



PROFILE SESSION 5: SUSTAINABLE, INCLUSIVE, AND RESILIENT ECONOMIES

This profile is an input document for discussions in Session 5 of the Fourth North and Central Asian Multi-Stakeholder Forum on Implementation of the Sustainable Development Goalsⁱ (Subregional SDG Forum) with the theme of “Human Well-being and the SDGs: Recovering after the COVID-19 crisis”. Its main messages will feed into the 2021 sessions of the Asia-Pacific Forum on Sustainable Development (APFSD) and the High-Level Political Forum (HLPF) in 2021. The Subregional SDG Forum is held in Virtual Format from 2-4 September 2020. It is open to public participation and held in English and Russian. For further details please visit: https://www.unescap.org/events/2020NCA_SDG.

I. SDG PROGRESS IN NORTH AND CENTRAL ASIA: AN OVERVIEW In the face of the COVID-19 pandemic, there is a growing need for stronger cooperation and collaboration to strengthen efforts in accelerating the implementation of the Sustainable Development Goals (SDGs). The Seventh Asia-Pacific Forum on Sustainable Development (APFSD), held in May 2020ⁱⁱ, highlighted that progress towards the 2030 Agenda had been lagging behind already before the COVID-19-induced health and socio-economic crises – including in countries of North and Central Asia (NCA)ⁱⁱⁱ and emphasized the urgent need to focus on fast-tracking the SDGs.^{iv} Figure 1 shows that in 2019 progress in the subregion was lagging on eleven of the SDGs, including regression on Goal 11, and poorest performance on Goals 5, 13 and 15. Moreover, there is significant variance on progress within NCA and progress has been volatile.

The six SDGs of particular focus in Session 5 are highlighted in red boxes, namely SDG 1 (no poverty), SDG 8 (decent work and economic growth), SDG 10 (reduced inequalities), SDG 12 (responsible consumption and production) and SDG 13 (climate action), as well as SDG 5 (gender equality) as a cross-cutting and mainstreamed goal. Among them, aside from Goal 10, progress was also not fast enough. However, it needs to be noted that accurate measurement of real progress is hampered by a lack of data. As can be seen in Figure 1, evidence is particularly weak for SDGs 5, 10, 12 and 13.

The ongoing COVID-19 pandemic has precipitated a deep recession in the global economy, including in the countries of North and Central Asia. Recovery from this crisis is expected to be uneven and depends as much on pre-existing structural conditions and trends as on the policy directions countries now choose. Border closures, the shuttering of many businesses, and a need for dramatically increased public-health spending mean that NCA countries risk losing hard-won development gains.

II. COUNTRY-LEVEL ANALYSIS

Even prior to the outbreak of COVID-19, NCA faced challenges in economic sustainability and overall long-term health. The pandemic itself has placed additional pressures on social benefits, access to employment, household income, and national balance sheets alike.

As can be seen in Figure 2 below, ESCAP’s forecasts (as of 31 July) expect that GDP in the NCA subregion would contract by 7.3 per cent. However, if the Russian Federation is excluded, then the headline GDP could contract by 1.2 per cent.

ESCAP estimates that among the subregions of Asia and the Pacific, NCA will be most impacted by the reverberations of the COVID-19 pandemic (though the picture is more moderate without the Russian Federation) – due to the double whammy from both a slowdown in economic activities and the oil price crash. Since the pandemic is not fully under control, economies are not expected to fully reopen soon, which will weigh on both consumption and investment. Moreover, the situation in the Russian Federation will have significant spill-over effects for the subregion due to reduced remittances flowing to other NCA countries.

