ACHIEVING THE SUSTAINABLE DEVELOPMENT GOALS IN NORTH AND CENTRAL ASIA

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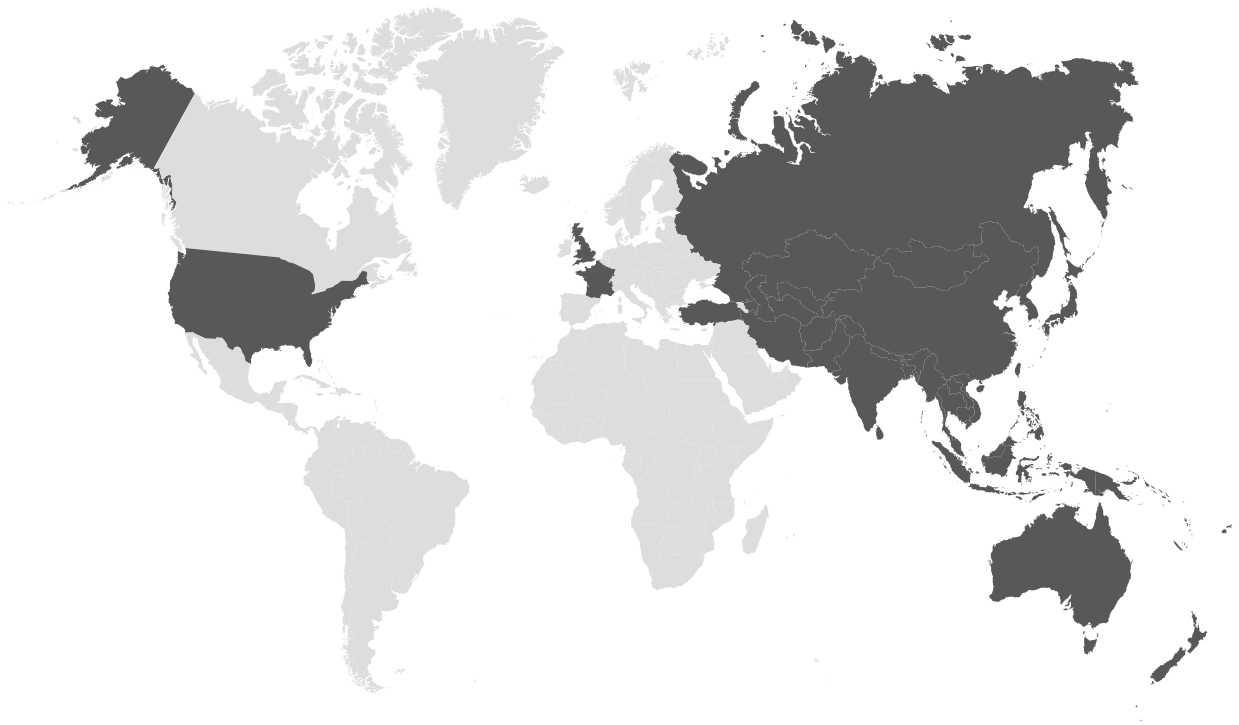

The shaded areas of the map indicate ESCAP members and associate members.

The United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) is the regional development arm of the United Nations for the Asia-Pacific region. Made up of 53 Member States and 9 Associate Members, with a geographical scope that stretches from Turkey in the west to the Pacific island nation of Kiribati in the east, and from the Russian Federation in the north to New Zealand in the south, the region is home to 4.1 billion people, or two thirds of the world's population. This makes ESCAP the most comprehensive of the United Nations five regional commissions, and the largest United Nations body serving the Asia-Pacific region with over 600 staff.

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PREFACE

This publication highlights challenges and priorities of the North and Central Asia subregion in achieving the Sustainable Development Goals.

The subregion comprises 9 member States of the Economic and Social Commission for Asia and the Pacific (ESCAP); namely Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Russian Federation, Tajikistan, Turkmenistan, and Uzbekistan. The overall performance of these countries in implementing the Millennium Development Goals, coinciding with the resource boom in the first decade of 21st century, was positive. However, despite general success in eradicating extreme poverty and rapid economic growth, there are many remaining development challenges facing the subregion, notably transforming resource-led economic growth into more sustainable one with economic diversification and improving infrastructure connectivity for trade and investment competitiveness.

At the same time, the North and Central Asia countries still lag behind in achieving the social and environmental pillars of the Sustainable Development Goals. Investing in human capital through education and health with special focus on women, youth, and elderly is a needed action to achieve inclusive society in North and Central Asia. By addressing climate change risks and energy insecurity, North and Central Asia can transform its economy and society into more sustainable.

This publication therefore attempts to identify priority areas for bridging the capacity gaps in support of the 2030 Agenda for Sustainable Development, taking a stock of the existing data and policy frameworks in North and Central Asia. It also highlights the ESCAP role and its ongoing initiatives, aimed at developing statistical capacity in member States to set out the baseline for and measure the progress in the 2030 Agenda for Sustainable Development, as well as facilitating regional integration through multilateral cooperation and enhanced connectivity.

EXECUTIVE SUMMARY

For economies in transition, given the determinant role that state expenditures play in shaping the economy, understanding the immediate, medium, and long-term challenges the subregion faces is important for the successful implementation of the Sustainable Development Goals (SDGs). This is especially true in the event of sudden shocks to key fiscal drivers such as growth, interest rates, and revenue earnings.

The MDG implementation period coincided with a resource boom; growth in Gross Domestic Product (GDP) was rapid, and overall, the performance of North and Central Asian (NCA) countries in implementing the Millennium Development Goals (MDGs) was positive. The share of the population in NCA living under the poverty threshold fell by almost 88 percent[1]. The under-five mortality rate dropped from 49.0 in 1990 to 22.6 deaths per 1,000 live births in 2013, however, large differences remain between countries, ranging from 10.1 in the Russian Federation to 55.2 deaths per 1,000 live births in Turkmenistan.[2]

The launch of the SDGs coincides with steep declines in commodity prices (notably oil by around 70 per cent since June 2014 and January 2016) and marked economic slowdown, in addition to rising job insecurities and inequalities not seen in decades. Economies of the subregion are still dependent on a small number of primary products with capital-intensive technology, the main benefits of which tend to accrue to the state or resource-owners.

Success in the implementation of the 2030 Sustainable Development Agenda and SDGs will depend on whether this Agenda triggers new momentum for economic reform and change the transition path of countries. Such a transition will require investment in public goods, notably in education and health, which are the social sectors most needed for building more sustainable, inclusive, and equitable societies over the long-term. At the same time, by strengthening the motivation for wealth creation through the efficient use of capital and labour productivity, the economy would remain connected to its comparative advantage. In economies which export primary sector goods, it encourages industrialization even at relatively low per capita income.

Emerging priorities for the implementation of the 2030 Agenda include:

- **Rebalancing and reviving economic growth**: With the volatility and recent sharp declines in crude oil and commodity prices, the key for NCA in achieving the SDGs will be to reduce their reliance on exports in primary commodities (and remittances for some countries) in favour of more diversified and globally competitive exports of higher value-added products. However, this will require deep reforms in public investments and subsidies, governance, innovation, and human capital development.

- **Enhancing infrastructure connectivity for trade and investment competitiveness**: With seven of the nine NCAs landlocked, modernization of infrastructure related to transport, power generation, and communication will be essential for economic competitiveness, sustainability, and inclusiveness. There are signs of progress, including the Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline launched in 2015. Technological advances have also increased the viability of large multi-country power grids, along with a higher share of renewables in the energy mix.

- **Investing in people**: Human capital is the second most abundant resource in the subregion. Although extreme poverty was nearly eradicated, inequality and social exclusion have increased.[3] In general, education targets were met but the quality of education is unsatisfactory in many countries. In the health sector, improvements in child, infant, and maternal mortality, as well as access to water and sanitation, were slow, particularly in the low-income countries of NCA and Afghanistan. Furthermore, the gains from MDGs were

distributed inequitably among regions and populations. Investments in social infrastructure, especially education and health, will need to accompany investments in hard infrastructure for the SDGs to be successfully implemented. With a growing workforce, gainful employment and the narrowing of deep gender pay gaps will be at the heart of immediate poverty reduction and social inclusion needs. At the same time, putting in place plans for population ageing will be crucial for the long-term sustainability of a more equitable society, as by 2050 NCA is projected to be the subregion of Asia-Pacific with the second highest number of persons above 60 years of age. Experiences, lessons learnt, and best practices which emanate from East and North-east Asia, the subregion with the highest share, will be instructive and valuable.

- **Addressing shared environmental vulnerabilities**: NCA is highly vulnerable to climate change. Growing demands for water, energy, and food, coupled with the increasing frequency and intensity of weather events and climate-related disasters, exacerbate the existing vulnerabilities: land degradation together with advancing desertification and declining crop yields. Twin challenges remain for the subregion's energy security, which include addressing the low capacity of electricity generation and its highly inefficient use. Relatedly, the management of water resources across NCA countries is fraught with difficulties.[4] The launch on May 12, 2015 of the CASA-1000 project in Dushanbe, Tajikistan is an important contribution to addressing these challenges. While NCA greenhouse gas (GHG) emissions are low overall, Kazakhstan and Turkmenistan are among the highest GHG contributors per capita in the world. Opportunities therefore exist for GHG reductions, such as modernizing energy infrastructure (transmission and distribution networks) and phasing-out inefficient subsidies.

- **Facilitating institutional arrangements for the implementation of SDGs**: Armenia, Azerbaijan, Kyrgyzstan, and Tajikistan, among others, have evolved strategies linking national development plans to the SDGs. Furthermore, Georgia is one of five Asia-Pacific countries that has committed itself to voluntary national reviews. Addressing the functioning and effectiveness of national and subnational institutions in sectors such as public administration, public finance, and the judicial branch is high on the institution building agendas of most countries. At the subnational level, NCA countries also give great importance to promoting economic development, education, and public services, as well as improving the living conditions in all their regions, especially rural areas. Kazakhstan has initiated a national dialogue that will build on ongoing initiatives, notably Expo 2017. This will be the first time that the global Expo event is hosted in NCA, and with the theme of "future energy", a major institutional and policy impetus will be given to promoting innovative and practical energy solutions throughout the subregion. Kazakhstan's Green Bridge Partnership Programme is also expected to benefit from accelerated implementation after Expo 2017.

Achievement of the SDGs in NCA will depend on the extent to which lasting momentum is triggered that will accelerate graduation from the "in transition" phase of the subregion. **Priority areas for bridging the capacity gap** to promote such a graduation include:

- **Improving governance to enhance policy planning and implementation**, in order to focus on inefficiencies. While governance has improved, there are still gaps and inefficiencies that need to be addressed, notably in areas such as financial and environmental regulation, as well as the integration of SDGs into national policy-making and fiscal frameworks. National institutional frameworks for sustainable development should also support capacity-building for follow up and review of the 2030 Agenda, including through the strengthened engagement of civil society. Kazakhstan provides examples of modalities for civil society engagement which may suit the particular circumstances of other countries in the subregion.

- **Strengthening policy formulation on trans-border issues** to address infrastructure connectivity, trade facilitation, market integration, and disaster risk reduction, among others. In addition to skill development, this will also require setting up appropriate national institutional coordination mechanisms or making better use of existing ones, such as the Special Programme for the Economies of Central Asia (SPECA), that are able to promote policy coherence and consistency across neighbouring countries.

- **Enhancing data and statistical capacities** for implementation of the 2030 Agenda should receive priority attention, as the strategic implementation of the Agenda is contingent on the availability of timely and reliable data, as well as the development of internationally comparable indicators where they are missing. Furthermore, the consistent and transparent use of data could provide insights, such as where progress is lacking, that would bring direct implementation benefits. Data paucities are quite substantial in NCA, not only in macroeconomics and trade, but across all policy domains. In this regard, to help determine where the subregion stands in terms of SDG indicator readiness, the Economic and Social Commission for Asia and the Pacific (ESCAP) has mapped data availability by tiers I, II, and III in SPECA countries.[5]

Besides offering a holistic institutional framework for capacity-building, ESCAP is mandated and well placed to give new momentum to subregional cooperation and integration in NCA in the following:

- **Regional connectivity**[6] to promote the smooth flow of goods, services, and people; to build up regional trading and investment corridors, create wide renewable energy networks, and build mutually beneficial, regional economic integration and cooperation with the Russian Federation, China, and Japan.

