

ESCAP's input to the thematic review of the High-Level Political Forum 2022

A. Impact of the COVID-19 pandemic on the implementation of the SDGs under review in the 2022 HLPF

1. The Asia-Pacific region needs to accelerate progress to achieve any of the seventeen Sustainable Development Goals. The region is not on track to achieve any of the 17 SDGs. Six years after its adoption, the 2030 Agenda for Sustainable Development slips further and further out of the region's reach, as the COVID-19 pandemic has slowed progress towards the SDGs and climate change has exacerbated development challenges. The current pace of progress indicates that the horizon for achieving the goals has slipped further away, to 2065, compared to a horizon of 2052 that was estimated in 2017.¹
2. Lack of data remains a challenge to measure progress of the implementation of the 2030 Agenda and impacts of the COVID-19 pandemic on sustainable development. Data availability has improved significantly since 2017 when, for the first time in 2021, more than half of the 231 Sustainable Development Goals indicators have sufficient data to measure progress. Yet 34% of the Sustainable Development Goal targets still cannot be measured. Large data gaps include those related to gender equality (Goal 5), life below water (Goal 14) and peace, justice and strong institutions (Goal 16).² The impact of the COVID-19 pandemic on development in the region has been significant, even though one of the challenges of identifying the impact is the lack of data for many of SDG indicators, particularly for the environment-related Goals. Thus, while data availability marks that for the first time more than half of the 231 Sustainable Development Goal indicators have sufficient data in Asia and the Pacific, large data gaps exist, hindering evidence-based monitoring and planning.
3. Nevertheless, two years into the COVID-19 pandemic, it is clear that the lives of people continue to be disrupted as the pandemic has hindered sustainable development efforts

¹ ESCAP/RFSD/2022/3. Asia and the Pacific SDG Progress Report 2022: Widening Disparities Amidst COVID-19

² *ibid*

globally and in Asia and the Pacific. The pandemic has disrupted economic growth and exacerbated inequalities and threatens to reverse the development gains of recent years as the pandemic has resulted in a global decline in human development and a rise in extreme poverty for the first time in a generation. Even though the full impacts of the COVID-19 pandemic on the implementation of the SDGs will take some time to manifest themselves, the most recent projections indicate that an additional 89 million people in the Asia-Pacific region are estimated to have been pushed back into extreme poverty, according to the \$1.9 per day threshold.³ Estimates suggest that the figure would rise to 158 million and 172 million if \$3.20 and \$5.50 per day thresholds are used. Using the \$5.50 threshold, Asia-Pacific's share in the global poverty headcount reached about 60 per cent, which is almost proportional to its population share in the world, even before COVID-19. The situation is even bleaker when indicators of multidimensional poverty are considered. The COVID-19 pandemic has contributed to a steep decline in human development for the first time since 1990.

4. The impact of the pandemic on Sustainable Development Goal 4 has been significant. The education sector was one of the worst-hit as a result of policies to close schools before other areas of the economy. While there have been benefits to the accelerating digital transformation of the education sector, there is rising concern that long-term closures of educational institutions and the inadequate reach and quality of remote learning could lead to lower skill levels and productivity among future employees and affect output and growth for years to come. More schools in the region were closed as of September 2021 compared to February 2021, with closures in South Asia increased from 18 to 25 per cent, and in East Asia and the Pacific from 6 to 21 per cent. An estimated 12 million children from pre-primary to university level could drop out of school in South and West Asia.⁴
5. The unprecedented disruption to education systems has amplified the education challenges the most marginalized and vulnerable groups face. For example, school closures

³ ESCAP (2022) Economic and Social Survey for Asia and the Pacific 2021, Build forward fairer. Economic Policies for an inclusive recovery and development

⁴ United Nations Children's Fund (UNICEF), "Education disrupted: the second year of the COVID-19 pandemic and school closures" (New York, 2021).

and remote learning access has disproportionately impacted female students. Girls were shown to be more likely than boys to experience mental health issues and stress from online schooling. More than 1.2 million girls from pre-primary to upper secondary level may drop out or may not have access to schooling in the region due to the pandemic's socioeconomic impacts, including the need to generate income and increased household and childcare responsibilities. Further, many poorer countries did not provide specific support to disadvantaged learners, such as learners with disabilities, in their technology responses to COVID-19.