Figure 1: Snapshot of SDG progress in 2019 in North and Central Asia

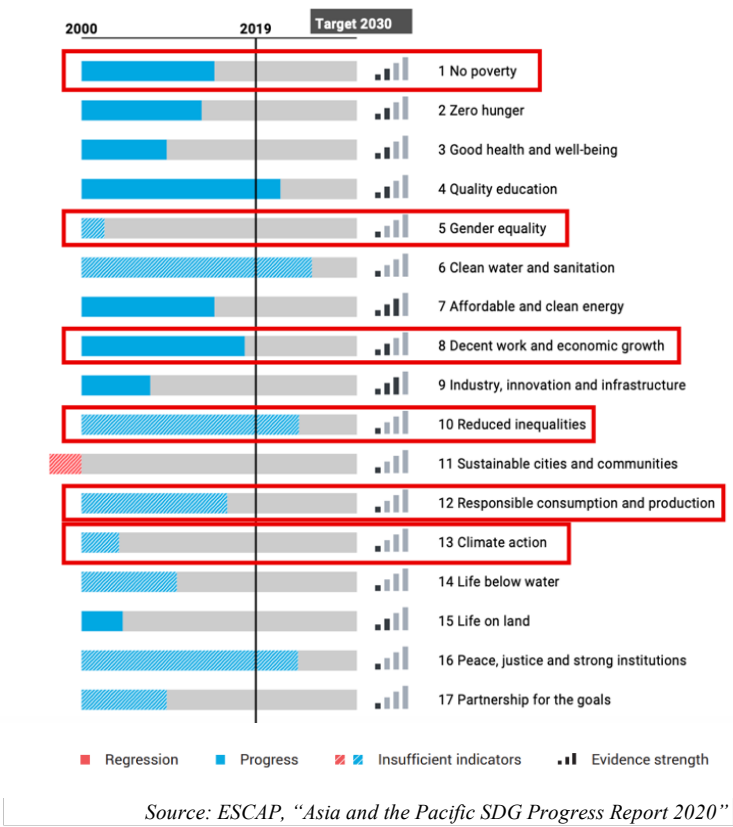
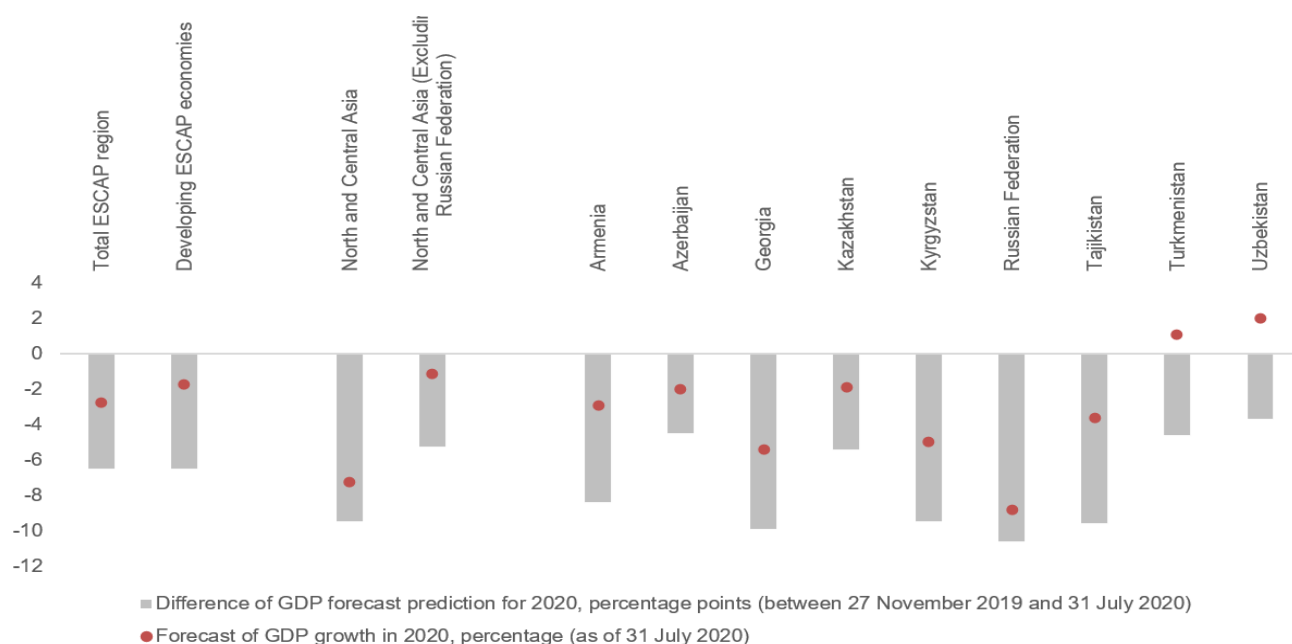


Figure 2: Forecast of downgrade in GDP growth (%) for selected ESCAP country groups and NCA countries in 2020



Source: ESCAP (2020)

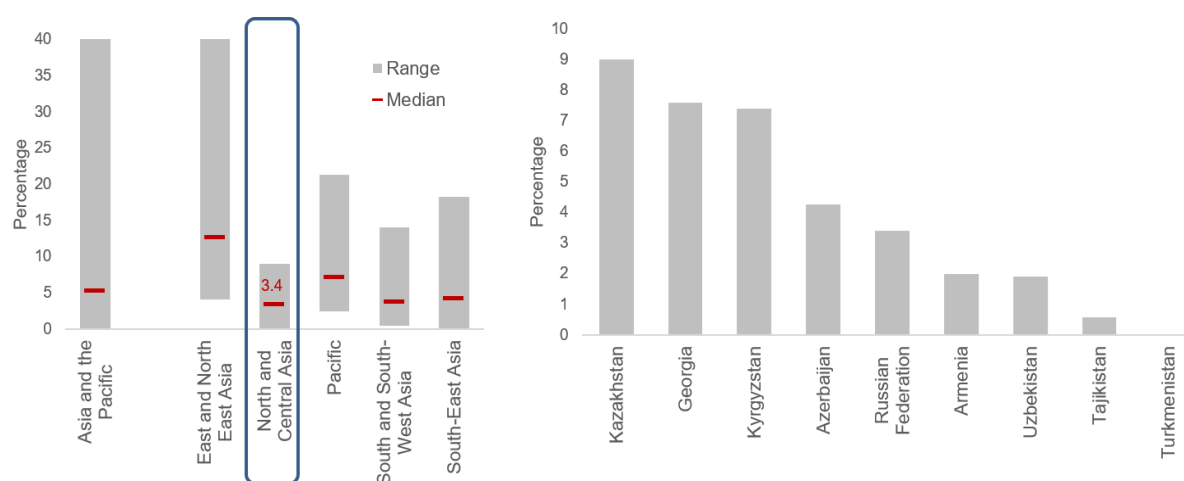
Combined with rising unemployment and the need for government support of MSMEs and vulnerable individuals, NCA governments are facing revenue losses and a contraction of fiscal space.