- **Equity and social justice** by strengthening the social dimension[7] of the 2030 Agenda and ensuring its effective integration into the economic and environmental dimensions.[8] Political commitment must be fostered to strengthen the principle of universality, as well as support related legislation for a rights-based political and legal foundation. Increased and more effective participation of women in parliamentary decision-making, as well as enhanced fiscal budgetary outlays in education, health, and social protection, especially in pension systems for the elderly, are critical for economies in transition of the subregion. Furthermore, increased opportunities for regular migration and formal work, as well as the protection of migrants abroad based on existing international norms such as International Labor Organization (ILO) Conventions 97 and 143, can also strengthen social justice goals. By investing in an already skilful human resources base, this sequencing of priorities in NCA could accelerate the realization of SDGs progressively. Not only would poverty and social inclusion be addressed, but economic growth through diversification and employment-generation would be more resilient, while environmental protection would be more sustainable.

- **Food, water, and energy security** by strengthening subregional and regional cooperation within the framework of SDG implementation. The nexus is strong in NCA, due to growing demands for water, food, and energy, coupled with environmental degradation exacerbated by the increased intensity of extreme weather events and climate-related disasters. Addressing these interlinkages with the indivisibility of SDGs provides the subregion with the means to improve outcomes, and muster the political will to further enlarge the scope of cooperation and cross-sectoral coordination, particularly in the Syr Darya Basin. Furthermore, subregional climate change adaptation and disaster risk reduction measures can be cost-effective policies particularly when actions are taken on a cooperative subregional basis. For example, the 2015-2030 Sendai Framework for Disaster Risk Reduction promotes interstate DRR cooperation, in addition to encouraging the creation of regional programmes and collaborative centres.

Consensus on a long-term agenda for regional economic cooperation and integration for SDG implementation at the political, policy, and capacity-building levels, forms a major building block of a holistic subregional policy agenda. In this regard, SPECA offers a coherent and coordinated multi-stakeholder means of implementing SDGs. While governments must undoubtedly take full ownership and lead the process, efforts by national authorities alone will not be sufficient in guaranteeing the achievement of the SDGs. By bringing countries around a common purpose of integration, interconnectivity, and institution-building, SPECA can serve as a mechanism that helps ground the national efforts of its countries in the wider regional strategies of ESCAP and UNECE for the attainment of the SDGs of the 2030 SD Agenda. Towards this end, in September 2016 United Nations Secretary-General Ban Ki-moon underlined[9] that "World leaders recognized like never before the role of regional cooperation in implementing and assessing progress towards the 2030 Agenda. […] The UN Regional Commissions are central to our work. Every day, they promote regional cooperation and integration and extend their expertise for socio-economic development."

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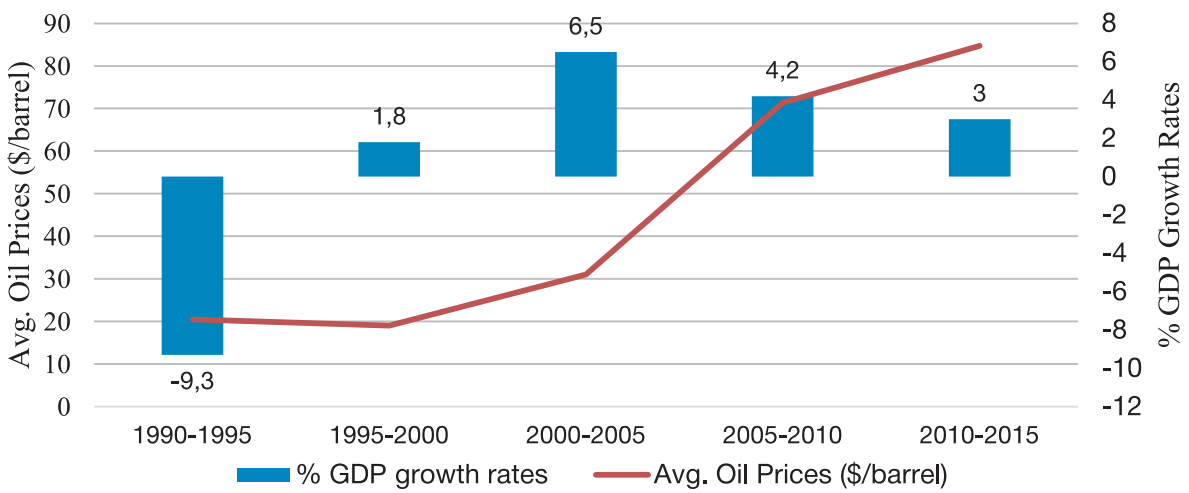
I. INTRODUCTION

This report examines the immediate, medium, and long-term challenges faced by the NCA subregion in achieving the SDGs, particularly in the event of sudden shocks to key fiscal drivers such as growth, interest rates, and state revenues. In identifying the subregional priorities of the 2030 Sustainable Development Agenda, the report pays particular attention to fiscal expenditures due to their significance in determining the composition of aggregate demand and supply. For economies in transition, the allocative function of government still plays a determinant role in the direction of SDG implementation. During favourable economic conditions, governments will be more incentivized to align their spending priorities for the realization of the 2030 Agenda. Reviving economic growth in NCA is thus the key policy imperative in rebalancing the development agenda. In turn, by effectively integrating the goals of social equity and environmental sustainability in institutional policymaking processes, the sustainability and resilience of economic growth and fiscal revenues will be enhanced in a virtuous circle. Consequently, by providing reliable knowledge of medium-term trends and long-term prospects – which is often lacking – and better understanding the impact of policies and feedback loops between economic growth, social inclusion, and environmental sustainability, the NCA subregion may be better prepared for the implementation of the SDGs.

Understanding the challenges in NCA is especially important since commodity prices and economic growth closely track each other (figure 1), which is relevant because the launch of the SDGs coincided with steep declines in commodity prices (oil prices declined around 70 per cent from a high of $111.71 in June 2014 to a low of $32.13 per barrel in January 2016). The marked economic slowdown, as well as rising job insecurities, economic inequalities, and social tensions underlined that, inter alia, the subregion heavily depends on a small number of primary products which involve capital-intensive technology, such that the main benefits accrue to the state or resource-owners. Over the last 25 years, natural resource rents have accounted for around 30 per cent of GDP and the pattern is set to continue in the absence of reforms which would promote economic diversification and resilience.

Figure 1 **GDP growth and oil prices in NCA**



Source: UN ESCAP & Federal Reserve Economic Data (accessed 10 November 2016).

In addition, substantive economic growth and poverty reduction since the mid-1990s has not necessarily been translated into progress for improving the quality of institutional, economic, social, and environmental policymaking.

Section two assesses the outlook for sustainable development in the region based on progress of the MDGs. Drawing from the findings of section two, and within the context of current policy-making, section three considers the subregional priorities of the 2030 Agenda. The final sections of this report assess implementation challenges and provide recommendations for institutional, capacity-building, and policy reforms.

II. STATUS OF SUSTAINABLE DEVELOPMENT: MAIN CHALLENGES

During the Millennium Development Goal (MDG) implementation period, the greater part of which coincided with a resource boom, GDP growth was rapid. Notwithstanding shortcomings in some social and environmental indicators, NCA countries' overall performance in MDG implementation was positive, especially in comparison with other developing countries in Asia-Pacific.[10] This prepared a solid base for further progress.

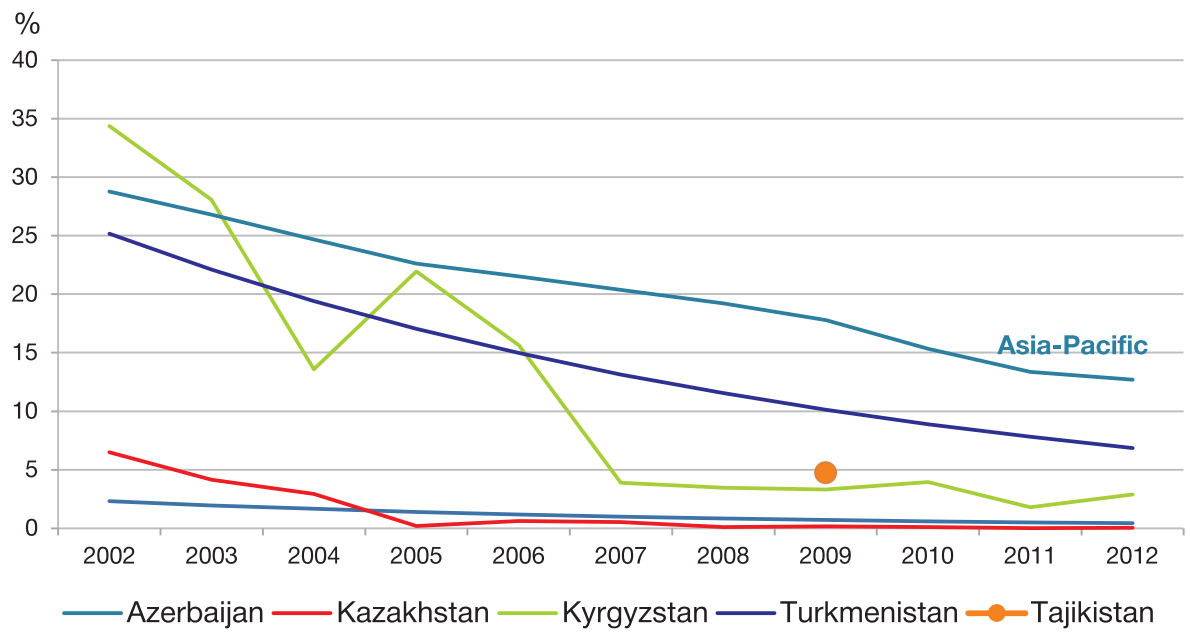
Having said this, a notable feature of MDG implementation was that results were not equitable and consistent across all countries of the subregion. While many countries experienced rapid economic growth, not all did, and there were indeed pockets of poverty and depravation among communities and families that are masked by statistical averages and aggregation. To ensure that more attention is paid to the newer focus areas of social inclusiveness and justice, environmental sustainability, and governance, it is essential to take stock of the MDG shortcomings and gaps.[11]

ECONOMIC AGENDA

Poverty rates declined substantially over the MDG implementation period, for which these declines can be mainly attributed to economic growth in terms of income and consumption.[12]

The share of the population in NCA living under the $1.25 per day UN poverty threshold[13] was about 6.5 per cent in 1993. By the end of 2012, this figure had fallen to 0.8 per cent of the population, meaning a reduction by almost 88 per cent[14] of the initial value. At Purchasing Power Parity (PPP) $1.90/day, as shown in figure 2, the population

Figure 2 **Population (%) in SPECA region living on $1.90 per day, 2002-12**



Source: ESCAP (2016) Statistical Yearbook for Asia and the Pacific.

living in poverty has fallen to under 7 per cent in all countries (where data are available), which is well below the Asia-Pacific aggregate of 12.7 per cent. Furthermore, NCA performed relatively well on the labour front, with a rise in the employment-to-population ratio from 58 per cent to a predicted 60 per cent by the end of 2015, along with a reduction in the share of workers living in extreme poverty from 5 per cent to 1 per cent.