6. Addressing gender inequality is critical to achieving many of the Sustainable Development Goals and requires ambitious policies across many areas, including education, health, social protection, economic growth, the environment and beyond. The COVID-19 pandemic has exacerbated many of the social and economic inequalities women and girls have long faced. For one, the pandemic has had a particularly significant impact on employment for women. This has been especially pronounced in the manufacturing and hospitality services sectors where women make up the major share of employees in many countries of the region, especially least developed countries.⁵ Women were also disproportionately affected within the informal economy. Two-thirds of women are employed informally in the Solomon Islands, with female-headed households experiencing a 52 per cent fall in household incomes compared with a 39 per cent drop for male-headed households. Such informal workers not only lost jobs but had no access to any forms of social protection.⁶ Furthermore, the increase in unpaid care and domestic work also falls primarily on women, who face more significant losses of paid working hours than their male counterparts.⁷
7. The pandemic has also had significant health impacts on women. Access to healthcare declined in the past two years for all groups, and particularly women were often unable to access the health and medical services they needed due to lockdown, limited access, and

⁵ In Asia and the Pacific least developed countries, female employment in the manufacturing sector is 54 per cent, compared to 28 per cent in developed countries. International Labour Organization, ILOSTAT. Available at <https://ilostat.ilo.org/data/> (accessed on 14 June 2021).

⁶ UN-Habitat, *A Better Urban Future: The impact of COVID-19 on Urban Systems, Informal Settlements and the Urban Poor in the Pacific*, (Nairobi, 2020).

⁷ UN Women, "Unlocking the lockdown: the gendered effects of COVID-19 on achieving the SDGs in Asia and the Pacific" (Bangkok, 2020).

contracting the virus. In many countries women were also at greater risk of contracting the virus itself as they were overrepresented among frontline healthcare workers—94 per cent of nurses and 90 per cent of community health workers in Bangladesh are female.⁸ Violence against women and girls, including domestic violence, child marriage and associated teen pregnancy, has also increased dramatically during the pandemic. Reports of domestic violence increased by approximately 43 per cent in Malaysia and by 34 per cent in Singapore. An estimated 61,000 additional girls are at risk of child marriage in the region, and an additional 118,000 girls are at risk of adolescent pregnancy.⁹

8. While in the initial phase of the pandemic, some temporary reduction of environmental pressure was observed, owing mainly to reduced economic activity, lockdown measures and associated reductions in energy use, transport and manufacturing, these environmental gains were short lived. The pandemic also created a small window for fish stocks to recover in the Pacific due to the global slowdown of the commercial fishing industry, access restrictions and closed ports, which contributed to a decline in active fishing vessels. However, the production of hazardous and plastic waste—particularly medical waste—increased significantly during the pandemic as demand soared for personal protective equipment and single-use plastic to minimize the spread of infections. Much of this single-use plastic and hazardous waste ended up in rivers and oceans.
9. With economic recovery, pollution has in many cases returned to pre-pandemic levels especially for greenhouse gas emissions. The region remains off-track on Sustainable Development Goals 14 and 15 and other environment-related Goals and targets. More than 40 per cent of coral reefs and 60 per cent of coastal mangroves already have been lost. While the number and sizes of protected areas have increased, 75 per cent of biodiversity remains unprotected. Biodiversity loss, deforestation, and forest and land degradation continue to be a major problem, with the region accounting for 10.6 per cent of the world’s total natural forest loss for agricultural purposes from 2000 to 2015.

⁸ UN Women, *COVID-19 Bangladesh Rapid Gender Analysis*, (16 May 2020).

⁹ UNICEF, “COVID-19 and girls’ education in East Asia and Pacific”, UNICEF Education COVID-19 Response, Issue Brief (October 2020).

B. Impact of COVID-19 on leaving “no one” and “no country” behind”

10. The deeply rooted vulnerabilities and inequalities in economies and societies exposed by the COVID-19 pandemic and its impacts pose a major challenge to recovery efforts. Across the region, there is the high risk of a K-shaped recovery – a recovery marked by increasing divergence in economic and social outcomes within and between countries. This would exacerbate pre-COVID-19 inequalities and leave behind the poorest and most vulnerable population groups in terms of income level, employment status, sex, age, race, ethnicity, migratory status, disability and geographic location. When environmental degradation, increasing natural hazards and accelerating climate change are added to the mix, the Asia-Pacific region faces a complex risk landscape. Six key factors need to be considered in national recovery strategies: vaccination (including access to diagnostics and therapeutics); social protection; digitalization; economic structure; environmental risks; and fiscal space.

