Policy Dialogue on Economic and Social Survey of Asia and the Pacific 2024: East and North-East Asia

"Boosting affordable and longer-term financing for Governments"

27 June 2024, 14:30-15:45 (KST / UTC +9), Online

Concept Note

A. Background

While developing Asia-Pacific economies have displayed resilient output growth in 2023, the lingering effects of the COVID-19 pandemic together with the war in Ukraine have had significant socioeconomic impacts. Job creation is subdued, cost of living is high, and there are concerns regarding rise in poverty and inequalities. At the same time, climate change and related natural disasters are increasingly disrupting economic activities and adversely impacting people's wellbeing.

As of 2023, the Asia-Pacific region reached only 17 per cent the progress required to achieve the Sustainable Development Goals (SDGs) by 2030.[1] At the current pace, the region will only achieve all the 17 Goals by 2062 – marking a significant 32-year delay.

More public investments are urgently needed to promote inclusive, resilient and sustainable development in Asia and the Pacific. The latest UN analysis estimates that the annual SDG financing gaps range between $2.5 trillion and $4 trillion in developing countries worldwide.[2] Yet, the ability of governments to increase, or even maintain, developmental spending is constrained. Many governments are now paying more on interest payments than what they spend on education, healthcare and social protection combined.[3] In Asia and the Pacific, the risk of sovereign debt distress is also high in many countries, especially in the least developed countries and small island developing States, which already face sizeable development financing needs. Many governments in the region are also paying higher borrowing costs with shorter loan maturity period.

Developing Asia-Pacific countries need to strengthen their domestic resource mobilization strategies and macroeconomic fundamentals to reduce fiscal risks and borrowing costs. Yet, the tangible benefits of such policy efforts on fiscal and public debt positions may take years to materialize. Support from the international community is urgently needed in the meantime.

To confront these development financing challenges, the United Nations Secretary-General launched the "*SDG Stimulus to deliver the 2030 Agenda for Sustainable Development*" in February

[1] ESCAP (2024). Asia-Pacific SDG Progress Report.
[2] United Nations (2024). Financing for Sustainable Development Report 2024. DESA.
[3] UNCTAD (2023). A world of debt.

2023.[4] Together with reforms of the international financial architecture, it calls for immediate actions to cut government borrowing cost and make financing for governments longer term.

In this context, the 2024 edition of ESCAP's flagship publication *"Economic and Social Survey of Asia and the Pacific"* examines how countries in the region, donors, multilateral development banks and credit rating agencies can boost the availability of affordable and long-term financing for Governments.[5] The report also provides an analysis on the fiscal implications of global megatrends, especially demographic shifts, climate change and environmental degradation, and rapid technological advancements.

B. Objectives, structure and participation

The event aims to discuss ideas on policy issues and actions to reduce the cost of government borrowing and to increase the supply of long-term capital for development purposes.

The discussion would especially highlight the fiscal implications of global megatrends. Populations are ageing rapidly in East and North-East Asia and the subregion is home to around one third of all older person aged 65 and above in the world.[6] Climate change and environmental degradation is a subregional priority as well. East and North-East Asia (and the Asia-Pacific region as a whole) continues to struggle with taking urgent action to combat climate change and its impacts. China, Japan and the Republic of Korea account for more than 30 per cent of global GHG emissions.[7] In terms of technological advancements, a number of countries in the subregion are ranked in the top 20 economies on the frontier technologies readiness index.[8]

C. Contact persons

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[4] www.un.org/sustainabledevelopment/wp-content/uploads/2023/02/SDG-Stimulus-to-Deliver-Agenda-2030.pdf
[5] The full report and other outreach materials are available from: https://www.unescap.org/kp/2024/survey2024
[6] ESCAP, December 2020. Inclusive subregional cooperation in East and North-East Asia for sustainable development, https://www.unescap.org/publications/inclusive-subregional-cooperation-east-and-north-east-asia-sustainable-development.
[7] ESCAP, February 2024. Asia and the Pacific SDG progress report 2024: showcasing transformative actions, https://unescap.org/kp/2024/asia-and-pacific-sdg-progress-report-2024 .
[8] UNCTAD, 2023. Technology and Innovation Report 2023, https://unctad.org/tir2023.

D. Programme

14:30-14:40 [10 mins]	**Session 1: Opening** ○ Mr. Ganbold Baasanjav, Director, East and North-East Asia Office, ESCAP ○ Mr. Hamza Ali Malik, Director, Macroeconomic Policy and Financing for Development Division, ESCAP
14:40-15:00 [15 mins]	**Session 2: Context setting** Highlights of the 2024 *Economic and Social Survey of Asia and the Pacific* "Boosting affordable and longer-term financing for Governments in Asia and the Pacific" ○ Mr. Shuvojit Banerjee, Economic Affairs Officer, Macroeconomic Policy and Financing for Development Division, ESCAP
15:00-15:40 [40 mins]	**Session 3: Panel discussion** **Moderator:** Ms. Fideles Sadicon, Sustainable Development Officer, East and North-East Asia Office Reflections ○ On development cooperation (Prof. Meibo Huang, Director, Institute of International Development Cooperation, at the Shanghai University of International Business and Economics) ○ On developments on sustainable finance (Ms. Altanzul Davaa-Ochir, ESG and Carbon Manager, Mongolian Sustainable Finance Association) **Discussion and Q&A**
15:40-15:45 [5 mins]	**Closing**