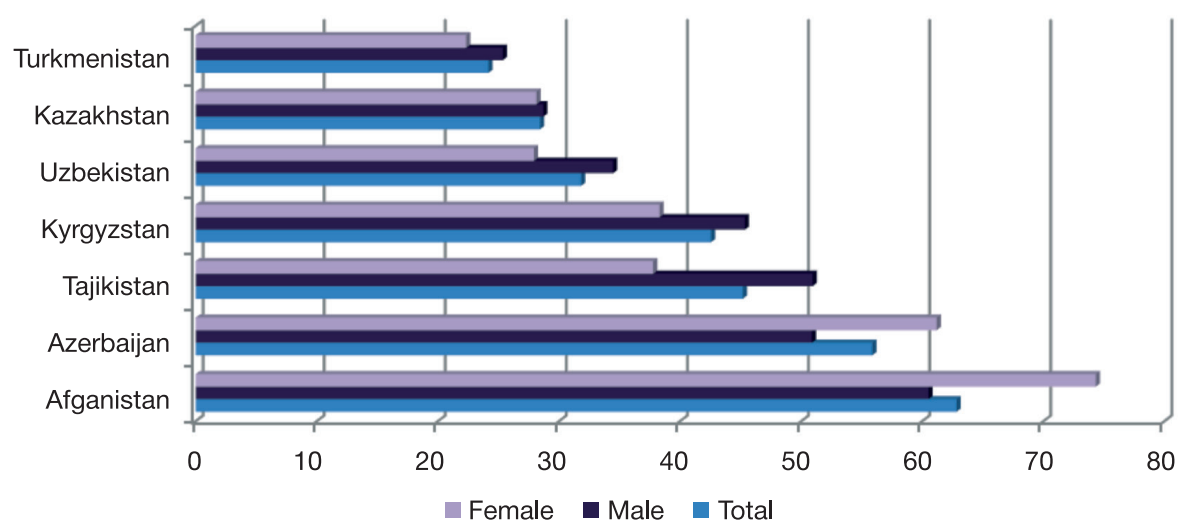
However, because of the higher level of development and average cost of living in several SPECA countries, the $1.90/day measure may not be very relevant for comparing poverty levels. Therefore, the World Bank introduced the regional income poverty thresholds for European and Central Asian countries at PPP $2.15/day for extreme poverty and PPP $4.30/day as the per-capita income level needed to satisfy basic human needs such as education, healthcare, and access to information. These measures suggest that income poverty remains a serious issue for lower middle-income SPECA countries,[15] especially in rural and high altitude areas.[16]

A key factor driving this trend is the high level of "working poverty".[17] As shown in figure 3, more than one-third of the working force in five of the seven SPECA countries are classified as having a vulnerable job, with low wages and minimal or no legal and social protection. Older persons are particularly susceptible to working poverty. Pensions are critical for older persons, for example, in Kyrgyzstan, pensions contribute to 26 per cent of total household consumption of the poorest. Consequently, all SPECA countries have programmes that cover between 80-95 per cent of the elderly population (with the exception of Kyrgyzstan where 100 per cent of older people receive pensions and Afghanistan where only 10 per cent receive a pension). However, the overall adequacy of benefits is insufficient. Older persons thus continue to live on or below the subsistence minimum – with the elderly that have no income-earning children to support them as the worst affected. In such circumstances, the elderly are particularly susceptible to working poverty and vulnerable employment, or even depravation.

Furthermore, for countries where sufficient data is available, the indexes remain at relatively consistent levels up to 2013 and as there is no data yet for the most recent years, the impacts of the crisis on income inequality remain to be measured across countries. Despite this, the Gini indexes indicate that income inequality in SPECA countries has improved since the 1990s, and in fact, Kazakhstan and Kyrgyzstan rank among the countries with the most equal income distribution among ESCAP countries.

Figure 3

Chongqing-Duisburg time comparisons, 2011-2012



Source: International Labor Organization (2014)

Table 1

Gini indexes in SPECA countries

	1990s	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Afganistan								27.8							
Azerbaijan	35.0	36.5	17.4	18.8	16.2	16.6			31.8						
Kazakhstan	32.7	35.4	34.1	33.0	31.4	29.7	30.0	28.5	29.1	28.8	28.6	27.4	27.5	26.3	
Kyrgyzstan	53.7	30.2	30.3	28.7	34.8	32.6	37.4	33.9	31.5	29.9	30.1	27.8	27.4	28.8	26.8
Tajikistan	29.5			32.7	33.6			32.2		30.8			30.5	30.4	30.8
Turkmenistan	35.4														
Uzbekistan	45.3		33.0	35.3											

Source: Data exported from World Bank Research Group website on Gini Indexes. http://data.worldbank.org/indicator/SI.POV.GINI (accessed on 02 December 2015)

Notes: For the 1990s period, data for Kazakhstan, Kyrgyzstan, and Turkmenistan are for 1993, for Uzbekistan 1998, for Tajikistan 1999. For Afghanistan data is not available. For the 2000s period: data for Gini coefficients are available for Kazakhstan and Kyrgyzstan for the most recent years, up to 2015 from the National statistic agencies; however, the methodology of estimation was based on consumption not income.

SOCIAL AGENDA

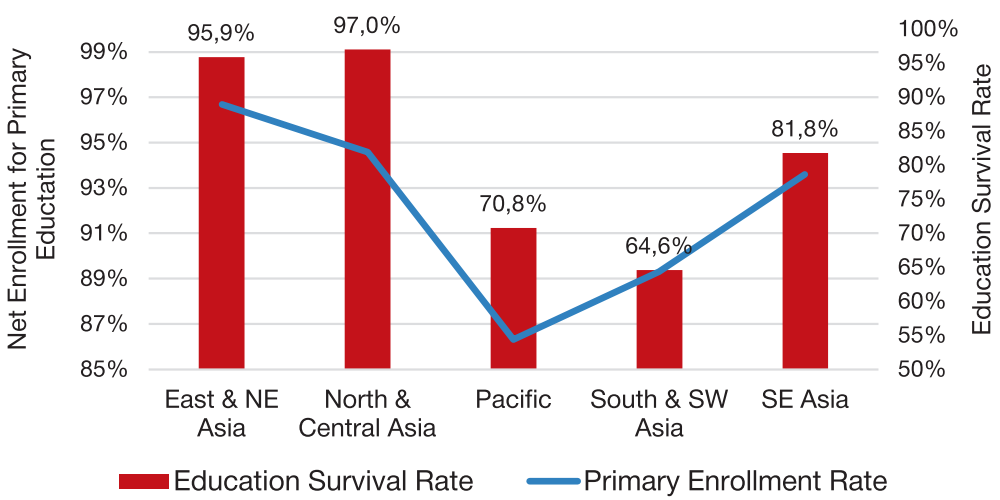
Between 2000 and 2015, the picture that emerges on social conditions is overall positive, despite being highly varied across countries and indicators, with statistical averages and aggregation masking deeper social inequities.

The enrolment rate in primary education remained steady at 95 per cent, a figure consistent with the performance of other subregions in Asia-Pacific, although slightly lower than East and North-East Asia. NCA performed well with respect to the education survival rate, at around 97 per cent from 2000 to 2015, which in addition to being the highest rate among ESCAP subregions, it is also significantly higher than the others (with the exception of East and North-East Asia).

Gender parity has been reached both in primary and secondary education. Considerable progress was also made in tertiary education, outside of Tajikistan, Turkmenistan, and Uzbekistan. Moreover, NCA is the Asia-Pacific subregion

Figure 4

Primary education enrolment and survival rates for Asia & the Pacific



Source: UN ESCAP Statistical Database (2016)

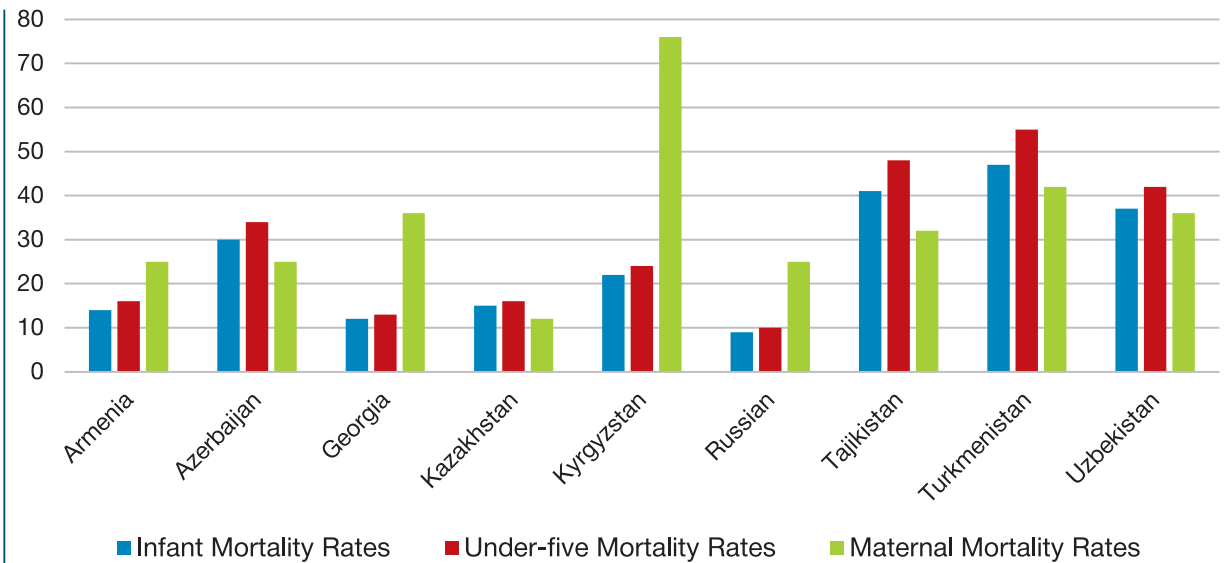
which has achieved the highest share of women employed in non-agricultural sectors in 2015 at 45 per cent of total, up from 43 per cent in 1990.

The under-five mortality rate dropped from 49 deaths per 1,000 live births in 1990 to 22.6 in 2013.[18] Even though the reduction was considerable, similarly to other sub-regions, the reduction target of two-thirds of the initial value was not achieved. However, there are huge differences between countries. Whereas in 2013 in Armenia, Georgia, Kazakhstan, Kyrgyzstan, and the Russian Federation, the under-five mortality rate measured in deaths per 1,000 live births fluctuates between 10.1 (Russian Federation) and 24.2 (Kyrgyzstan), while the value of this rate sharply increases in Azerbaijan (34.2), Uzbekistan (42.5), Turkmenistan (55.2), and Tajikistan (47.7).[19] The same pattern can be observed concerning the infant mortality rate.

NCA actually halved the number of undernourished people, shifting from 14 per cent of the total population in 1990 to an expected 7 per cent by the end of 2015, which was the lowest subregional value in Asia-Pacific. Nonetheless, in this sector as well, there are huge national differences. For instance, the proportion of underweight children under five years of age, while slightly decreasing in the majority of NCA countries, remained steady in Kazakhstan (3.8 per cent in 1999, 3.7 per cent in 2010), rose from 2.7 per cent (1999) to 3.4 per cent (2012) in Kyrgyzstan, and almost doubled in Armenia between 1998 and 2010 (from 2.7 per cent to 5.3 per cent). These data camouflage further qualitative differences. Notably, stunting of children below 5 years of age is high (between 15-30 per cent) while in Afghanistan four out of ten children are stunted. The Global Hunger Index (IFRPI) also reports the situation in Tajikistan to be serious, with an overall alarming performance in indicators related to child wasting, stunting, and mortality.[20]

Along with the other sub-regions in Asia-Pacific, NCA made important progress in reducing maternal mortality. Indeed, the maternal mortality ratio, measured in deaths per 100,000 live births, decreased from 72 in 1990 to a projected 31 in 2015, representing a total reduction of 57 per cent (based on unrounded numbers).[21] Nevertheless, as in the other parts of Asia-Pacific, the target of a reduction by three-quarters was not fulfilled. Finally, despite a slight reduction in the percentage between 1990 and 2014, close to all births are attended by skilled health personnel, which is in contrast to other sub-regions. Apart from Azerbaijan and Tajikistan,

Figure 5 **Infant, under-five, & maternal mortality rates in NCA (per 1,000 live births)**



Source: UN ESCAP Statistical Database.

Note: Data for infants and children under-five is from 2013, while data for maternal mortality rates is from 2015.

the subregion has reached universal antenatal care. Simultaneously, the use of contraceptives in the region has increased, thus decreasing the adolescent birth rate.

New HIV/AIDS cases were halted by 2015 and, on average, the spread has begun to reverse. This was a major achievement considering that in the majority of Asia-Pacific countries between 1990 and 2013, the HIV prevalence rate doubled, even tripling in Georgia and Tajikistan, though in absolute terms less people are affected by HIV in NCA compared to other parts of Asia-Pacific.

A similar trend is seen for the incidence of malaria and various other major diseases, although for tuberculosis, the incidence and prevalence rates between 1990 and 2012 differed according to national context. It increased in Armenia, Kazakhstan, Kyrgyzstan, the Russian Federation, and Tajikistan, while sizeable progress was achieved in Azerbaijan, Georgia, Turkmenistan, and Uzbekistan. Life expectancy has also not markedly increased, with one key reason for this being the lack of affordable quality healthcare services. For instance, in Afghanistan and Azerbaijan, private households bear more than two-thirds of total health expenditures, while increases in old-age dependency ratios will put increased pressures on the public health systems.

ENVIRONMENTAL AGENDA

Since the dissolution of the Union of Soviet Socialist Republics (USSR), most SPECA countries have grown economically through the extraction and export of non-renewable, primary resources. Despite being profitable, these economic activities have generated high levels of waste and pollution. Combined with Soviet-era environmental degradation, as well as under-investments in modern infrastructure, the primary resources industries have put significant negative pressures on the local environments.