GDP and government balance sheets

Projected government revenues for 2020 hover at around 25% of GDP for much of NCA, with Kazakhstan even lower, at 18%, while Azerbaijan and Russia have 31% and 32% respectively. In many cases, government revenues have fallen by between 5% and 10% of GDP compared to 2019 levels^v at a time when COVID response and recovery packages have raised expenditures significantly. Such packages total over 7% of GDP in Georgia and the Kyrgyz Republic, and up to 9% in Kazakhstan^{vi}. Furthermore, tax holidays for individuals, subsidies to MSMEs, and sectoral bailouts for specific industries, such as hospitality and tourism-dependent businesses, will further decrease government revenues for as long as the pandemic continues. A Job-rich recovery will lay the foundation for inclusive and sustainable fiscal policies, along with strong labour market institutions.

Countries are taking a wide range of measures activating fiscal policies, particularly employment retention and social protection measures, including targeted cash transfers and automatic stabilizers, such as unemployment benefits, along with public investment and tax relief for low-income earners and MSMEs. As can be seen in Figure 3, on average, in North and Central Asia, these measures add up to over 3% of GDP, though variations between countries are big with Kazakhstan spending the highest share of its GDP on support measures.

Figure 3: COVID-19 fiscal response (% of GDP) for selected ESCAP country groups and NCA countries in 2020



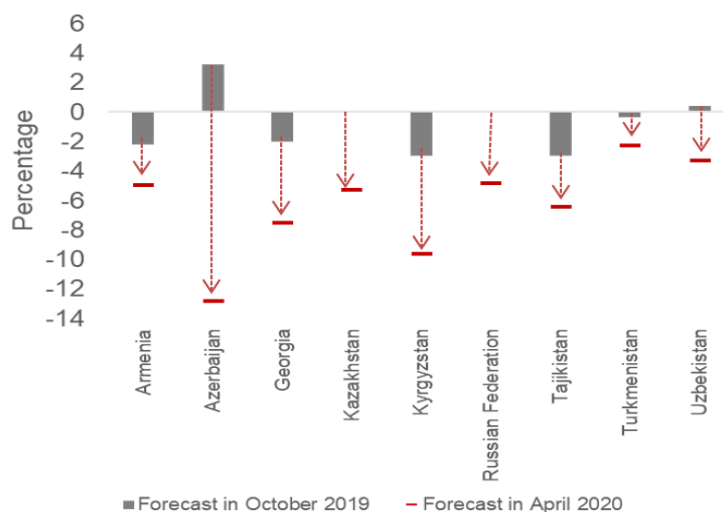
Source: ESCAP, based on information up to 15 July 2020 from: IMF Policy Responses to COVID-19, ILO COVID-19 Country Policy Responses, OECD Country Policy Tracker, various national sources and news

Note: Left panel - If a country announced a fiscal stimulus package but did not reveal its size, then it is not included in calculating the range and the median

As can be seen in Figure 4 below, these additional government expenditures negatively and significantly affect the fiscal balance of all countries in North and Central Asia – and while support during the emergency and recovery phases are highly necessary, countries and development partners need to develop mid-term strategies for fiscal sustainability that minimizes detrimental effects on vulnerable sectors and populations groups.

Even before the COVID-19 pandemic, some countries in North and Central Asia had high levels of government debt and thus, while ensuring immediate support to vulnerable population groups and business is critical, the issues of debt sustainability and transparency should not be overlooked. As of 2018, Armenia had debt equivalent to 51% of GDP, Georgia 42% of GDP, and Kyrgyzstan 56% of GDP, with other NCA countries ranging from 15-30%^{vii}. Foreign debt obligations are compounded by the disruption of much of foreign direct investment (FDI) in the region, with Belt and Road Initiative (BRI) oriented

Figure 4: Difference of fiscal balance in NCA countries (as a share of GDP) in 2020 between October 2019 and April 2020 projections



Source: IMF, World Economic Outlook Database

projects stalling with the absence of Chinese partners. At the same time, volatility in both domestic economies and international markets has increased inflationary pressures throughout NCA.

Another risk to governments' ability to finance recovery lies in overdependence on natural resource and commodity exports, many of which are managed by state-owned enterprises and constitute a significant portion of GDP. 22% of the GDP of Azerbaijan came from natural resource rents in 2017, 16% of GDP in Kazakhstan, 9% in the Kyrgyz Republic, 11% in the Russian Federation, 17% in Turkmenistan, and 15% in Uzbekistan^{viii}. Fluctuating commodity prices as well as decreased demand from key partners – for example, ninety per cent of Turkmenistan's exports in 2019 were sales of natural gas to China^{ix} – has led to uncertainty in natural resource revenues.