11. **Inequitable access to vaccines and testing.** Countries in the region are trying their best to deal with the COVID-19 pandemic by rapidly rolling out vaccination programmes and putting in place public health interventions to reduce its impact. Approximately 29 per cent of all COVID-19 cases and 26 per cent of all COVID-19 related deaths were in Asia and the Pacific. However, the concentration of vaccine production in a select number of primarily developed countries, combined with the procurement and stockpiling of vaccines by some countries, led to large inequities in vaccine access across the world and hampered the efforts of many countries to contain the virus. Inequitable access to vaccines was exacerbated by a lack of effective mechanisms to transfer knowledge, technology and other needed resources. While most countries have scaled up their vaccine rollouts, progress continues to vary considerably. In some cases, vulnerable populations who should have priority access to vaccines lag behind in the vaccination process. Some population groups find it difficult to access any vaccine while other population groups have already received third and fourth doses. Many countries, particularly least developed countries, are lagging behind in vaccinating their populations. In 16 developing economies in Asia and the Pacific, less than half of the population is fully vaccinated. This vaccine inequity is prolonging the pandemic and leaving people in these countries susceptible to renewed outbreaks and new COVID variants. That said, there is a large diversity of vaccination rates

even among the region's least development countries, with Cambodia having the second highest vaccination rate in Asia and the Pacific and Bhutan ranking in the upper quintile.

12. **Fragmented social protection systems in Asia and the Pacific.** Most Asia-Pacific countries have not yet established comprehensive universal social protection systems. Instead, they have bifurcated systems in which public service pensions and social insurance schemes are offered to those in the formal economy—where the better-off members of society tend to be over-represented—while small social assistance programmes are provided to the poorest members of society. This excludes a large proportion of the population from the social security system, often referred to as the 'missing middle'. Low spending on social protection, including health, is a major problem. Countries in the region spend less than 6 per cent of their GDP on these systems, compared to an average of 21.6 per cent in Europe and 8.9 per cent in Latin America. Financing issues are compounded by the lack of established practices related to personal contributions to social protection programs. While low spending on social protection, including health, is a major problem, and most of the response measures to the COVID-19 crisis have not been designed to be gender-sensitive.
13. **Uneven access to digital opportunities exacerbates inequalities in coping with the pandemic.** Digitalisation has permeated life across the region during the pandemic, including for countries' health sector responses, remote working arrangements, and online and distance learning for children due to school closures. However, the Asia-Pacific region is one of the most digitally divided regions in the world, with approximately half the population lacking internet access and large variations—by income, location, age group, gender and other characteristics—in the availability and affordability of digital connectivity across as well as within countries. These pre-COVID-19 differences in internet access and affordability created disparities in how countries leveraged their digital infrastructure and investments to respond and adapt to COVID-19 impacts.
14. **Vulnerabilities to the pandemic are also linked to economic fundamentals.** An important factor explaining the differences in countries' vulnerability to the impacts of COVID-19 and their ability to recover is the structural composition of their economies as the pandemic stresses have reinforced the continued relevance of structural transformation pathways,

highlighting the continued value of developing countries in the region pursuing structural transformation to diversify their economies and increase their resilience to external shocks. Structural transformation also remains critical in influencing long-term inequality trends in developing Asia-Pacific countries, through its implications for pre-distribution inequality (income distribution before taxes and transfers). Developing countries in the region therefore need to take policy actions to promote structural transformation in support of sustainable development and leaving no one behind. For example, building a manufacturing base would facilitate absorption of labour moving out of the agriculture sector, just as boosting the resilience of supply chains so that industries are not vulnerable to sudden supply chain disruptions from pandemics and natural disasters from climate change would be critical to strengthen resilience.