The pattern of GHG emissions has been similar in the majority of the countries: after a sharp decrease experienced in the 1990s, largely due to technical adjustments after the breakup of the USSR, GHG emissions began increasing from the start of the new millennium. Nevertheless, compared to 1990 levels, almost all the countries in 2012, apart from Turkmenistan, had lower levels of GHG emissions, GHG emissions per capita, and GHG emissions per $1 GDP (2005 PPP). However, considering the ageing infrastructure and high inefficiency of resource use, stronger efforts could have been undertaken to further reduce GHG emissions and make their development paradigm more sustainable.

The use of primary resources – from extraction to consumption, production, and ultimately disposal – creates significant environmental impacts. Therefore, understanding the pattern and rate of resource use is crucial for the sustainability of consumption and production. Material use – as measured by the indicator of domestic material consumption (DMC)[22] – in the majority of NCA countries showed steady increases since 1990 but many peaked in 2007/2008 (Azerbaijan, Kyrgyzstan, Turkmenistan) around the time of the global financial crisis, while others have showed stagnation or slight increases (Kazakhstan, Tajikistan, and Uzbekistan) since 2008. Since data are available only up until 2010, we know less about the resource use trends in NCA countries in recent years. The only country for which DMC data are available through 2015 is Afghanistan, as a SPECA member country.[23] Resource use in Afghanistan shows sharp increases from 2010 to 2015, replicating a similar trend witnessed from 1993 to 1999 (see figure 6). The data also show a wide divergence between Afghanistan's domestic resource use (as measured by DMC) and the material footprint of its consumption.[24] While both are increasing, its much higher domestic resource use compared to its material footprint means that some of its material use is a by-product of its exports (i.e. not consumed within its borders) and may not have necessarily resulted in higher material standards for its population.

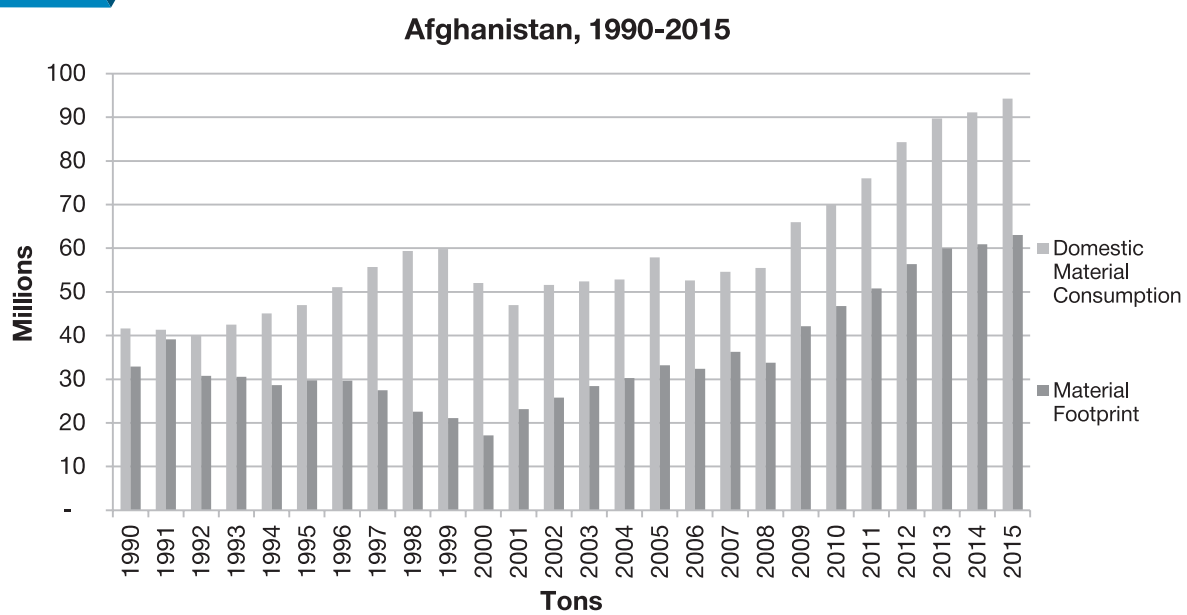
The NCA subregion also has one of the highest proportions of renewable water resources withdrawal (at around 50 per cent, second only to Western Asia at 54 per cent). This puts the hydrological system, in what is already a semi-arid subregion, under constant pressure. Nevertheless, it rose from 10.3 per cent of surface area in 2000 to 10.9 per cent in 2014.

Between 1990 and 2015, the share of the population with access to safe drinking water increased in Armenia and Georgia (reaching 100 per cent), the Russian Federation (97 per cent), Kyrgyzstan (90 per cent), Azerbaijan (87 per cent), Tajikistan (74 per cent), and Turkmenistan (with a low value of 60 per cent). On the contrary, this value decreased

in Kazakhstan (from 94 per cent to 93 per cent) and Uzbekistan (from 90 per cent to 87 per cent).[25] Overall, the subregion has the smallest share of population with access to safe drinking water, however, it has the highest proportion of population with access to basic sanitation, even achieving the 2015 target. Nevertheless, in these cases tendencies vary according to national contexts. For instance, between 1990 and 2015 the percentage of population with access to basic sanitation decreased in Georgia and the Russian Federation, whereas it increased in all other countries, with remarkable increases in Azerbaijan (from 63 per cent to 89 per cent) and Uzbekistan (from 84 per cent to 100 per cent).[26] Additionally, the sub-region also has the smallest protected terrestrial areas in Asia-Pacific, despite rising from 2.7 per cent in 1990 to 4.6 per cent in 2014.

Figure 6

Domestic material consumption & material footprint in Afghanistan



Source: UNEP Live (2016)

III. SUBREGIONAL POLICY IMPLEMENTATION AND PRIORITIES OF THE 2030 AGENDA

The objective of section two was to take stock of where SPECA countries stand in terms of Millennium Development Goal (MDG) implementation. Overall, the results were positive and set a firm basis for further progress. However, as mentioned, the results were inequitably shared, with high variations among countries as well as qualitative gaps in MDG implementation. The objective in section three is to identify policy priorities that not only tackle MDG unfinished business, but also reorient policymaking within the framework of the more comprehensive 2030 Agenda and the context of the subregion's current policy implementation.

Today, the subregion is vastly different from the year in which the MDGs were launched. Peoples' expectations of more inclusive growth and sustainable development have increased, as has their readiness to voice such expectations. Civil society organizations, while still nascent, are on the rise, as is the use of social media platforms as opinion shapers. This provides an opportunity for leadership that will bring together economic growth, social inclusion, greater equality, environmental rehabilitation, and quality of life for present and future generations. The importance of these issues has been recognized in various fora, notably the Declaration adopted at the 10th Session of the Governing Council of the UNECE/ESCAP SPECA, held in Tajikistan on November 10, 2015.

REBALANCING AND REVIVING ECONOMIC GROWTH

Reviving economic growth is perhaps the most crucial SDG enabling factor in the short-term. A related key economic question facing NCA over the medium-term is whether it will be able to move away from heavy export concentration in primary commodities towards more diversified exports of value-added goods and services, with increased participation of vibrant small and medium-sized enterprises? This is important for SDG implementation because reforms to promote new sources of economic growth assume added urgency for enhanced resilience. Meanwhile, commodity export revenues will continue over the medium-term to play a decisive role in the capacity of governments to carry out SDG implementation.

Table 2 **Selected long-term macroeconomic aggregates**

	Avg. Annual GDP Growth % (USD 2005)		Avg. % Added Value: Agriculture		Avg. % Added Value: Industry	
	1990-2008	2008-2014	1990-2008	2008-2014	1990-2008	2008-2014
Armenia	6.58	-0.83	28.7	20.3	38.9	34.3
Azerbaijan	12.45	7.40	19.3	5.8	45.7	62.9
Georgia	2.57	1.43	29.6	8.9	23.4	22.9
Kazakhstan	4.42	3.37	12.1	5.1	33.9	39.3
Kyrgyzstan	2.78	5.40	37.0	19.3	26.9	26.4
Russian Fed.	3.42	-0.07	7.1	4.2	39.8	35.9
Tajikistan	2.32	5.87	25.7	24.0	39.9	26.3
Turkmenistan	6.27	10.80	21.4	13.9	47.4	49.9
Uzbekistan	5.25	8.53	31.3	19.9	29.5	33.0

Source: Calculated data based on ESCAP Statistical Database.

Innovation, entrepreneurship development, and job-creating industrialization (SDGs 8 and 9) all improve equality, and enhanced equality tends to improve efficiency, leading to and reinforcing sustainable long-run growth. Furthermore, manufacturing through its specific learning-by-doing features, as well as spillover effects, is perhaps the most important dynamic source of technological progress, trading opportunities, and SDG implementation. Importantly, export participation is useful in providing a basis for the NCA sub-region to identify and develop new activities and goods. By triggering a process of "self-discovery", entrepreneurs can find for themselves profitable opportunities and innovative niches that previously did not exist or whose existence was not necessarily predicted, despite possibly being produced in other parts of the world.

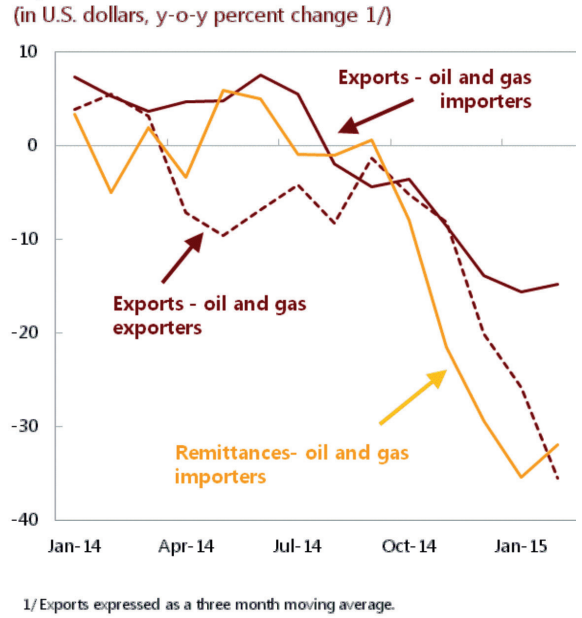
Long-term macroeconomic aggregates (table 2) show that economic performance in NCA is quite persistently linked to natural resource endowments, even if initial levels of economic development and the effectiveness of policy implementation also play a role. Consequently, annual GDP growth over the period of 1990-2008 ranges from 12.45 per cent in resource-rich Azerbaijan to 2.57 per cent in resource-deficient Georgia. This pattern is similar in the time span between 2008 and 2014. Resource-rich Turkmenistan has the highest rate of economic growth, while resource-deficient Armenia experiences negative growth of -0.83 per cent. Furthermore, value-added in the industrial sector is higher in resource-rich countries.

With the fast, considerable decline in world crude oil prices and the sharp depreciation of the Russian rouble, NCA countries are now faced with the challenge of implementing SDGs in a volatile economic environment with potential long-term shock effects. Even commodity importers are affected (figure 7) due to their reliance on remittances from workers employed in commodity exporting countries such as the Russian Federation and Kazakhstan, where export revenues and foreign direct investments have fallen sharply in dollar terms.

Furthermore, the devaluation of China's yuan and interest rate increases in late 2015 by the Federal Reserve System (for the first time in more than a decade and exactly seven years since the FED cut its federal funds rate nearly to zero) exacerbated conditions by strengthening the dollar and pushing commodity prices further downwards.

The underperformance in growth of the non-resource sector relative to the resource sector, and to the rest of the world, is due to the unfinished economic reform agenda. While aggregate investments are comparatively high – compared to other developing economies with the notable exception of the Middle East and North Africa (MENA) – there is considerable room for improving the efficiency of these public investments. A 2014 International Monetary Fund Special Report on Caucasus and Central Asia (CCA) and Middle East and North African Oil Exporters demonstrated a significant gap in the allocative efficiency of public investments compared to the best performing countries in the global sample. Closing the gap could lead to about a 20 per cent additional improvement in infrastructure for the same capital. Key recommendations included enhancing transparency and developing stronger frameworks, both institutional and budgetary,[27] so that competition, effective demand, profitability, innovation, and effectiveness become key drivers of growth in total factor productivity (TFP).

Figure 7 **Recent and potentially medium-term shocks effects**



Source: Boris Petkov (2015). Caucasus and Central Asia (CCA): Responding to New Challenges, Paper Prepared for the Astana Forum, 21 May, 2015.

