Financing the 2030 Agenda: Where do we stand?

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Key messages

• SDGs investment needs are within reach for many countries, but stronger development partnership is needed for LDCs
  • In South-East Asia, ‘CLMV’ countries face greater challenges

• Beyond more revenues and spending, countries need to mainstream SDG considerations into economic policymaking
  • ... and ensure that efforts translate to improved outcomes

• Countries could benefit from enhanced peer learning and regional cooperation
  • ESCAP’s Committee on Macroeconomic Policy, Poverty Reduction and Financing for Development (6-8 Nov. 2019) will address regional tax cooperation and infrastructure financing
SG's Roadmap for Financing the 2030 Agenda calls for ambitious actions to:

1. Align global economic policies and financial systems with 2030 Agenda
2. Enhance sustainable financing strategies and investments at regional and country levels
3. Seize potential of financial innovations, technologies and digitalization for equitable access to finance
ESCAP Survey 2019 calls for countries to invest in people and the planet

Annual average investment gap across SDG areas
(Developing Asia-Pacific region, 2016-2030)

Source: ESCAP, Economic and Social Survey of Asia and the Pacific 2019: Ambitions beyond growth
Investment needs are higher in CLMV

Annual average investment gap across SDG areas (South-East Asia, 2016-2030)

Source: ESCAP, Economic and Social Survey of Asia and the Pacific 2019: Ambitions beyond growth
Some SDGs offer greater potential for private financing

Source: UNCTAD, World Investment Report 2014
The levels of financial flows in CMLV are modest relative to their investment needs.
Limited potential to mobilize private finance for development in CLMV

- Market capitalization of listed domestic companies:
  - ASEAN-5: 105.0
  - CLMV: 54.2

- Gross domestic savings:
  - ASEAN-5: 33.7
  - CLMV: 25.3

- Assets of banks:
  - ASEAN-5: 1,853
  - CLMV: 261

- Assets of other financial institutions and funds:
  - ASEAN-5: 988
  - CLMV: 0
Financing the 2030 Agenda requires public spending and revenue reforms

... and ensuring that increased spending translates into improved outcomes

<table>
<thead>
<tr>
<th>Public education spending per capita (PPP)</th>
<th>Primary education enrollment, net %</th>
<th>Secondary education enrollment, gross %</th>
<th>Quality of education system, 1-7 (best)</th>
<th>Quality of primary education, 1-7 (best)</th>
<th>Quality of math and science education, 1-7 (best)</th>
<th>Input efficiency</th>
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<td>Bangladesh</td>
<td>57.4</td>
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<td>56.2</td>
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</tbody>
</table>

Source: ESCAP, Economic and Social Survey of Asia and the Pacific 2019: Ambitions beyond growth
Addressing market failures is critical for meeting environment and climate goals

**proportion of emissions priced today**

- **Republic of Korea**: 100%
- **Japan**: 90%
- **New Zealand**: 80%
- **India**: 70%
- **Turkey**: 60%
- **Russian Federation**: 50%
- **Australia**: 40%
- **China**: 30%
- **Indonesia**: 20%

**potential CO2 reduction from carbon tax in 2030**

- **Viet Nam**: 30%
- **Philippines**: 25%
- **Cambodia**: 20%
- **Indonesia**: 15%
- **Malaysia**: 10%
- **Myanmar**: 5%
- **Thailand**: 0%
- **Brunei Darussalam**: 0%
- **Singapore**: 0%

**Source**: ESCAP based on OECD, *Effective carbon rates 2018* and IMF, *Fiscal policies for Paris climate strategies*, 2019; and to be examined further in forthcoming ESCAP, *Economic and Social Survey of Asia and the Pacific 2020: Living within our planetary limits*
Regional cooperation in support of financing the 2030 Agenda

ESCAP initiatives include:
• Tax cooperation platform
• Infrastructure financing and PPP network
• Paperless trade and sustainable FDI
• Green bond issuance

Other regional initiatives include:
• Asian Bond Markets Initiative
Stay tuned to our upcoming events!

• Conference “living within our planetary limits” for the 2020 Economic and Social Survey, 17-18 Oct. Bangkok
  www.unescap.org/events/living-within-our-planetary-limits

• Workshop “mainstreaming the SDGs into national planning, budgetary, financing and investment processes” 5-7 Nov. Bangkok

• Committee on Macroeconomic Policy, Poverty Reduction and Financing for Development, 6-8 Nov. Bangkok

• Conference “financing for inclusive and sustainable development” 10-12 Dec. Dhaka
...and please visit www.unescap.org/research