Year-on-year inflation for 2020 to date has remained below 5% in the Caucasus, while in Central Asia it has for example reached nearly 11% in Kyrgyzstan and 13% in Uzbekistan^x.

Employment and household incomes

While official unemployment statistics have been stable and fairly low across the subregion during the last decade (see Table 3 for pre-COVID-19 unemployment rates), the significant size of the informal economy in most NCA countries^{xi} makes it difficult to present a comprehensive picture on job security and incomes. Central Asian countries, for example, do not show a strong correlation between official unemployment rates and growth in incomes amongst the most vulnerable and those living at or below the national poverty line.

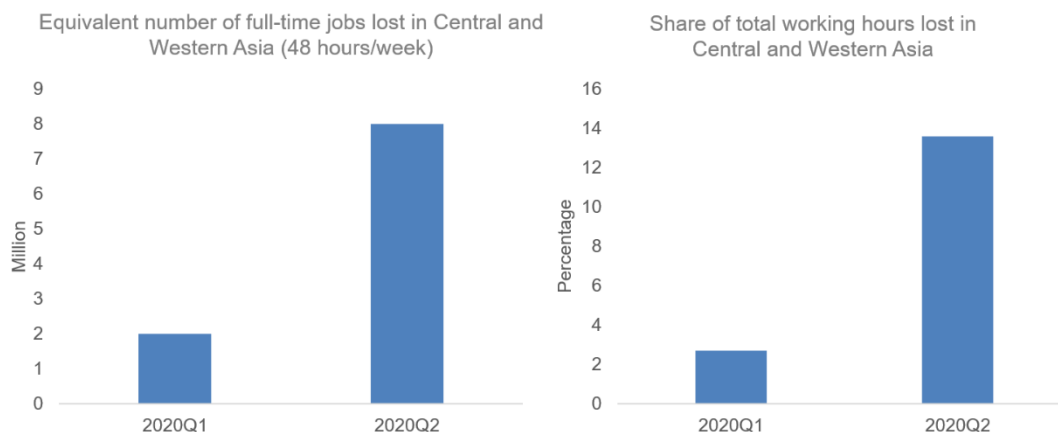
Table 3: Unemployment in NCA countries

Country	AR	AZ	GE	KZ	KG	RU	TJ	TK	UZ
Unemployment rate (national, 2019)	19.0% (2018)	4.9%	12.7% (2018)	4.8%	4.5% (2018)	4.6%	6.9% (2016)	–	9.3%
Unemployment rate (ILO, 2019)	17.0%	5.5%	14.4%	4.6%	6.3%	4.6%	11.0%	3.9%	5.9%

Source: World Bank and International Labour Organisation ILOSTAT database, 2020

Based on existing data and extrapolations, Figure 5 presents an ILO estimate of jobs and working hours lost in the first two quarters of 2020, most of which could be assumed to happen directly or indirectly because of the COVID-19 pandemic and measures to curtail its spread. The impacts of the COVID-19 pandemic on those in informal and precarious working situations however is difficult to estimate.

Figure 5: Jobs and working hours lost in Central and Western Asia in 2020



Source: ILO (2020) *ILO Monitor: COVID-19 and the World of Work*. Fifth edition.

Note: According to ILO's definition, Central and Western Asia includes: Armenia, Azerbaijan, Cyprus, Georgia, Israel, Kazakhstan, Kyrgyzstan, Tajikistan, Turkey, Turkmenistan, and Uzbekistan.

The informal sector in many NCA countries is estimated to employ more than a quarter of their working population – 40% in Armenia (2018), 25% in Kazakhstan (2017), 68% in the Kyrgyz Republic (2018), 19% in the Russian Federation, and 59% in Tajikistan (2016)^{xii}. Self-employed persons and MSMEs are most likely to operate in the informal sector, often in industries which have been hit hardest by the COVID-19 lockdown (retail, hospitality, tourism, and other service industries). These industries (with formal and informal employment) additionally tend to be low-pay, low-skill sectors, characterized by decent work deficits (labour rights, job security and safety), with a majority-female labour force. According to the ILO, women's participation in the informal sector is higher than men's in NCA only when agriculture is included, which has been less curtailed by COVID-19 than other sectors^{xiii}. However, informal employment statistics do not account for the duties of caring for children and relatives^{xiv}. In times of COVID-19, such duties are on the rise given new health and hygiene requirements, such as handwashing and taking care of sick family members.^{xv}

A recent UN Women rapid gender assessment in countries of Europe and Central Asia^{xvi} has revealed that salaries of women who were part of the assessment have decreased by 50 per cent in Kazakhstan for example. Further, among all groups of employed women, self-employed women suffered the worst economic consequences - 25% lost their jobs (compared to 21% of self-employed men) and another 49% saw reduced working hours. Over 15% of women respondents said they lost their jobs and 41% faced reduced paid working hours. As women's economic security is shaken, their share of unpaid care and domestic work has increased. On average, 70% of women spent more time on at least one unpaid domestic work activity, such as cleaning, cooking, laundry, which is significantly higher than for men (59%). As a result of lockdown measures, women and men faced childcare and schooling obligations. The burden of unpaid child or elderly care work was higher for women than men. The proportion of women who reported that it will be difficult to maintain basic expenses, such as food supplies or paying for rent and utilities, was an alarming 60%. In addition, the enforced confinement of families has had severe

implications for women's safety at home, with recent months seeing a surge in domestic violence across countries. In Kazakhstan for instance, calls to support hotlines have tripled, and in Kyrgyzstan, cases of domestic violence have increased by 67%.^{xvii} Violence can have serious short-and long-term effects on mental and physical health thereby bearing the risk to also adversely affect employment and income generation.