ENHANCED INFRASTRUCTURE CONNECTIVITY

The landlockedness of the NCA subregion suppresses participation in regional and global value chains. Thus, expansion and modernization of regional transport, energy, and communication infrastructure networks is an essential component of a pro-growth strategy of regional integration. Clear signs of progress in infrastructure connectivity are emerging through the Eurasian rail land-bridge link, the trans-Caspian multimodal routes, the Turkmenistan-Afghanistan-Pakistan-India gas pipeline and the CASA-1000 electricity line, among others. Each initiative holds promise for the subregion to emerge as a transit hub for East Asia, South and South-west Asia, and European connectivity. Promoting synergy across these infrastructure projects, especially between the transport, energy, and information and communication technology infrastructures, can be particularly cost effective, while ESCAP's multidisciplinary and region-wide platform can help accelerate consensus-building.

1. Transport infrastructure connectivity

Cross-border transport connectivity is key for further integrating NCA economies into the regional and global markets. Historically, northward-bound transport routes were already well-established during the Soviet Union time. More recently, trans-Eurasian transport connectivity from East Asia to Europe, as well as to South Asia, has been boosted by intergovernmental initiatives, notably the Belt and Road Initiative by the Government of China.

Railway connectivity has grown in Central Asia and the Russian Federation but less so in the South Caucasus. Most Central Asian countries have increased their goods trade via railway since 2005 as Eurasian rail connectivity has steadily increased (table 3). The only exception is Tajikistan where railway freight decreased by half. Tajikistan is not directly connected to Eurasian networks and Tajik exports need to pass through Uzbekistan, Turkmenistan, and Kazakhstan. Similarly, South Caucasian countries do not benefit from growing Eurasian connectivity since only Azerbaijan has a railway connection to the Russian Federation. On the other hand, Georgia has expanded maritime transportation through the Black Sea to the Mediterranean Sea while Armenia has sought to develop linkages southwards.[28]

2. Energy infrastructure connectivity

Affordable, reliable, and renewable energy is key to sustainable development and the transition to a modern society. Energy, which is a means to an end, remains crucial for social and economic welfare, ending poverty, ensuring healthy lives, and raising standards of living. With seven of the nine SPECA member States landlocked, the essential albeit insufficient contributor to reviving economic growth, sustainability, and inclusiveness in the subregion is the modernization and expansion of energy infrastructure.

Rich in fossil fuels and hydropower, the subregion possesses sufficient resources to meet its domestic energy needs. However, the countries face a number of systemic issues in the energy sector, including (but not limited to) a high degree of aged energy infrastructure; a shortage of financial resources to ensure its functioning and development; a lack of effective mechanisms for implementing sustainable energy development policies synergized with existing regulatory frameworks; a delay in scaling up energy efficiency and renewable energy

Table 3 **Freight volume in railways**

	Railways, freight (million ton-km)	
	2005	2014
Armenia	654	345
Azerbaijan	11,059	8,212
Georgia	6,127	5,976
Kazakhstan	171,855	235,845
Kyrgyzstan	715	922
Russian Federation	1,801,601	2,298,564
Tajikistan	1,220	554
Turkmenistan	8,670	11,992
Uzbekistan	18,007	22,686
Middle income	2,954	3,515
East Asia & Pacific	3,483	n.a.
South Asia	2,846	1,757

Source: World Bank World Development Indicators (accessed on 1 March 2017).

Notes: For railways freight, the figures in 2005 for Azerbaijan, Kyrgyzstan, and Tajikistan are complemented by those in 2006. East Asia & Pacific excludes high income countries.

development; and the insulated state of electric power grids. These factors limit the comprehensive realization of the energy potential. The current progress is outlined in table 4 below.

Recognizing achievements related to universal (100 per cent) access to energy services in all NCA member States, as well as a nearly two-fold average decline in final energy intensity, significant variations in the percentage of renewables in total primary energy production within the 1990-2013 period should be stressed. Their share in the primary energy mix averaged 15 per cent in 2013 in large part due hydropower resource development in Tajikistan (59.8 per cent by 2013), Kyrgyzstan (28.6 per cent), and Georgia (31.0 per cent). Turkmenistan has no renewables in its energy mix, and in other NCA countries renewables vary from 0.9-6.7 per cent. However, the share of renewables in NCA has more than doubled since 1990 broadly due to low base effect, keeping the annual growth pace of 10.5 per cent, with Armenia and Georgia showing the most significant results (3.5 and 3.4 times growth, respectively).

The adoption of Goal 7, with a holistic dissemination of its provisions – access to energy sources, energy efficiency, and renewable energy – and their implementation within NCA countries' legal framework, may result in the attainment of sustainable energy development objectives in the subregion. The overall target can be achieved through sustainable management of natural resources, ensuring innovative production and consumption patterns, sustainable industrialization that fosters the building of resilient energy infrastructure, and the coordinated planning of comprehensive energy system development. However, it requires technological foresight, adequate economic incentives, strategic energy policy planning at the national and subregional levels, and a tracking framework and procedures which allows the evaluation of the impact of implemented policies.

Under the USSR, NCA was strongly integrated through the Unified Energy System (UES), taking advantage of the highly diversified energy mix and time-shift of peak loads. Following the breakup of the USSR, this system became weaker and less effective: Turkmenistan decided to stop its parallel efforts with the UES in 2003 and Tajikistan was disconnected from the UES connection with Uzbekistan in 2009, while all countries preferred to decrease their regional involvement in favour of national interests, thus hindering the realization of synergies that can be achieved through subregional connectivity. Likewise, uncoordinated energy subsidies across the subregion have distorted regional markets, reoriented efficiency-seeking investments, and crowded out alternative energy sources. Furthermore, regulatory and legislative regimes have skewed the risk-reward investment equation of regional projects.

The resolution of energy connectivity issues ensures the contribution of one of the key targets to be

Table 4 **Energy-related SDG indicators**

	Renewables share (%) of TPES		Final energy intensity*	
	1990	2013	1990	2013
Armenia	1.9	6.7	622	98
Azerbaijan	0.7	1.8	491	94
Georgia	9.0	31.0	305	137
Kazakhstan	1.0	0.9	515	207
Kyrgyzstan	11.5	28.6	623	304
Russian Federation	3.0	2.6	334	212
Tajikistan	26.7	59.8	294	133
Turkmenistan	0.3	0.0	557	355
Uzbekistan	1.2	2.3	851	385

Source: ESCAP Asia Pacific Energy Portal. http://asiapacificenergy.org (accessed 01 November 2016).

Notes: *kilograms of oil equivalent per 1,000 dollars GDP (2005 PPP).

reached within the subregion. First and foremost, it can enhance national energy security through the diversification and balancing of energy flows. In addition, since the adoption of Goal 7 on energy has raised the profile of the subregion as one of the world's largest repositories of renewable energies, building up interstate electricity interconnectors with implementation of advanced energy trade mechanisms, can further boost the development of renewable energy. One aim of energy connectivity initiatives is to support large grids which are more suitable in managing the problem of intermittency of renewable sources, such as sun and wind, especially given time zones differences. Another aim is to supply the electricity generated at small scale renewable plants to remote areas where people suffer electricity shortages and are, as a result, obliged to resort to firewood for their heating and cooking necessities with negative environmental and health consequences. In addition, the establishment of common electricity market with a free power transfer zone will facilitate the trade of electricity surpluses beyond the borders of the subregion.

The governance of cross-border energy connectivity remains contingent on voluntary, unanimous, and continued consent by SPECA member States. Not surprisingly, it is primarily through bilateral agreements that energy is traded in the subregion. Nevertheless, more recently the launch of trilateral or quadrilateral projects such as the Turkmenistan-Afghanistan-Pakistan-India (TAPI) and CASA-1000 could be harbingers of more subregional cooperation in the future.

Improvements in the investment environment, especially for large-scale projects, will come about as countries reach common understandings built around sustainability principles. Mutual trust will then be fostered as countries harmonize political and legal frameworks related to interstate energy trade, giving new priority to the implementation of measures on energy efficiency – a compelling issue for all NCA countries. Furthermore, Goal 7 is inextricably linked to the attainment of all other goals, especially Goals 9 and 13, as well as climate objectives. In the context of transition economies in NCA, improvements in infrastructure connectivity need to be supported by a policy environment that promotes the private sector and the development of new entrants, products, and markets for a more equitable income distribution.

In this regard, cooperative initiatives by ESCAP which encompass all countries of Asia-Pacific can enlarge the opportunities for regional power trading while also enhancing the share of renewables in the energy

Box 1

Almaty-2020 Development Plan

Today, as the largest economic centre of Kazakhstan, Almaty is positioning itself as an emerging Eurasian business and cultural hub through the development of key services sectors. The Almaty-2020 Development Plan is embedded in the Kazakh President's 2050 Strategy and 100 Concrete Steps, which foresee Kazakhstan becoming one of the 30 most competitive countries in the world.

Importantly, the Plan involves developing Almaty into an international energy-efficient transport and logistics hub by way of construction of a world-class airport, new road junctions, the development of accompanying logistics services and an innovation cluster – "The Park of Innovative Technologies". Efforts will focus on IT, education, and the healthcare sectors, focused on building production capacity in innovative services. Furthermore, Almaty's integration into the international space will continue to spread further as the city plans to evolve into a Central Asian hub for the UN and international organizations.

A key pillar of the Plan is the modernization and the development of fuel and energy infrastructure due to growing needs for heat and power, as well as large energy losses due to outdated and ageing infrastructure. Notably, the President has tasked the people of Kazakhstan to achieve a reduction in energy intensity by at least 25 per cent of current levels by 2020. Almaty's planned energy-saving measures will focus on this indicator and a reduction in pollution levels.

As a major Central Asian metropolis, Almaty has embarked on an ambitious plan that positions itself to become a hub of Eurasian business, innovation, and culture. The importance afforded to the development of state-of-the-art technology will have direct consequences for the balanced integration of the three pillars of sustainability, and thus, Almaty may be on the path of becoming a model city of sustainable development.

mix. Through technological advances such as high voltage lines, power losses inherent to long-distance transmission have been significantly reduced, increasing the viability of large multi-country power grids. Consequently, over the SDG implementation period ESCAP will be prioritizing its support to the NCA subregion for the implementation of Goal 7.

In this regard, as intense users of energy, urban centres play a vital role in sustainable development (SDG 11). For example, the mayor of Almaty's proposal to convert the city into a subregional hub (see box 1) through smart infrastructure can provide a model of urban development in support of sustainable development. An important spin-off benefit could include improved public education and health services.

3. ICT infrastructure connectivity

Seamless information exchanges that are affordable and available all the time to all is the basis for an efficient and interconnected business environment, people-to-people connectivity, more efficient resource-use as well as transparent governance. ESCAP has been promoting ICT connectivity development in Asia and the Pacific though the Asia Pacific Information Superhighway (AP-IS) by identifying the missing links and bottlenecks in regional fibre network development and facilitated intergovernmental cooperation that will attract investments in cross-border ICT infrastructure. Increasing trade through e-commerce provides more opportunities for small and medium-size enterprises to export their products and services to foreign markets and to boost their productivity and competitiveness through economies of scale and quality upgrading. At the same time, universal and affordable access to information could bolster the achievement of social inclusion, as envisaged throughout the SDGs. Through infrastructure development that provides routes diversification and thus network redundancies, the previously unconnected could have a greater say in policy decision-making that leads to the more inclusive and equitable socio-economic development path foreseen by the SDGs.

This is important because notwithstanding the increases in mobile network coverage (table 5), access to broadband internet remains very low in Central Asia. Table 6 showed that more than

Table 5 **Mobile cellar subscriptions per 100 people**

	Mobile cellular subscriptions (the number of subscriptions per 100 people)	
	2000	2015
Armenia	0.57	115.15
Azerbaijan	5.18	111.28
Georgia	4.11	128.95
Kazakhstan	1.35	187.17
Kyrgyzstan	0.18	132.80
Russian Federation	2.22	159.95
Tajikistan	0.02	98.59
Turkmenistan	0.17	145.94
Uzbekistan	0.21	73.32
Middle income	4.51	97.46
East Asia & Pacific	5.72	101.36
South Asia	0.33	78.39

Source: World Bank World Development Indicator (accessed on 1 March 2017)

Table 6 **Internet Use**

	Internet Users (% of population)	
	2000	2015
Armenia	1.3	58.2
Azerbaijan	0.1	77
Georgia	0.4	47.5
Kazakhstan	0.6	70.8
Kyrgyzstan	1	30.2
Russian Federation	1.9	70
Tajikistan	0	18.9
Turkmenistan	0.1	14.9
Uzbekistan	0.4	42.8

Source: ESCAP Statistical Online Database (accessed on 2 March 2017)

Notes: The figure in 2015 for Azerbaijan is complemented by that in 2013.

two thirds of people in Kyrgyzstan, Tajikistan, and Turkmenistan did not use the Internet. This is to a great extent due to low fixed broadband penetration. It is crucial therefore that the supporting infrastructure for investments in wireless communication infrastructure, namely a domestic fibre optic network that is well linked to multiple cross-border links, should be established to assure "universal and affordable access to the Internet" (SDG 9.c) by 2020.