15. **The COVID-19 pandemic has highlighted the fundamental link between ecosystem health and human health.** It has highlighted that our broken relationship with nature continues to make us vulnerable to pandemics. In this regard, regression on Sustainable Development Goals 13 (climate action), 14 (life below water) and 15 (life on land) threatens inclusive and resilient recovery. Degradation of terrestrial and marine ecosystems, biodiversity loss and resource depletion, pollution, and climate change impacts are accelerating at unprecedented rates globally and throughout the Asia-Pacific region. This acceleration is causing irreversible harm to life support systems and aggravating poverty and inequalities as well as hunger and malnutrition. Unfortunately, Green recovery spending has been limited. By the end of 2021, only 21.9 per cent of the recovery spending announced by 20 Asia-Pacific economies was on green recovery, which includes green measures in energy, transport, industry and infrastructure.¹⁰
16. **The scale of pandemic responses has been shaped by fiscal capacity and space.** While several countries were able to provide significant fiscal responses to the pandemic, government measures were rather limited in a number of developing countries across the region due to fiscal and financial constraints. This was due to, for instance, low levels of available resources and the need to continue servicing foreign currency-denominated

¹⁰ Oxford University, UNEP, and partners have produced the Global Recovery Observatory (the Observatory), supported by IMF and GIZ through the Green Fiscal Policy Network (GFPN).

debts amid sharply diminished inflows of foreign exchange. Amid falling government revenue and sizable fiscal responses, fiscal stresses have increased, with the average fiscal deficit among Asia-Pacific developing countries estimated to have increased from 1.5 per cent of GDP in 2019 to 6.8 per cent in 2020 and 5.6 per cent in 2021. The levels of public debt also increased across the region such that As of December 2021, 11 countries in the region were assessed to be at high risk of debt distress in debt sustainability analyses conducted by the IMF and the World Bank. These developments will limit the ability of countries to continue with essential fiscal spending and investments and are likely to further derail the attainment of the 2030 Agenda.

C. Policy priorities to promote sustainable and resilient recovery from the COVID-19 pandemic in Asia and the Pacific

17. As countries in Asia and the Pacific shift from an emergency response to the pandemic to longer-term recovery, governments and civil society face the intertwined challenges of how to ensure that pathways to recovery are inclusive, just and leave no one behind while charting a new and more transformative course toward building sustainable and resilient economies and societies.
18. To enable member States of the Economic and Social Commission for Asia and the Pacific (ESCAP) to build forward better, the following policy priorities can contribute to the region's longer-term recovery while re-igniting and accelerating progress toward the 2030 Agenda and the Sustainable Development Goals:
19. **Protecting and investing in people, especially women and vulnerable population groups, and enhancing resilience.** Recovery will require the establishment of comprehensive social protection schemes that are gender, child, disability and disaster-responsive, encompass livelihood, universal health care and education dimensions, and address the informal sector. Improvements made during the pandemic in leveraging digital technology need to be sustained and built upon just as efforts must be made to close the digital divide within and between countries. Synergies with other sectors need to be harnessed to advance social protection and other sustainable development objectives simultaneously, including those related to sustainable development goals 14 and 15. The vital role of social

protection in helping build resilience to the impacts of climate change, for example, is already well recognized.

20. Countries can draw on the substantial body of gender mainstreaming experience within and outside the region to integrate and effectively monitor key gender-based policies and budgeting into COVID-19 response and recovery plans and strategies. Policy and legal frameworks that support women's labour force participation and provide opportunities for decent work should be strengthened, including policies that support women entrepreneurs and the many critical roles women play in agriculture, food security and natural resource management. Governments also need to develop policies and allocate funding to provide more affordable, accessible and quality care services for children, as well as for older persons and persons with disabilities, which in turn will reduce care burdens that fall disproportionately on women. Policy and financial incentives such as paid family leave and tax breaks can be used to incentivize more equal distribution of unpaid care and domestic responsibilities.
21. **Accelerating the transition to inclusive green economies.** Doing so is especially urgent as economies in the region need to reduce GHG emissions, which more than doubled between 1990 and 2018, compared to a global increase by nearly 50 per cent. As the region accounts for 75% of global coal-fired generation capacity¹¹, an urgent and deep cut into greenhouse gas emission in Asia and the Pacific requires accelerating zero-carbon energy transition and decarbonizing the economy towards net-zero emission by the middle of the century. This needs to be coupled with a shift in, Sustainable consumption and production a circular economy. One element is to increase support for trade facilitation, trade digitalization and the development of paperless and contactless trade. Climate-smart trade and investment related policies, from promoting trade and investment in renewable energy and low-carbon energies to digitizing trade and transport systems are powerful tools to mitigate impacts of climate change . Another element is to improve the efficiency and sustainability transport procedures through regionally coordinated investments in hard and soft infrastructure to move towards lower-carbon, multimodal freight transport.