Even under regular economic conditions, many informal workers and businesses are left struggling. During the COVID-19 pandemic, many now have little recourse to government support, stimulus measures, and social protection. On the other hand, losses in potential tax revenue due to the prevalence of informal economic activity mean that governments have more limited fiscal space to respond to COVID-19 related hardships in the first place.

Numbers of extremely poor, defined by the World Bank as earning less than USD 1.90 per day, have also declined steadily in NCA over the last decades and, as can be seen in Table 4, were small before the onset of the COVID-19 crisis. Among NCA countries, Uzbekistan (11.4%^{xviii}) had the highest numbers of individuals living in extreme poverty as of 2017, with Tajikistan and Georgia each at about 5%^{xix}.

Table 4: Poverty levels in NCA countries

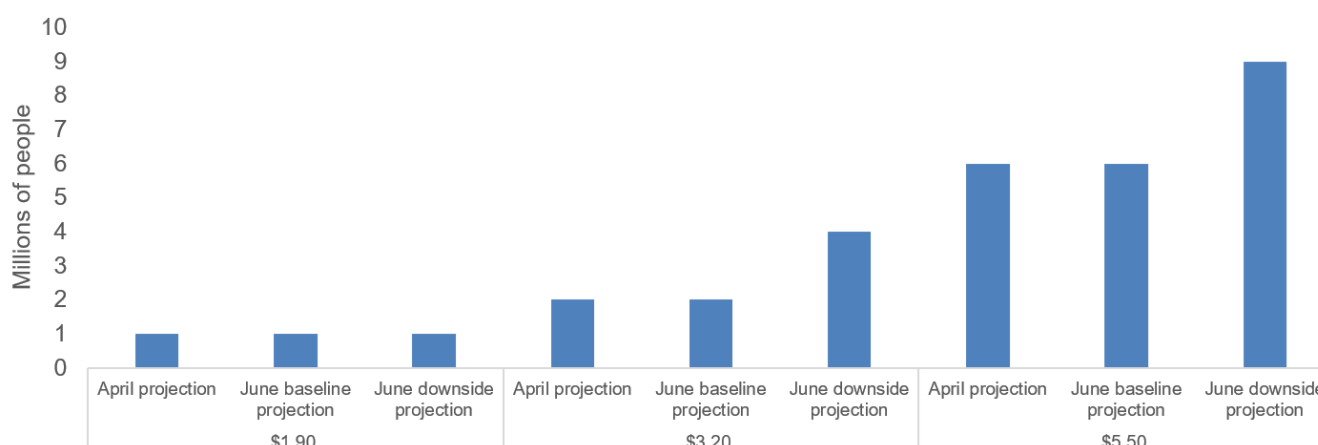
Country	AR	AZ	GE	KZ	KG	RU	TJ	TK	UZ
Extreme poverty (\$1.90)	2.1%	–	4.5%	–	0.9%	–	4.8%	–	11.4%
Vulnerability to extreme poverty (\$3.20)	3%	–	5%	0%	3%	–	5%	–	–
Below national poverty line	25.7%	–	21.9%	2.5%	25.6%	13.2%	–	–	–

Source: ESCAP SDG Gateway. “SDG Indicator: 1.1.1 - International poverty”; “SDG Indicator: 1.2.1 – National poverty”

However, as Figure 6 below shows, for a World Bank projection up to June 2020, the pandemic has pushed more people into a situation of vulnerability, defined as living on less than USD 3.20 per day and a larger group under the Upper Middle Income Class poverty line, defined as living on less than USD 5.50 per day.

Since many working-age people across NCA countries are self-employed, work informally, or are labour migrants (both formal and informal), they were poorly covered by often-rudimentary social protection schemes, and are particularly vulnerable to falling into poverty. Short-term coping mechanisms such as depleting extant savings and taking on debt have negative longer-term effects on multi-dimensional poverty, such as access to income and assets, including remittances, loans, and basic services including health and education.

Figure 6: Number of people pushed into poverty due to COVID-19 in Europe and Central Asia



Source: World Bank, available at <https://blogs.worldbank.org/opendata/updated-estimates-impact-covid-19-global-poverty>.

Note: According to World Bank's definition, Europe and Central Asia includes: Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Georgia, Hungary, Kazakhstan, Kosovo, Kyrgyz Republic, Moldova, Montenegro, North Macedonia, Poland, Romania, Russian Federation, Serbia, Tajikistan, Turkey, Turkmenistan, Ukraine, and Uzbekistan.