Relatedly, for enhancing the competitiveness of economies across the subregion, the quality of network connections is a challenge for the achievement of SDGs. The progress toward quality improvements has been rather slow as compared to other subregions (table 7). Georgia, Kazakhstan, and the Russian Federation have constantly replaced low-speed fixed broadband coverage with high-speed (more than 10 Mbit/s) since 2011. In contrast, while other countries have expanded medium-speed Internet network (from 2 Mbit/s to 10 Mbit/s), Azerbaijan maintains the most extensive network of fixed broadband. Azerbaijan still has half of the people accessing internet at a low-speed connection. A key policy challenge for the subregion therefore is investment in high speed broadband internet that will enhance efficiencies in information exchange in the subregion while fostering opportunities for economic diversification and transparent governance.

INVESTING IN PEOPLE

Human capital is the second most abundant resource of the subregion and the workforce is still growing, with a median age of around 33 years, nearly 10 years younger than the median age for developed countries. Thus, there is an immediate need for the subregion to focus on the social development linkages and beneficial spillovers inherent in the attainment of SDGs, with investments in social infrastructure, education, and

Table 7

Proportion of population covered with fixed Internet broadband, by speed

	Fixed Internet broadband							
	High-speed (per 100 population)		Middle-speed (per 100 population)		Low-speed (per 100 population)		Total coverage (per 100 population)	
	2011	2015	2011	2015	2011	2015	2011	2015
Armenia	0	3.1	1.1	6.1	4.1	0.1	5.2	9.3
Azerbaijan	0.3	1.5	1	7.4	9.4	10.4	10.7	19.3
Georgia	0	7.4	1.3	7.8	4.2	0.5	5.5	15.7
Kazakhstan	1.8	5.7	4.2	4.3	2.7	1.5	8.7	11.5
Kyrgyzstan	0.3	1.7	0.1	0.9	0.3	0.7	0.7	3.3
Russian Federation	2.6	12	5.8	4.7	3.6	1.9	12	18.6
Uzbekistan	n.a.	n.a.	0	0.5	0.6	5.4	0.6	5.9
North and Central Asia	1.7	8.3	3.8	3.9	2.8	2.5	8.3	14.7
East and North-East Asia	4.1	13.2	7.8	6.7	1.1	0.1	13	20
Pacific	14	29.6	14.4	5.6	2.5	0.4	30.9	35.6
South and South-West Asia	n.a.	0.4	n.a.	0.8	n.a.	0.9	n.a.	2.1

Source: ESCAP Statistical Online Database (accessed on 2 March 2017)

Notes: High-speed = more than 10 Mbits/s, Medium-speed = From 2 Mbit/s to 10 Mbit/s, Low-speed = From 256 Kbit/s to 2 Mbit/s. Total coverage is the sum of high-. Medium- and low-speed fixed broadband proportion. The figures in 2011 for Azerbaijan, Kazakhstan, and Uzbekistan are complemented by those in 2012. Tajikistan and Turkmenistan are not reported. Southeast Asia is not available.

health serving as a corollary to investments in hard infrastructure, such as renewable energy grids, over the medium to long-term.

As discussed in section two, on social indicators, the subregion performs quantitatively well on average. For example, school survival rates are the highest among the subregions, at 97 per cent. However, important qualitative issues need to be addressed both within and across countries, such as improved learning outcomes and better matches between demanded labour market skills and those of jobseekers, especially for young labour market entrants, in addition to enhanced working conditions for women. As discussed above, gainful employment is at the heart of poverty reduction and social inclusion, therefore such efforts should be underpinned by strategies which align economic, employment, environmental, and social policies. This includes the need to create conditions for supporting job creation capacity, especially among small and medium-sized enterprises.

NCA is home to several remittance-dependent economies, notably Tajikistan and Kyrgyzstan, the two countries in the subregion with the highest share of remittances as a percentage of national GDP.[29] While the economic benefits of remittances as enablers of domestic growth and meaningful employment are clear, there are significant negatives consequences of the large outflow of migrant labourers. With one or even both of their parents abroad, children may be neglected without sufficient care, nutrition, and education. The fluctuation of remittance income, especially given the current economic downturn, can have large and destabilizing impacts on the local economies.[30] Furthermore, migrant labourers come disproportionally from the poorer rural areas, thus affecting the development of these areas.[31] In addition to the development of domestic economies, a number of SDGs can help address challenges faced by migrant labourers, their families, and to a larger extent, the greater society. These include:

- **SDG 2, target 3** (By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists, and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets, and opportunities for value addition and non-farm employment) to ensure that rural workers have wider and better quality employment opportunities.

- **SDG 8, target 7** (Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment) to promote better protection for migrant workers.

- **SDG 8, target 10** (Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance, and financial services for all) to ensure that the transfer of remittances, which are critical to families back home, is safe, affordable and efficient.

Relatedly, despite generally high education levels, the attainment of gender equality remains an ongoing problem. In fact, the deepest gender gaps can be found in the sector of labour practices.[32] For instance, as of 2013, the gender pay gap is large in countries such as Azerbaijan (53.2 per cent) and Tajikistan (50.9 per cent), whereas women in top business management positions are rare (table 8).

Having said this, it is also crucial to plan for the longer-term challenge of population ageing. As populations age over the next 15 years, the attainment of a more equitable society will put significant pressures on fiscal budgets. By 2050 in NCA, 24.5 per cent of its population will be over 60 years old, up from 16.3 per cent in 2016. It will be the second highest proportion in Asia-Pacific after East and North-East Asia at 36.8 per cent. Not only will maintaining the high pension coverage rates, as discussed in section two, mean large numbers of new entrants receiving benefits (and declining contributors from among the working population), there will also be a need to significantly increase the real value of benefits. Together with investment increases needed in the education and health sectors, a more inclusive society will require a reorientation of the development paradigm geared towards new sources of private-sector led growth. The experiences, lessons, and best practices emerging from ageing societies such as Japan, the Republic of Korea, and China will be instructive. At the same time, putting in place plans for productive ageing and population ageing early on will be crucial for the long-term sustainability of a more equitable society.

Table 8

Different measures of gender gap in earnings

	Gender pay gap (UNECE, 2012)	Earned income gap (WEF, 2014)	Middle-speed (per 100 population)
Armenia	35.6 (6)	41 (4)	0.66
Azerbaijan	53.2[1] (9)	56 (8)	0.74
Georgia	39.8 (7)	55 (7)	0.72
Belarus	25.5 (3)	37 (3)	-
Moldova	25.6[2] (4)	23 (1)	0.70
Ukraine	22.2[3] (2)	35 (2)	0.69
Kazakhstan	6.8 (1)	42 (5)	0.71
Kyrgyzstan	26.7[1] (5)	46 (6)	0.72
Tajikistan	50.9[2] (8)	37 (3)	0.71

Source: UNECE (2012). http://w3.unece.org/PXWeb/en/DataMap?IndicatorCode=21 (accessed 05 Dec. 2016)

Notes: [1] 2013, [2] 2011, [3] 2010; no data available for Turkmenistan and Uzbekistan

ADDRESSING SHARED ENVIRONMENTAL VULNERABILITIES

As a semi-arid subregion, NCA is one of the most vulnerable to climate change. Growing demands for water, energy, and food, in addition to climate change induced disasters which are increasing in frequency and intensity, exacerbate the already vulnerable human ecology. In all countries, land suffers from a high degree of degradation, and with increasing temperatures and advancing desertification, crop yields are expected to decelerate further. This will affect food production in the NCA subregion and could mean that impoverishment will rise again as malnutrition, especially among rural communities, becomes endemic. At the same time, climate change will threaten water (and thus, hydropower), a resource fundamental for agriculture and for the political stability of the region itself. In the long-term, despite rivers receiving their water supply from melting snowfalls and glaciers, river runoff is expected to decrease throughout the entire region to different extents.

Tackling climate change also requires mitigation strategies. NCA stand out among ESCAP subregions as the third highest subregion for GHG emissions per capita, even without the Russian Federation (If using the indicator, GHG emissions in million tons of CO2, then NCA without the Russian Federation contributes 2.8 per cent to total emissions in ESCAP subregions). Most notably, NCA countries such as Azerbaijan, Kazakhstan, Turkmenistan, and Uzbekistan are among the highest GHG contributors per capita in the world. Considering this situation and the risks represented by climate change, while taking into account the principle of "common but differentiated responsibilities", NCA countries are expected to participate in the reduction of global GHG emissions as a means of favourable policy: enhancing energy efficiency, reducing air pollution, and improving quality of life for all.

Furthermore, in Armenia, Azerbaijan, Kazakhstan, and Turkmenistan there is a need for governments to modernize their energy infrastructure, as well as phase-out subsidies with no sizeable relevancy for the welfare of citizens, as pointed out in section two. New pricing mechanisms that better reflect the negative environmental externalities and promote the development and use of renewable energies need to be phased-in. There is already a host of best practices that could be implemented, for example, the establishment of favourable feed-in tariffs for a given period of time which are adjusted to the rate of inflation, prioritization by transmission companies to purchase electricity produced by renewable sources, tax rebates on imported equipment for the production of renewable energy, capital facility tax, and so on. The majority of NCA countries, such as Kazakhstan, Kyrgyzstan, and Tajikistan, have already launched important declarations and issued strategies concerning the promotion of renewables. In this respect, one of the most important contributors to this paradigm shift is an enabling investment environment that mobilizes domestic resources and attracts international investments.

Box 2

Drought and Kazakhstan's policy strategy

Over the last six years the country has had two severe droughts, as reported by the Kazakhstan Ministry of Agriculture and Union of Farmers. In 2010, the drought was caused by a shortage of soil moisture due to low precipitation and snow cover. In 2012, in addition to a shortage of low precipitation and snow cover, a severe atmospheric drought was caused by hot weather in early spring, having a significant negative effect on wheat production. In total, the loss of wheat crops was measured at 1.5 million hectares (ha), with a loss of potential annual wheat crops at 800kg/ha, in the regions of Aktube, Northern Kazakhstan, Ural, Western and Southern Kostanay, and Pavlodar. The droughts also substantially affected the global price of wheat, raising prices for wheat-importing countries. Thus, if these trends in regional climate change continue to occur, food security may become an issue with transboundary effects on a global scale.

To better analyse and assess the negative effects of climate change on agriculture, the Government of Kazakhstan has integrated environmental policies and strategies into its national plan. The main priorities are as follows:

1. Increasing the efficiency and management of resource-use;
2. Modernizing extant and developing new infrastructure;
3. Improving the population's well-being and environmental quality through cost-effective ways to mitigate environmental pressures;
4. Improving national security, including water security.

Kazakhstan's strategy for transitioning to a 'green economy' will be prioritized along the following lines:

2013-2020: Resource-use optimization and creation of 'green' infrastructure.

2020-2030: Building on 'green' infrastructure, widespread adoption of renewable energy technologies, as well as the development of energy-efficient "smart" infrastructure, and efficiencies in water usage.

2030-2050: Transitioning to the 'third industrial revolution', in which the use of natural resources will be subjected to criteria related to their renewability and sustainability.

Box 3

Integrated implementation of the SDGs – SDG6 at the core

The importance of an integrated approach to implementation of the SDGs was highlighted at the High-Level Symposium on SDG 6, hosted by the Government of Tajikistan from August 9-11, 2016 in Dushanbe. ESCAP presented an analytical framework for integration of the water and sanitation SDGs, as well as targets which use a systems-thinking approach.

The approach views the 17 SDGs and the 169 targets as one indivisible whole system and provides an analytical approach that develops and analyses the systems' inter-relationships. The objective is to design holistic implementation strategies based on leverage points that indicate the most effective interventions. A number of pilot applications of the analytical framework and related modelling are in progress, involving Sri Lanka, Fiji, and Tajikistan. In Tajikistan, the Interstate Commission on Water Cooperation in Central Asia, in close cooperation with ESCAP, is managing the pilot. It is expected that the methodology, lessons learnt, and recommendations will be shared with the ICWC member states in Central Asia for an integrated subregional application and modeling in a follow-up phase.

