Policy Dialogue
between
United Nations Economic and Social Commission for Asia and the Pacific (ESCAP)
and
School of Accounting, Finance and Economics, The University of the South Pacific

"Boosting affordable and longer-term financing for Governments"

Wednesday, 23 October 2024
12:00 – 13:00 hours, Suva time
(07:00 – 08:00 hours, Bangkok time)
Location – FBE Postgraduate Lecture Theatre, Laucala Campus, Suva, Fiji
Hybrid event

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, the cost of living is high, and there are concerns regarding the 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 well-being.

As of 2023, the Asia-Pacific region reached only 17 per cent of the progress required to achieve the Sustainable Development Goals (SDGs) by 2030.[1] At the current pace, the region will only achieve all 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 periods.

[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.

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 2023.[4] Together with reforms of the international financial architecture, it calls for immediate actions to cut government borrowing costs 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 of the fiscal implications of global megatrends, especially demographic shifts, climate change and environmental degradation, and rapid technological advancements.

B. Objectives, structure, and participation

This policy dialogue is jointly organized by the United Nations Economic and Social Commission for Asia and the University of the South Pacific. 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 also include interconnected issues of macroeconomic prospects, challenges, and policy options in the context of Pacific Island developing countries.

The policy dialogue contains 4 sessions for a total of one hour, featuring opening remarks (15 mins), a context-setting presentation by ESCAP (15 mins), a moderated panel discussion (20 mins), and an open Q&A discussion (10 mins). Among others, participants include the University's faculty members, students, and international development partners. The event will be conducted in English.

The final version of the concept note (including the programme), presentation slides and other materials relating to this policy dialogue, is available on the ESCAP *Survey* 2024 website.

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

D. Tentative programme

Wednesday, 23 October 2024 12.00 – 13.00 hours, Suva time (07.00 – 08.00 hours, Bangkok time)	
12:00 – 12:15	**Session 1: Opening remarks**
	Moderator: Dr **Janesh Sami** *Remarks (5 mins each)* ○ Dr **Janesh Sami**, Lecturer in Economics, School of Accounting, Finance and Economics, USP ○ Mr **Hamza Ali Malik**, Director, Macroeconomic Policy and Financing for Development Division, ESCAP ○ Ms **Andie Fong Toy**, Head of the ESCAP Subregional Office for the Pacific
12:15 – 12:40	**Session 2: Presentations and panel discussion**
	○ Ms **Lin Zhuo**, Economic Affairs Officer, Macroeconomic Policy and Financing for Development Division, ESCAP A presentation on "Boosting affordable and longer-term financing for Governments in Asia and the Pacific". ○ Dr **Neelesh Gounder**, Senior Lecturer in Economics, USP A presentation on "Long-term financing for development in Pacific island States"
12:40 – 12:55	**Session 3: Q&A**
12:55 – 13:00	**Session 4: Closing remarks**
	○ Dr **Rup Singh**, Senior Lecturer in the School of Accounting, Finance and Economics