. The meeting will be conducted in English in a hybrid format with no simultaneous interpretation.

\textbf{Participants} include international experts on public debt and sustainable finance, officials from governments and central banks, financial regulators, think-tanks, academic institutions, non-governmental organizations, financial institutions, and UN and other international development partners.

\textbf{C. Contact persons}

- For \textit{Economic and Social Survey of Asia and the Pacific} 2023, \textbf{Ms. Lin Zhuo}, Economic Affairs Officer, Macroeconomic Policy and Analysis Section, Macroeconomic Policy and Financing for Development Division (MPFD); zhuo@un.org

- For \textit{Financing for Development Series No. 5}, \textbf{Mr. Alberto Isgut}, Economic Affairs Officer, Financing for Development Section, MPFD; isgut@un.org

\textbf{D. Meeting website}

The final version of the concept note (including the programme), presentation slides and other materials are available on ESCAP website \url{https://unescap.org/events/2022/egm2022-public-debt-and-sustainable-financing}.

### E. Programme

**Public Debt and Sustainable Financing in Asia and the Pacific**

*Hybrid format, Bangkok and on-line*
*28 November – 2 December 2022*

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<tr>
<th>Time</th>
<th>Day 1: Monday, 28 November 2022</th>
<th>Speakers</th>
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<tr>
<td>09:00 - 09:15</td>
<td>Reception tea and coffee</td>
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<tr>
<td>09:15 – 10:00</td>
<td><strong>Opening Session</strong></td>
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|              | o Moderator (3 mins)            | *Moderator*                                          
|              | o Opening remarks (5 mins)      | Mr. Hamza Ali Malik  
|              | o Keynote address 1 (5-10 mins) | Director, Macroeconomic Policy and Financing for Development Division (MPFD), ESCAP              |
|              | o Keynote address 2 (20 mins)   | *Speakers*                                           
|              |                                  | Mr. Kaveh Zahedi  
|              |                                  | Deputy Executive Secretary, ESCAP                    |
| 10:00 – 12:00| **Roundtable discussion on debt and sustainable finance** |                                                                                                    |
|              | This roundtable discussion features a dialogue among experts to share innovative ideas on how to attain public debt sustainability and foster sustainable finance in Asia and the Pacific. | H.E. Ms. Sherine El Sharkawy  
|              |                                  | Deputy Minister of Finance, Egypt  
|              |                                  | (TBC – video message)  
|              |                                  | Mr. Barry Eichengreen  
|              |                                  | (pre-recording)  
|              |                                  | Professor of Economics and Political Science  
|              |                                  | University of California, Berkeley  
|              |                                  | USA                                               |

*Moderator*  
Mr. Hamza Ali Malik  
Director of MPFD  
ESCAP

*Panellists*  
Ms. Shamshad Akhtar  
Former Executive Secretary of ESCAP

Ms. Ruenvadee Suwanmongkol  
Secretary-General  
Securities and Exchange Commission  
Thailand
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<th>Time</th>
<th>Day 2: Tuesday, 29 November 2022</th>
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<tr>
<td>09:00 – 09:30</td>
<td>Reception tea and coffee</td>
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</table>
| 09:30 – 11:30 | **Session 1. Macroeconomic performance and outlook** | **Moderator**<br>Mr. Shuvojit Banerjee<br>Acting Section Chief<br>MPFD<br>ESCAP  
**Speakers**<br>Ms. Kiatkanid Pongpanich<br>Senior Researcher<br>MPFD<br>ESCAP  
Mr. Michal Podolski<br>Associate Economic Affairs Officer<br>MPFD<br>ESCAP  
**Experts**                                                                 |

This session will discuss recent macro-economic situations and prospects for 2023-2024. It will also examine emerging socio-economic challenges and policy options to address these challenges in Asia and the Pacific.
### Session 2. Public debt profile

This session will set the scene for the thematic discussions on debt sustainability analysis and policy actions to prevent and resolve public debt crisis in the following sessions. It will paint a more nuanced picture of public debt profiles in Asia-Pacific countries, such as debt levels, composition, drivers, financing needs, fiscal rules, credit rating and distress risk.

**Moderator**

**Mr. Paul Martin**  
Regional Team Leader  
UNCDF’s Local Development Finance Practice, Bangkok

**Speaker**

**Ms. Lin Zhuo**  
Economic Affairs Officer  
MPFD  
ESCAP

**Experts**

**Mr. Juan Jose Pradelli**  
Global expert in macroeconomic analysis, fiscal policy, government debt management, and public financial management

**Mr. Thomas Rookmaaker**  
Head of Asia-Pacific Sovereigns  
Fitch Ratings  
Hong Kong, China

**Ms. Ravisara Hataiseree**  
Economist  
The ASEAN+3 Macroeconomic Research Office (AMRO)

**Ms. Margarita Debuque-Gonzales**  
Senior Research Fellow
<table>
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<th>Time</th>
<th>Day 3: Wednesday, 30 November 2022</th>
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<td>09:00 – 9:30</td>
<td>Tea and coffee</td>
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</tbody>
</table>
| 09:30 – 11:30| Session 3. Policies to prevent and resolve public debt crisis | Moderator  
Ms. Mizuho Okimoto-Kaewtathip  
Regional Team Leader  
Inclusive Growth and Prosperity Advisor  
UNDP Bangkok Regional Hub  