IV. INSTITUTIONAL ARRANGEMENTS FOR IMPLEMENTATION: PROGRESS AND PRIORITY SETTING

The adoption of the 2030 Agenda creates new opportunities for the NCA subregion, indicating that institutional setups to support these aspirations have become increasingly important. In this regard, it is essential to properly situate the SDGs within the contextual reality of the subregion. In substance, institutions (whether formal or informal) define how power is managed and used, how governments and societies arrive at decisions, how they implement those decisions, as well as how they measure and account for the results. Institutions thus have a key intermediation role. In this section, after an initial review of progress achieved at the early stage of implementation, priorities and principles are suggested to guide national and subregional institutional arrangements, while recognizing that at all stages, the national decision-making processes of each country will determine outcomes.

In most countries of the NCA subregion, institutional arrangements for implementation of SDGs are still in the process of being set up. As shown in table 5 below, in partnership with UNDP and other relevant UN agencies, Armenia, Azerbaijan, Tajikistan, and Turkmenistan, among others, have evolved strategy/vision papers that link national development plans and the SDGs. Furthermore, Georgia is one of five Asia-Pacific members to have committed to voluntary national reviews, while Kazakhstan has initiated a national stakeholders dialogue and a mapping of SDGs, as well as related national legislative provisions that will support implementation.

From this early information, it appears that the common element running across the subregion is economic diversification and enhanced implementation of the social and environmental pillars. Governments of countries relying on energy exports will continue promoting development in the oil and gas sector, while at the same time boosting a more diversified industrialization process. Net importers of energy resources prioritize energy security through improved energy connectivity, more efficient infrastructure, and a larger share of renewable energy in their national portfolio, while emphasis is given to innovation in the economy through strengthening the science, technology, and tertiary sectors. Finally, a common trait in all development strategies is the need to improve the business and investment climates.

With the social dimension, the aim is to improve and modernise the quality of health care systems, while the need to strengthen inclusive social security services in reducing poverty and inequalities within the society, including gender inequality, is also given emphasis. Furthermore, following the same path traced by the MDGs, the countries aim to keep improving their educational system, from pre-school to higher education, as well as strengthening the right to education for girls, the youth living in rural areas, and other disadvantaged populations.

In the environmental sector, the priorities are similar. The rationalization of land and water management is a priority for all the countries, given the importance of these resources in their economies and the exposure of the same resources to external disruptions and inefficient management. Another common element is the effort to improve disaster risk reduction policies, since a large share of NCA countries' territory and population continue to be affected.

There is also a clear recognition of the need to reduce corruption and improve the functioning of national institutions, with public administration, public finance, and judicial branches featuring prominently. This is important as the subregion, albeit with wide variations, still faces a number of institutional challenges, which include embedded monopolies; deficiencies in implementation of adopted legislation; lack of a meritocratic

Table 9

Linkages between the SDGs and national development plans

	Armenia	Azerbaijan	Tajikistan	Kazakhstan	Georgia	Afghanistan
Source	Armenia Development Strategy for 2014-2025	Azerbaijan 2020: Look into the Future	National Development Strategy of Tajikistan for 2030	Kazakhstan Strategy 2050	Social-Economic Dev. Strategy of Georgia (Georgia 2020)	Statement by the Ministry of the Economy of Afghanistan at 72nd UN-ESCAP Session
Economic	• modernize the agricultural sector • develop national industries • promote tourism • develop the IT and technology sectors • strengthen support for SMEs • develop transport, water and energy infrastructure • improve business environment	• promote sustainability and export capacity in the agricultural sector • diversify the economy through the development of non-oil industries • promote tourism, transport and ICT sectors • promote science, technology and innovation • improve business and investment environment • improve economic regulation • specialize regional economies within the country	• develop industrial-innovative clusters • develop transport and ICT sectors • improve the financial sector • create independent regulators for energy and telecommunication • liberalize service and financial sectors • improve business and investment environment	• promote innovation and technology in industrialization • double the share of non-energy exports by 2025, triple by 2040 • introduce advanced agro technology for crops and efficient water usage • reform the tax code with benefits to innovative companies • privatize non-strategic enterprises and create favourable climate for investments • stimulate the private sector and develop public-private partnerships	• increase competitiveness of private sector • improve business and investment environment • increase innovation and technology sectors • develop transit access and infrastructure • promote mobilization of investment resources • develop financial intermediation	• focus on economic transformation towards self-reliance • address fiscal deficit and negative BoP with macroeconomic stability • strengthen political and social capital with cross-sectoral regional partnerships • foster confidence building measures with regional initiatives and cooperation • promote active participation in mega projects, such as TAPI and CASA 1000 • develop private-public partnership for greater employment generation
Social	• improve accessibility, quality and efficiency of the healthcare system • improve drug safety • increase quality and access to education • improve protection of vulnerable groups, including women and the disabled	• improve accessibility, quality and efficiency of the healthcare system • promote active lifestyle • increase education quality/ access • improve care and protection of vulnerable groups including women and the disabled • promote political representation and participation by women and youth • ongoing dialogue with EU on human rights issues and freedom of speech	• improve accessibility, quality and efficiency of the healthcare system • promote active lifestyle • increase quality and access to education • improve care and protection of vulnerable groups including women and the disabled	• prevent poverty growth • target vulnerable social groups • develop education and health sectors to provide for all • boost employment for disadvantaged or vulnerable citizens • protect women's rights and fight domestic violence • develop engineering and technical education programmes • stimulate R&D with educational grants	• develop the workforce for future labour market needs • improve social assistance system • ensure accessible and quality healthcare • develop the quality and accessibility of education system at all levels	
Environmental	• promote environmental protection in legal, business and administrative sectors • improve land and water management • improve ecological conditions in human settlements	• protect biodiversity, water sources and green areas • reduce pollution, especially in the energy sector • improve land and waste management • enhance disaster risk management	• develop "environmentally clean" production and innovation industries • increase the appeal of ecological business • enhance disaster risk management	• develop production of alternative energy sources such as solar and wind power • develop national strategy which ascertains that renewable energy sources account for at least half of the country's energy consumption by 2050	• introduce green, modern technologies • encourage FDI towards resource-saving technologies • introduce modern systems for solid waste management and new sanitary landfills at EU standards • ensure effective environmental management and assessment	
Institutional	• reform public administration and finance management • improve legal and judicial systems • reduce corruption	• improve transparency and accountability in law enforcement • strengthen the public sector through e-governance, reforms, and human resource development • ensure compliance of state programs and strategies covering SDGs through the National Coordinating Council on SD • Ongoing dialogue with EU on constitutional and electoral reform	• improve public administration and civil service • improve the public finance administration • reduce corruption	• decentralize government to strengthen local representation and focus on local needs • improve selection methods and training for public sector employees • implement new 'Public Service Law' to fight corruption and increase transparency • Reform the criminal system	• establish a mandatory pension savings scheme to facilitate the growth of national savings • increase financial transparency and reform the disclosure process • promote the independence of the National Bank of Georgia • improve the mechanisms of public policy management	• localize SDGs and align them with national policy • align the Afghanistan National Development Framework (ANDF) with SDGs and prioritize strategic sectors •greater monitoring, reporting and advocacy of the SDGs • integrate SDGs into 2017-2021 Presidential Strategy and medium-term plans •strengthen line ministries to incorporate the SDGs

approaches in both formal and informal institutional structures; and missing market mechanisms. Work on these issues is underway in most countries, as for example, Azerbaijan held its 5th subcommittee meeting with the EU on October 12-13, 2016 to discuss institutional issues, such as constitutional and electoral reform with the aim to bolster the protection of human rights, freedom of speech, and the healthy functioning of civil society. At the subnational level, NCA countries emphasize the need to give particular attention to an even spatial development in all their regions, especially rural areas for poverty reduction and enhanced social inclusion.

In moving forward, national institutions will need to be strengthened in line with the following priorities:

Firstly, the disaggregation and nationalization of data, targets, indicators, and practice is crucial for better understanding the progress of implementation and how to strengthen its effectiveness. Localization can improve the consistency and harmonization of national and sub-national development planning, and further decentralization could help reform both central and local government institutions. Local civil society organizations have continued to expand, with several becoming very active.[33] However, expanding multi-stakeholder participation can be both an accelerator and a challenge to governments as civil society organizations take many forms in the subregion, some of which are coming under increased scrutiny in terms of terrorism and extremism. Notwithstanding these concerns, there are many that could work in close collaboration with agencies from the United Nations Country Teams and serve as supportive implementers to governments. There is a need to intensify this process by co-opting more civil society organizations, through public-private-people-planet partnerships (5Ps), adapted to the distinct contexts of SPECA countries. Such partnerships present a promising way forward, especially if focused particularly on geographic areas, where pockets of the populations are at the highest risk of marginalization and social exclusion. Relatedly, there is a need to strengthen the evidence-base for more informed policymaking, for which institutions that produce, analyse, and disseminate reliable data and conduct research and policy analysis, need to be empowered as part of the multi-stakeholder ownership of SDGs.

Secondly, as SDGs need to be pursued alongside the promotion and nurturing of human rights-based policy approaches which focus on the principles of participation, accountability, non-discrimination, empowerment, sustainability, and respect for the rule of law, the willing engagement of governments once again assumes importance. MDG experience shows that government commitment had a significant positive influence in driving the national development strategies and plans on MDG delivery. As a starting point, there is a need to anchor these principles into the national legislative process. In this regard, countries of the subregion perform relatively well, for example, with the exception of Uzbekistan, all have ratified the Aarhus Convention[34] on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters which entered into force on October 30, 2001. No other subregion has achieved this to date. A key problem therefore, and not unlike other subregions, is the implementation gap, which in some countries is more acute and in need of remedial institutional and human capacity-building than in others. A related legislative concern for SPECA countries is that even though the proportion of seats held by women in national parliaments rose from 7 per cent to 17 per cent between 2000 and 2015, the subregion records the poorest performance of women's political empowerment in Asia-Pacific (although Kazakhstan performs slightly better than others). According to the latest Inter-Parliamentary Union, Afghanistan records the largest share of women in parliament at 27.7 per cent, while Kyrgyzstan has the highest share of women in ministries at 15 per cent, with both figures well below gender parity.

Thirdly, as economic growth remains anaemic for the foreseeable future, institutional capital needs to be dedicated to enhanced social protection systems for strengthened social cohesion and stability. Some countries have already started down this path, with Kazakhstan as a notable example. In a number of other countries, the empowerment of institutions dedicated to this goal can help foster political commitment around the principles of universality and anchor related legislation in a rights-based foundation. To be sure, the immediate challenge of large declines in fiscal revenues will require a mix of fiscal policy reforms and labour market programmes that address the high levels of working

poverty. Furthermore, broad multi-stakeholder involvement in the design of expanded social protection systems will be needed to ensure that social protection systems, in the context of future ageing societies, will be sustainable in the long term (as pointed out in previous sections).

Fourthly, over the short and medium-term, there will be a need for international organizations to gain a firm understanding of the evolving institutional dynamics at work, both formal and informal. More specifically, there is a need to better identify the driving factors of SDG implementation – those factors which shape the political process, as well as the incentives which would motivate reforms in public finance management with potential for sustainable development. Hence, in identifying an appropriate technical solution, it is vital to comprehend how its implementation could be made feasible under the given circumstances. With this deeper understanding, the implementation experience of international organizations in the subregion will be more productive.

Fifthly, there is a need to strengthen national institutions that support policy formulation on trans-border issues such as infrastructure connectivity in roads, electricity, information and communications technology (ICT), and disaster risk reduction, as well as the management of transboundary water resources. An existing subregional cooperation mechanism, such as SPECA, supported by reliable information and analytical evidence generated by the research programmes of ESCAP and UNECE working in close partnership with United Nations Country Teams, and other partners such as Central Asia Regional Economic Cooperation (CAREC), the Islamic Development Bank, and the Aga Khan Foundation, could play a useful role in promoting experience exchanges, policy coherence, and consistency across neighbouring countries.

VI. LOOKING FORWARD FOR ACHIEVEMENT OF SDGS

Achievement of the SDGs in NCA will depend on the extent to which lasting momentum is triggered that will accelerate graduation from the "in transition" phase of the subregion.