¹¹ ESCAP (2021) Asia-Pacific Trade and Investment Report 2021: Accelerating climate-smart trade and investment for sustainable development”

Furthermore, integrated landscape and seascape management approaches at scale urgently need to be implemented to sustain and restore ecosystems, and as a means of building resilience to climate change. A regional push to support the transition towards agroecology and climate-smart agricultural practices should be promoted to strengthen the resilience of food systems and secure agricultural livelihoods. As more than half of the region's population lives in cities, it is imperative to build smart, low-carbon, water-secure and climate-resilient cities.

22. **Cross-cutting action areas.** Three cross-cutting action areas can bring coherence and coordinated support to accelerate the policy agenda put forward above:
23. **Aligning national recovery strategies with the 2030 Agenda and leaving no one behind.** National recovery strategies need to be formulated and implemented in alignment with national sustainable development objectives and plans. In doing so, countries need to raise ambitions and set clear medium- and long-term targets to achieve the goals and that are also in line with the Paris Agreement. Countries can apply the practical knowledge gained from localising the 2030 Agenda and Sustainable Development Goals into national, sectoral and subnational development planning, budgeting and monitoring frameworks to ensure the integration and policy coherence of their recovery strategies and associated investment priorities with national poverty reduction and sustainable development objectives, including efforts to accelerate the transition to an inclusive green economy.
24. **Creating an enabling financing ecosystem.** Greater public and private financial resources must be mobilized for sustainable development and policy options must be explored to improve fiscal space. The issuance of thematic and SDG bonds is a tool that countries in the region can use to mobilize capital toward green and sustainable initiatives. Debt-for-nature and debt-for-climate swaps to free up financing for nature-based solutions must be explored. Other policy options to improve fiscal space and mobilize finance include: continued and intensified efforts to improve public debt management with a focus on enabling expenditure that advances the SDGs; seeking debt service suspensions if necessary; and strengthening incentives and regulations that encourage environmentally and socially sustainable investment by all financial institutions.

25. To recover fairer and lay firmer foundations for a more equal and resilient future governments should also spend smarter, for instance by reducing or eliminating inefficiencies in their expenditures. However, as doing so will not be enough to address all the fiscal needs for 'building forward fairer' towards the Agenda 2030 goals, governments will also need to "tax fair": addressing persistent tax avoidance and evasion, lack of multilateral cooperation for international taxation and of the emerging digital economy will allow them to increase domestic revenues. It will formalize economic activities, thereby providing a greater chance to ensure that this sector also receives needed social protection and access to healthcare. It is also time to accelerate implementation of progressive personal income taxes to reduce long-term inequality
26. **Strengthening regional cooperation and partnerships.** An array of regional and subregional policy frameworks and platforms have been established in Asia and the Pacific that can be leveraged to support and accelerate national implementation of the policy agenda. To fully achieve the 2030 Agenda by 2030, Asia and the Pacific needs to redefine multilateralism with people and planet at the heart of it. Countries should adopt a climate- and environment-responsive approach to COVID-19 recovery efforts and policies in support of the goals and objectives of the 2030 Agenda for Sustainable Development. This will include recognizing the need to immediately curb greenhouse gas emissions and achieve sustainable consumption and production patterns in line with applicable State commitments to the Paris Agreement and aligned with the 2030 Agenda for Sustainable Development as they recover from the COVID-19 pandemic.
27. Multilateral and international cooperation and the international trading systems need to be promoted, just as member States should cooperate in closing connectivity gaps, strengthening digital connectivity, and promoting the digital economy. Trade facilitation, digitalization, and harmonization must be promoted, while social and environmental concerns must be fully embedded into global and regional supply chains to facilitate recovery and to ensure resilient connectivity during crises.