Speaker  
Mr. Zheng Jian  
Economic Affairs Officer  
MPFD  
ESCAP  

Experts  
Mr. Arshad Zaman  
Independent scholar  
Pakistan  

Ms. Li Yuefen  
Senior Adviser  
South-South Cooperation and Development Finance  
The South Center  

Mr. Arindam Roy  
Senior Financial Sector Expert  
International Monetary Fund  

Mr. Lars Jensen  
Economist and Policy Specialist  
UNDP |
| 14:30 - 15:00| Tea and coffee                     |                                                                          |
| 15:00 – 17:00| Session 4. Rethinking public debt assessments for the SDGs | Moderator  
Mr. Sudyumna Dahal  
Regional Public Finance Specialist  
UNDP Bangkok Regional Hub  

Speaker  
Mr. Vatcharin Sirimaneetham  
Economic Affairs Officer  
MPFD |

Despite established best practices, the balancing between debt management and risk-taking to finance development is always a fine art. With recent debt surges and persistent economic challenges, it is necessary to re-examine the validity of old lessons and new options for today’s context.

This session will discuss Asia-Pacific’s experience in reducing risks of public debt distress, explore innovative and heterodox options for preventing and resolving debt crises, and provide new perspectives on unique debt challenges in developing countries.

This session will discuss how national governments and international development partners can enhance public debt sustainability analysis by duly incorporating a country’s SDG investment needs and their socioeconomic and environmental gains as
as government’s structural development polices, and national financing strategies.

ESCAP

Experts

Mr. Benno Ferrarini
Principal Economist
Economic Research and Regional Cooperation Department
ADB
Philippines

Mr. Daniel Munevar
Economic Affairs Officer
Division on Globalization and Development Strategies
UNCTAD
Switzerland

Ms. Delphine Moretti
Regional Public Financial Management Advisor for Southeast Asia
IMF Capacity Development Office
Thailand (CDOT)

Mr. Sean Craig
Macroeconomic Advisor
IMF Capacity Development Office in Thailand (CDOT)

Time | Day 4: Thursday, 1 December 2022 | Speakers
--- | --- | ---
09:30 – 10:00 | Tea and coffee |  
10:00 – 11:30 | **Session 5. The role of central banks in supporting the growth of sustainable finance**
Globally and within the Asia-Pacific region, Central Banks are increasingly focused on establishing clear green financing guidelines and strategies. Climate change can have a significant impact on economic and financial system stability. This session focuses on the role of central banks in ensuring financial stability in a changing climate. The session also looks at measures and best practices that central banks are adopting on green and sustainable finance in the region.

**Moderator**
Ms. Suba Sivakumaran
Chief
MPFD

**Speakers**
Mr. Michael Coates
Managing Director of GBRW Companies/Expert on FFD Report
MPFD

Ms. T M J Y P Fernando
Deputy Governor
Central Bank of Sri Lanka
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<tr>
<th>Time</th>
<th>Session 6. How can countries access more private sources of sustainable finance</th>
<th>Speakers</th>
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| 14:30 – 15:00 | Tea and coffee                                                                | Mr. Youraden Seng  
Director, Banking Supervision  
Department II  
National Bank of Cambodia |
| 15:00 – 16:30 |                                                                                   | Ms. Lyn Javier  
Assistant Governor of the Policy and Specialized Supervision Sub-Sector  
Bangko Sentral ng Pilipinas  
Moderator  
Mr. Alberto Isgut  
Economic Affairs Officer  
MPFD  
Speaker  
Ms. Suba Sivakumaran  
Chief  
MPFD  
Experts  
Ms. Yuki Yasui  
Director  
Asia-Pacific Network of the Glasgow Financial Alliance for Net Zero  
Singapore  
Ms. Allinnettes Adigue  
Head of Global Reporting Initiatives  
ASEAN Regional Hub  
Global Reporting Initiatives  
Ms. Liz Curmi  
Citi Global Insights  
Citigroup  
Ms. Nikita Bajracharya  
Senior investment manager  
Dolma Advisors  
Nepal |
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<tr>
<th>Time</th>
<th>Session 7. How can innovative finance instruments expand the flow of sustainable finance through capital markets?</th>
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<tr>
<td>10:00 – 11:30</td>
<td>This session will discuss the trends being seen in capital debt markets, specifically green, social, sustainability bonds and sustainability-linked bonds. The session will assess the momentum in aligning financing with the SDGs, to enable the financial sector to transition to a more resilient and sustainable economy. Additionally, due to current market downturns, the session will explore the policies, approaches and other considerations that are needed when raising capital through these instruments.</td>
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**Moderator**
Ms. Deanna Morris  
Economic Affairs Officer  
MPFD

**Speaker**
Mr. Patrick Martin  
Climate Finance Advisor  
MPFD

**Experts**
Mr. Kosintr Puongsophol  
Financial Sector Specialist  
Asian Development Bank

Mr. Ricco Zhang  
Senior Director  
International Capital Market Association

Mr. Robert Willem van Zwieten  
Managing Director,  
PWC Southeast Asia Consulting

Ms. Aigul Kussaliyeva  
Managing Director  
Astana IFC Green Finance Center

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<th>Time</th>
<th>Closing session</th>
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<td>11:30 – 11:50</td>
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