The baseline scenario envisions that the global economy will fall into a deep global recession. The global output drop would be roughly three times the rate of decline experienced during the 2009 global recession. Outbreaks in advanced economies continue to slow, allowing most countries to continue to lift lockdown measures through 2020 Q2; however, some control measures remain in place during the third quarter to prevent flare-ups. Outbreaks in emerging markets and developing economies and the stringency of related lockdown measures reach their peaks somewhat later. During the lockdown period, all economies experience a precipitous collapse in a substantial share of domestic private consumption that requires social interactions, as well as of business investment and employment. In *the downside scenario*, global output would shrink by almost 8 percent in 2020, as an additional three months of stringent lockdown measures are assumed to be required before the pandemic can be brought under control, increasing the severity of the impact on global growth.

Migration and remittances

Table 5 shows that most of countries of North and Central Asia have are countries of origin for a significant share of international migration. Many families in the subregion rely on remittances from international labour migration (to the Russian Federation, and to a lesser degree Kazakhstan and Turkey), for a significant portion of their income. Also, as Table 6 shows, remittances represent a significant share of countries' GDP – especially in Tajikistan, Kyrgyzstan, Georgia, Uzbekistan and Armenia. While data on this is patchy and the situation is evolving, table 6 already shows a clear trend of significant remittances reductions. Many jobs held by labour migrants tend to operate in the informal economy and, even if their migration is formal, they are often not protected by employment contracts^{xx}. The pandemic let to many men and women being put out of work and stranded as borders have shut. This meant that migrants (and likely women disproportionately so) found themselves in precarious situations, while already-vulnerable population groups at home have faced a sharp reduction in income.

Table 5: International migration in NCA countries, 2019

Country	AR	AZ	GE	KZ	KG	RU	TJ	TK	UZ
2019 pop	2,958,000	10,048,000	3,997,000	18,551,000	6,416,000	145,872,000	9,321,000	5,942,000	32,982,000
2019 #mig	964,848	1,155,852	852,816	4,005,587	754,969	10,491,715	597,959	260,832	1,979,523
% of pop	32.61%	11.50%	21.33%	21.59%	11.77%	7.19%	6.42%	4.39%	6.00%

Source: United Nations, Department of Economic and Social Affairs, Population Division (2019). *World Population Prospects 2019 and International Migrant Stock 2019*; World Bank Group. “Personal remittances, received, (% of GDP)” (2019).

Table 6: Remittances in NCA countries and projected decline for 2019-2020

Country	AR	AZ	GE	KZ	KG	RU	TJ	TK	UZ
Remittances as %GDP, 2019	11.2%	2.7%	12.7%	0.3%	28.5%	0.6%	28.6%	0.0% (2018)	14.8%
Remittances, millions USD, 2019^{xxi}	1,528.0	1275.2	2258.2	506.1	2410.5	10432.5	2321.8	–	8545.8
Remittances, millions USD, Q1 2019	257.5	244.5	508.7	125.0	541.1	2489.5	405.2	–	1639.4
Remittances, millions USD, Q1 2020	242.8	225.1	540.9	99.3	–	2471.5	385.8	–	1684.6
%Δ Q1 remittances, year-on-year	-5.71%	-7.93%	+6.33%	-20.56%	–	-0.72%	-4.79%	–	+2.76%

Source: World Bank Group. “Personal remittances, received, (% of GDP)” (2019); International Monetary Fund, “Balance of Payments and International Investment Position Statistics” (2020).

Most remittances fuel consumption, thus for many, covering basic needs has become a challenge. Access to food became an issue as domestic distribution networks and international supply chains broke down in the spring of 2020, and despite overall inflation remaining fairly manageable, the price of food, medicines, and other typically imported goods increased much more sharply, sometimes by as much as 20-25% on staple goods such as wheat^{xxii}. Shortages were common in March and April as borders were shut in the region or certain exports temporarily curtailed.

Other families cope with poverty through internal labour migration. Areas from which migrants originate domestically tend to be rural and/or more economically depressed, with few alternative income opportunities. Internal migration is either rural-rural, based on agricultural planting or harvesting in different areas of the country, or rural-urban, with migrants moving to more populated or prosperous regions of the country.

Trade and supply chain interruptions

In early March of 2020, Kazakhstan banned the export of wheat out of fear of grain shortage domestically, incensing Uzbekistan and Kyrgyzstan, both of whom rely heavily on imports of food from their regional neighbour. However, by the end of the month, this ban had been adjusted to export quotas, largely in response to rising tensions^{xxiii}. Nonetheless, the Kyrgyz parliament decried this as going against

their joint membership in the Eurasian Economic Union (EAEU), and demanded the quota be removed^{xxiv}. Such disputes, while unlikely to continue as the scope of the COVID-19 pandemic and associated crisis is better understood within the subregion, demonstrate a need for better cooperation and regional partnerships.