The process of assessing capacity gaps and delivery modalities of capacity-building activities has begun in earnest both at the individual country level as well as the UN system level. UN regional commissions and the UNDP have signed a partnership agreement, in addition to the United Nations Country Teams having integrated SDGs in UN Development Assistance Frameworks (UNDAFs), while member States of ESCAP are working on a roadmap that will promote regional cooperation in the implementation of the SDGs, structured in a phased approach along evolving priority action areas. UNECE has launched a scoping study, for which results are expected to be available at the forthcoming SPECA Economic Forum and Governing Council in November 2016. Likewise, as part of their national development plans, a number of countries have articulated their vision or strategies, which include evolving priorities for the implementation of the SDGs.

Drawing from the above discussion, two policy priorities emerge for bridging the capacity gap

Enhancing data and statistical capacities. Such importance is given here since the strategic implementation of the 2030 Agenda is contingent on the availability of timely and reliable data, as well as the development of internationally comparable indicators where they are missing. Furthermore, localization can improve the consistency and harmonization of national and sub-national development planning, as well as provide insights where progress is lacking, which would bring direct implementation benefits. As mapping of SDG indicator readiness by ESCAP shows, data paucity for tiers II and III of SDG indicators remain substantial in SPECA countries.[35] The ESCAP Statistical Database shows some examples of specialized statistics which have yet to be produced. They relate to indicators on gender-based violence, informal employment, and slums, amongst others. In other cases, where data are available, it is essential to ensure the quality of the statistics provided against a quality assurance framework.[36] Trade data is particularly problematic, as most official data omit trade through unofficial channels, which can be very large (Mogilevskii and ADBI).

Improving governance to enhance policy planning and implementation. While governance has improved, there are still gaps and inefficiencies that need to be addressed, notably in areas such as promoting human rights-based policy approaches focused on the principles of accountability, non-discrimination, empowerment of women and other vulnerable groups, environmental sustainability and integrity, and respect for the rule of law. This hinges on knowledge and know-how available from top-level policy decision-makers to ground-level public administrators and civil servants. Of course, capacity development is not limited to the public sector and it must be recognized that strengthening the capacities of citizens and the private sector is also vital. For example, to increase the share of renewable energy the private sector may need government support to attract investment and know-how, in order to build and carry-out renewable energy plans. Additionally, capacity-building for an increased engagement of civil society could improve localization and outreach, which in turn would strengthen the national follow-up and review process.

ESCAP ROLE

In the area of statistics, ESCAP provides a forum for member States in the region to address shared challenges in statistics development. In a nutshell, the target of the region is to develop well-resourced and well-functioning statistical systems that produce and disseminate a basic range of official statistics required for policymaking, as well as for SDG monitoring, in line with internationally agreed standards, such as the Fundamental Principles of Official Statistics.[37] ESCAP, beyond providing an intergovernmental forum, contributes to the development and the implementation of regional programmes that focus on domain-specific as well as institutional capacity-building.[38]

The difference between the SDGs and the MDGs is that the former covers statistics development under targets 17.18 and 17.19 as a means of implementation. Hence, beyond building capacity for the given set of SDG indicators, building national statistical capacity is a core part of the 2030 Agenda.[39] Since the adoption of the 2030 Agenda, the ESCAP Committee on Statistics has worked on ensuring that existing initiatives are well aligned with and responsive to the requirements of SDG monitoring. The region's efforts have culminated in a draft collective vision and framework for action by the Asia-Pacific statistical community for advancing official statistics for the 2030 Agenda, which will be tabled for approval at the 5th session of the Committee on Statistics to be held in December 2016.

Besides offering a holistic institutional framework for capacity-building, ESCAP is mandated and well placed to give new momentum to subregional cooperation and integration in NCA in the following:

- **Regional connectivity**[40] to promote the smooth flow of goods, services, and people; build up regional trading and investment corridors; create wide renewable energy networks; and build mutually beneficial, regional economic integration and cooperation with the Russian Federation, China, and Japan.
- **Equity and social justice** by strengthening the social dimension[41] of the 2030 Agenda and ensuring its effective integration into the economic and environmental dimensions.[42]
- **The food, water, and energy nexus** by addressing these interlinkages with the indivisibility of SDGs that provides the subregion with the means to improve outcomes, and by mustering the political will to further enlarge the scope of cooperation and cross-sectoral coordination, especially in the Syr Darya Basin. Furthermore, subregional climate change adaptation and disaster risk reduction (DRR) measures can be particularly cost-effective policies when actions are taken on a cooperative subregional basis.

In conclusion, agreeing on a long-term agenda for regional economic cooperation and integration for SDG implementation at the political, policy, and capacity-building levels forms a major building block of this holistic and integrated subregional policy agenda. In this regard, SPECA offers a coherent and coordinated multi-stakeholder means of implementing SDGs. While governments must undoubtedly take full ownership and lead the process, efforts by national authorities alone will not be sufficient in guaranteeing the achievement of the SDGs. By bringing countries around a common purpose of integration, interconnectivity, and institution-building, SPECA can serve as a mechanism that helps ground the national efforts of its countries in the wider regional strategies of ESCAP and UNECE for the attainment of the SDGs of the 2030 Agenda. Towards this end, in September 2016 UN Secretary-General Ban Ki-moon underlined[43] that "World leaders recognized like never before the role of regional cooperation in implementing and assessing progress towards 2030 Agenda. […] The UN Regional Commissions are central to our work. Every day, they promote regional cooperation and integration and extend their expertise for socio-economic development."

ENDNOTES

1. 2015 data, poverty $1.25 (1993-2012), http://mdgs.un.org/unsd/mdg/Data.aspx (accessed 01 February 2017). Aggregate calculated by UN ESCAP.

2. Ibid. Aggregates calculated by UN ESCAP.

3. See paper prepared under Session IV: "Rebalancing Development for Equality, Inclusion and Social Justice" in the 2016 SPECA Economic Council.

4. See note by the Secretariat "Fostering sustainable development in Asia and the Pacific" presented at the Asia-Pacific Forum on Sustainable Development, in Pattaya, Thailand, May 19-21, 2014. http://www.unescap.org/sites/default/files/FSD_Presentation_ES.pdf (accessed 01 February 2017).

5. For an in-depth discussion, see the paper prepared under Section V: "Considerations in strengthening national statistical capacity and readiness for monitoring the SDGs in SPECA member States" in the 2016 SPECA Economic Council.

6. For an in-depth discussion see the paper prepared under Section I: "North and Central Asia as a Transit Hub: Potential, Challenges and Way Forward" in the 2016 SPECA Economic Council.

7. For an in-depth discussion see the paper prepared under Section IV: "Rebalancing development for Equality, Inclusion and Social Justice" in the 2016 SPECA Economic Council.

8. See note by the Secretariat "Fostering sustainable development in Asia and the Pacific" presented at the Asia-Pacific Forum on Sustainable Development, Pattaya, Thailand, 19-21 May 2014. http://www.unescap.org/sites/default/files/FSD_Presentation_ES.pdf (accessed 01 February 2017).

9. Opening of High-level side event on "Regionalism and the 2030 Agenda for Sustainable Development" organized on the margins of the General Debate of the 71st General Assembly. http://www.unescap.org/news/un-secretary-general-and-member-states-praise-important-role-un-regional-commissions (accessed 01 February 2017).

10. United Nations (2015), The Millennium Development Goals Report. (accessed 01 February 2017) http://www.un.org/millenniumgoals/2015_MDG_Report/pdf/MDG%202015%20rev%20(July%201).pdf

11. ESCAP, ADB, UNDP (2015). Making it happen – Technology, finance and statistics for sustainable development in Asia and the Pacific. http://www.unescap.org/resources/making-it-happen-technology-finance-and-statistics-sustainable-development-asia-and (accessed 28 May 2015).

12. Data presented in this section of the report draws from the United Nations' 2015 Millennium Development Goals Report and the joint ESCAP, UNDP and ADP report titled Making It Happen: Technology, Finance and Statistics for Sustainable Development in Asia and the Pacific.

13. The UN poverty threshold defined as populations living on less than $1.25 a day in 2005 PPP.

14. Recent data are not available for Afghanistan and Uzbekistan; limited data is available for Tajikistan.

15. UNDP (2014), Poverty, Inequality, and Vulnerability in the Transition and Developing Economies of Europe and Central Asia. (Accessed on 31 October 2014). http://www.eurasia.undp.org/content/dam/rbec/docs/Poverty%20Inequality%20and%20Vulnerability.pdf

16. Gassmann, F. (2011), Background Paper on Social Protection in Central Asia. Prepared for UNICEF Regional Office for CEECIS.

17. Baschieri, A., and J. Falkingham (2007), Child Poverty in Tajikistan, DFID/UNICEF, Dushanbe.

18. MDGs Data. (2015). http://mdgs.un.org/unsd/mdg/Data.aspx (accessed 01 December 2016).

19. Ibid.

20. Von Grember, et al. Global Hunger Index (2015). International Food Policy Research Institute. www.ifpri.org/ghi/2015 (accessed 01 February 2017).

21. MDGs 2015 data. Aggregate calculated by ESCAP. http://mdgs.un.org/unsd/mdg/Data.aspx (accessed 01 December 2016).

22. The domestic material consumption measures the overall amount of materials (in tons) used in an economy, including biomass, fossil fuels, metal ores, and non-metallic minerals.

23. United Nations Environmental Programme, Live. http://uneplive.unep.org/ (accessed 01 December 2016)

24. Being a consumption-based indicator, the material footprint of consumption measures the total consumption of resources by a country, including resources that are imported.

25. MDGs 2015 Data. http://mdgs.un.org/unsd/mdg/Data.aspx (accessed 01 December 2016).

26. Ibid.

27. IMF (2014). Making the Most of Public Investment in MENA and CCA Oil-Exporting Countries. https://www.imf.org/external/pubs/ft/sdn/2014/sdn1410.pdf (accessed 03 November 2016).

28. UNCTAD (2015) Review of Maritime Transport, p68

29. World Bank Indicators (2015). http://data.worldbank.org/products/wdi (accessed 01 November 2016).

30. Ibid.

31. OSCE (2015). Labour Migration from Central Asia to Russia: Economic and Social Impact on the Societies of Kyrgyzstan, Tajikistan and Uzbekistan. http://www.osce-academy.net/upload/file/Policy_Brief_21.pdf (accessed 30 September 2016).

32. Cited in Khitarishvili T. (2015), p.27.

33. See ESCAP State of the Environment in Asia and the Pacific 2005 report - Chapter for Central Asia available at: http://www.unescap.org/sites/default/files/Part4_06.pdf (accessed 30 September 2016).

34. The Convention links environmental and human rights, while broadly providing access to environmental information (including public disclosure), public participation, and access to justice.

35. For an in-depth discussion see the paper prepared under Section V: “Considerations in strengthening national statistical capacity and readiness for monitoring the SDGs in SPECA member States”.

36. For an example of a statistical quality assurance framework, see that of the European Statistical System at http://ec.europa.eu/eurostat/documents/64157/4392716/ESS-QAF-V1-2final.pdf/bbf5970c-1adf-46c8-afc3-58ce177a0646

37. For further information on the Fundamental Principles of Official Statistics please see http://unstats.un.org/unsd/dnss/gp/FP-Rev2013-E.pdf

38. ESCAP provides analysis, technical assistance, and training in areas of agricultural, disaster-related, economic, environment and gender statistics. The work of ESCAP also supports institutional capacity building through standards-based modernization activities, e.g. SDMX and the implementation of Fundamental Principles of Official Statistics through support to statistical planning and associated reviews.

39. United Nations General Assembly Resolution 70/1 of 25 September 2015. (Accessed 10 September 2016). http://www.un.org/ga/search/view_doc.asp?symbol=A/RES/70/1&Lang=E

40. For an in-depth discussion see the paper prepared under Section I: “North and Central Asia as a Transit Hub: Potential, Challenges and Way Forward”.

41. For an in-depth discussion see the paper prepared under Section V: “Considerations in strengthening national statistical capacity and readiness for monitoring the SDGs in SPECA member States”.

42. See note by the Secretariat “Fostering sustainable development in Asia and the Pacific” presented at the Asia-Pacific Forum on Sustainable Development, Pattaya, Thailand, 19-21 May 2014. http://www.unescap.org/sites/default/files/FSD_Presentation_ES.pdf (accessed 01 February 2017).

43. Opening of High-level side event on “Regionalism and the 2030 Agenda for Sustainable Development” organized on the margins of the General Debate of the 71st General Assembly.