Further regional economic integration is critical for reducing inequality, effectively moving towards a greener economy in the region, and protecting water resources in particular.

III. CHALLENGES

Goal 1: No poverty

Poverty remains a persistent issue in many NCA countries and should be a primary driver for response and recovery efforts from COVID-19 in the region. Working to legalise the role of migrants, thus granting them legal protections and access to economic support structures and government social-welfare programmes, will aid in protecting those engaged in migrant labour, particularly women, from abuse and exploitation. Furthermore, as border controls are likely to remain a factor in the pandemic economy until a vaccine is both proven effective and freely available, restructuring domestic economies to accommodate migrants who had to stay/ return home is another challenge NCA countries must contend with.

Trade measures to ensure access to food across the subregion, as well as implementation of price ceilings on many staple goods, are important measures for avoiding the dual threat of falling household incomes and rising costs of living. The continuation of relief measures, such as direct subsidies to citizens and more generous unemployment filing procedures, will offer options to vulnerable women and men.

SDG 5: Gender Equality (cross-cutting and mainstreamed throughout)

Gender inequality has been a significant barrier for economic development in the NCA region. Gender parity in labour force participation and the average number of years of education for women in the region are low and progress on all SDG indicators related to gender equality is limited^{xxv}. Moreover, some evidence points to an increase in violence against women during the lockdowns. At the same time, as mentioned above, women's burden of providing unpaid care work and other essential services inside the household further increased during the pandemic - also disproportionately exposing them to loss of jobs and livelihoods.

Goal 8: Decent work and economic growth

NCA countries' relationship with their informal economies remains the most critical challenge in ensuring the presence of- and access to- decent employment. Given the dominance of a few large businesses, often SOEs, in NCA official or formal economies, efforts to promote MSMEs that operate in the informal sector and bring them into a well-regulated business environment represents an enormous engine for growth in the wake of the pandemic. Necessary steps include first supporting businesses to ensure that they can survive COVID-19-related restrictions and the resultant recession, and then

continuing to improve the ease of doing business, particularly with regards to registering MSMEs formally. This provides social protections to employees, often women, increases taxable income and thus government revenue, and provides an avenue to decrease the incidence of corruption. Furthermore, reconstruction programs should focus on supporting in particular economic sectors and sources of livelihoods and employment that have suffered disproportionately from the socio-economic fall-outs of the COVID-19 pandemic– for example the hospitality sector, tourism-dependent businesses, and others that employed a great number of migrants and women.

As growth is likely to be negative for 2020 across almost all NCA economies, governments must focus not only on returning to pre-pandemic growth, but also enhancing the sustainability of their economies in line with the 2030 Agenda. As NCA countries have long suffered from undiversified economies, often relying heavily on primary commodity exports for both government revenue and attracting foreign direct investment, negotiating agreements with export partners to retain these revenue streams must be paired with an acknowledgement that future shocks are as likely as COVID-19 to be particularly damaging to NCA precisely because of this dependence. Moreover, NCA economies both majorly contribute to and are vulnerable to the negative impacts of climate change. NCA economies must be diversified and local and regional supply and value chains must be strengthened, as the pandemic has exposed weaknesses in cross-border business relationships and increased tensions between regional neighbors over access to food, water, and electricity during the pandemic. Modernization of infrastructure, labor markets, and the creation of a circular economy are important steps towards guaranteeing vibrant economic progress and safe and accessible employment in NCA.

Goal 10: Reduced inequalities

The COVID-19 crisis has acutely magnified existing inequalities and structural gaps in NCA countries. However, rising inequality is not inevitable; national institutions, politics and policy can play key roles in both addressing existing inequalities and in reaching a more equitable response to the immediate and long-term impacts of the COVID-19 pandemic^{xxvi}. Of particular note for NCA are gender gaps in the workplace, education, and in access to services, with women being at a disadvantage relative to men. Additional care work for the ill, elderly and children out of school and kindergartens has also mostly fallen on the shoulders of women. Domestic violence remains of concern as a major violation of human rights, a source of inequality and a limiting factor in women's full and equal participation in the economy. Expansion of social support networks during the pandemic provides an opportunity to support women, children, and migrants, as well as ethnic minorities and other groups that are particularly vulnerable.

The pandemic has also accelerated the digital transformation in many countries, as educators and governments increasingly use digital tools to interact with citizens and stakeholders. While this offers significant opportunities to increase access to education, healthcare, and social services and improve on ease of doing business, care must be taken to ensure that already-disadvantaged populations, including women, and particularly populations residing in rural areas, are not left behind. Particularly for younger children in critical developmental periods, lack of access to primary schooling on account of the pandemic

represents a significant threat to future literacy and productivity, and should be taken seriously by governments as they examine what education will look like both in the fall of 2020 and moving forwards.

Goal 12: Responsible consumption and production and Goal 13: Climate Action

One of the unique opportunities afforded by the pandemic is that of embarking on a “green recovery”: using the economic disruption brought on by COVID-19 to rebuild and restructure both national development strategies and regulations, as well as businesses, along ecologically responsible and inclusive lines. The last decade since the 2008 financial crisis has brought with it a better understanding of how to sustainably structure an economy, while also reinforcing the absolute necessity of doing so with utmost urgency. Now, the COVID-19 crisis is giving governments and populations a taste of the devastating impacts a crisis linked to negative climate impacts could have in the not too distant future. While NCA economies currently remain heavily dependent on extractive industries, particularly oil and natural gas, COVID-19 recovery stimulus packages and sustainable public procurement can be used to support investment in greener infrastructure and resource efficient economic growth. Use of financial incentives, such as green bonds or carbon taxes, and investment in sustainable energy production can drive recovery.

Agriculture is one area where significant progress remains to be made. Overexploitation of hydrological resources was a primary factor in the aridification of the Aral Sea and resultant ecological crisis in the region. Educating both male and female farmers and promoting crops that do not overconsume water or chemical fertilizers are important steps towards responsible food production in the region. Because regional water resources are shared, this is an area in which extensive cooperation is necessary to make substantial progress, and considering past disagreements over land and water rights, as well as additional pressures on water due to climate change, improvement is critical.

COVID-19 has been a powerful factor influencing profoundly economic, social and environmental activities and creating the need for an integrated response to all challenges. That is a momentum to seize – to practically implement systems thinking in policy making as to date in the NCA subregion, NDCs and SDGs are still insufficiently interlinked with national strategies, plans and budgets. The NCA subregion is facing challenges related to compliance with the reporting requirements of the Paris Agreement and the review and raising the ambition of current nationally determined contributions (NDCs).

IV: POLICY RECOMMENDATIONS TO BE DISCUSSED DURING THE SUBREGIONAL SDG FORUM

The following is a non-exhaustive summary of measures that can be taken by NCA countries to address developmental issues pertinent to the Goals associated with this Session:

- Governments should continue existent support schemes for businesses and individuals, particularly MSMEs, and expand upon them to reduce inequality and jumpstart growth and recovery. They should stimulate the economy and labour demand.

- Inter-regional and regional cooperation between NCA states, both those in the EAEU and those not, should be strengthened to help with food security, regional migration, and digitalisation of the economy.
- Governments should build confidence through trust and dialogue using mechanisms of social dialogue to create a strong basis for building the commitment of employers and workers in times of response and recovery from COVID-19 and “building back better” in a sustainable, inclusive and resilient manner for the mid to long-term future.
- Measures supporting enterprises, jobs and incomes, including those for facilitating the transition from the informal to the formal economy and to extend social protection measures should be prioritised for moving from crisis response to job-rich economic recovery.
- The shift to online or distance learning during the pandemic should be seen primarily as an emergency response. However, the crisis provides an opportunity for the development of more flexible learning solutions in technical and vocational education and training (TVET). Three policy issues must be addressed to create long-term positive impacts by using distance learning and digital solutions: to mobilise human and financial resources to ensure universal access to digital infrastructure, tools and learning technologies. College managers, teachers, trainers and learners themselves need training and support to engage in distance and online learning. Finally, education and training providers have to revise teaching and learning models to make the best use of digital resources and tools.
- Better collection and disaggregation of statistics, especially with regards to labour markets, migration, the employment status of women, and the multidimensional economic drivers behind the informal economy, are desperately needed to provide a clearer picture of the economic situation in NCA.

In all these endeavours it is important to keep in mind the distinct vulnerabilities and needs experienced by different segments of society (e.g., women and men), and to tailor policies and interventions to leave no one behind, and to maximize development results within planetary boundaries.

ENDNOTES

ⁱ Adopted by all member States at the United Nations Summit on Sustainable Development, in 2015:

https://www.un.org/en/development/desa/population/migration/generalassembly/docs/globalcompact/A_RES_70_1_E.pdf

ⁱⁱ For details see: <https://www.unescap.org/apfsd/7/>

ⁱⁱⁱ Per ESCAP, the subregion consists of Armenia, Azerbaijan, Georgia, Kazakhstan, the Kyrgyz Republic, the Russian Federation, Tajikistan, Turkmenistan, and Uzbekistan.

^{iv} UN ESCAP, “Fast-Tracking the SDGs: Driving Asia-Pacific Transformations,” p4.

^v IMF Fiscal Monitor DataMapper, “Revenue, % of GDP”, April 2020, accessed 5 August 2020.

https://www.imf.org/external/datamapper/GGR_G01_GDP_PT@FM/ADVEC/FM_EMG/FM_LIDC

^{vi} Includes both current and announced packages as of 15 July 2020. Source: UNESCAP: *Policy Responses to COVID-19 in Asia and the Pacific*. <https://www.unescap.org/covid19/policy-responses>

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- vii IMF World Economic Outlook DataMapper, “Central government debt, percent of GDP”, 2018, accessed 5 August 2020. https://www.imf.org/external/datamapper/CG_DEBT_GDP@GDD/CHN/FRA/DEU/ITA/JPN/GBR/USA?year=2018; World Bank Group, “Central government debt, total (% of GDP)”, <https://data.worldbank.org/indicator/GC.DOD.TOTL.GD.ZS>
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