

**Economic and Social Commission for Asia and the Pacific****Seventy-fifth session**

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Subregional perspectives on the theme topic:**“Empowering people and ensuring inclusiveness and equality”****Subregional perspectives on empowering people and ensuring inclusiveness and equality in Asia and the Pacific****Note by the secretariat***Summary*

The present document contains a review of persistent and emerging issues and challenges to the implementation of the 2030 Agenda for Sustainable Development in the five subregions of the Economic and Social Commission for Asia and the Pacific. It contains examples of actions taken by members, associate members, the secretariat and development partners to address these challenges through subregional economic cooperation and integration guided by the regional road map for implementing the 2030 Agenda for Sustainable Development in Asia and the Pacific. The document also contains a review of subregional perspectives on the theme topic of the seventy-fifth session of the Commission, “Empowering people and ensuring inclusiveness and equality”.

The Commission may wish to consider the present document and provide guidance for the future work of the secretariat.

I. East and North-East Asia**A. Persistent and emerging issues and challenges to the implementation of the 2030 Agenda for Sustainable Development****1. Disaster resilience**

1. East and North-East Asia is prone to natural disasters. Approximately 1.76 billion people in the subregion were affected by natural disasters in the past two decades (2000–2018), accounting for more than 50 per cent of the people affected in the Asia-Pacific region as a whole. During the same period, the subregion accounted for more than 70 per cent of estimated economic damages in Asia and the Pacific, mostly due to the exposure of assets in large economies. Coastal cities are often hit by typhoons and other coastal hazards, and many coastal cities, especially on the east coast of China, are rapidly growing. China and Japan are also exposed to high seismic risks as major fault

* ESCAP/75/L.1.

lines lie underneath populated areas. Drought often devastates agricultural production and natural vegetation in the Democratic People's Republic of Korea and Mongolia, and Mongolia also suffers from severe winter conditions known as *dzud*.¹ It was reported that more than 1.1 million livestock were lost in Mongolia from the *dzud* during the 2017–2018 winter. In addition, drought is associated with the occurrence and intensity of sand and dust storms in north-western China and Mongolia, which affect economic activities and human health in the source areas as well as neighbouring countries.

2. Demographic change

2. The subregion is at the forefront of demographic transition. With low fertility and mortality rates (long life expectancies), the proportion of older people in the population is rapidly increasing; it has increased by more than 50 per cent in the past two decades. Projections shows that, by 2050, more than 40 per cent of the population will be aged 60 or above in Japan and the Republic of Korea, and more than 35 per cent in China. As of 2018, already more than a quarter of the population in Japan was aged over 65, almost half the working-age population (aged 15 to 64). The pace and the magnitude of the demographic shift is posing serious concerns about how society and the economy cope with the change. The pressure on fiscal and human resources to support an elderly population intensifies amid a shrinking labour force that needs to support them, while the well-being of the elderly population is at risk if the society fails to address the potential increase in inequality and relative poverty among older persons and their vulnerability in disasters, among other issues. The lack of an age-friendly living environment, which includes infrastructure as well as the means for social, economic and political participation, will also decrease the contribution of older persons to society.

3. Connectivity

3. Transport and energy connectivity are far behind the subregion's level of economic integration. There are critical missing links in the road and rail networks, particularly through the Democratic People's Republic of Korea and Mongolia. While gaps in physical road and rail linkages create an obvious bottleneck for transit transport, non-physical and institutional barriers are equally cumbersome and costly when moving across borders. Despite the significant potential of complementarities in electricity production and consumption between member States, bilateral power interconnection exists only on a small scale, and the opportunity to reduce economic and environmental costs in the power sector is thereby lost.

B. Empowering people and ensuring inclusiveness and equality

4. Despite significant achievements in terms of socioeconomic development, the subregion faces various challenges with regard to the empowerment of people, inclusiveness and equality, regardless of the economic status of each country. Sustainable Development Goal 8 (Decent work and economic growth) is significant in the context of the demographic changes and connectivity. The substantial economic growth in the subregion has not resulted in an equal increase in decent jobs. The vulnerable employment rate remains high, and inequalities in the labour market (for example, those affecting women or disadvantaged youth) persist.

¹ The *dzud* is a phenomenon of drought that leads to inadequate pasture, severely affecting the livelihood of herding-based nomads, followed by severe winter that kills much of their already enfeebled livestock.

However, decent work is not only about employment but about various dimensions: work that is productive and meaningful as well as inclusiveness and the empowerment of people in the workplace. Increasing the number of decent jobs would have a positive implication for the demographic changes as the aging population will bring a decrease in the working population and, as a result, slow down economic growth. Thus, securing decent jobs for all, including vulnerable groups, could mitigate the impact of the shrinking workforce.

C. Addressing emerging issues and challenges through subregional economic cooperation and integration in line with the regional road map for implementing the 2030 Agenda in Asia and the Pacific

1. Building resilience to disaster: subregional cooperation for capacity-building in disaster monitoring and early warning systems

5. In addition to strengthening domestic measures to address challenges from natural disasters, member States actively participate in subregional and regional cooperation platforms for sharing policy and technical solutions. For example, in addressing hydro-meteorological hazards, the Government of the Republic of Korea has supported the installation of flash flood early warning systems in the Lao People's Democratic Republic, the Philippines and Viet Nam through the ESCAP/WMO Typhoon Committee. Under the Regional Cooperative Mechanism for Drought Monitoring and Early Warning, the Governments of Mongolia and China have carried out technical cooperation activities to enhance institutional capacity in Mongolia for drought and *dzud* monitoring and early warning. Such cooperation needs to be further expanded to other countries with similar challenges by strengthening subregional and regional cooperation, thereby supporting countries in their efforts to protect hard-won development gains and to better address existing disaster risks as well as uncertainty from changing climatic conditions.

2. Coping with the challenge of demographic change

6. Key concerns with regard to an aging population are the provision of pension or other social protection payments and the delivery of health services for older persons, as well as the ability to fund these systems through the productive workforce. Most countries have established universal coverage for pensions and health-care systems, though in some cases this will place an increasing fiscal strain on the national budget. In Japan, where the debt to gross domestic product (GDP) ratio is approximately 240 per cent, and 20 per cent of GDP is spent on pensions and health services for the elderly, the Government has announced it will raise consumption taxes from 8 to 10 per cent, partly to reduce the fiscal shortage. The Governments of Japan and the Republic of Korea, however, have been able to modestly improve the labour force participation rate of women to mitigate some of the effects of population ageing on the labour force. Some countries have also turned to frontier technologies, particularly assistive living technologies, to enhance the delivery of health care to older persons and persons with disabilities, thereby enabling more older persons to perform daily tasks independently in their homes.²

² *Evolution of Science, Technology and Innovation Policies for Sustainable Development: The Experiences of China, Japan, the Republic of Korea and Singapore* (United Nations publication, Sales No. E.19. II.F.4).

3. Promoting connectivity

7. The Governments of China, Mongolia and the Russian Federation have begun implementing the Intergovernmental Agreement on International Road Transport along the Asian Highway Network, which entered into force in September 2018. The Agreement lays the foundation for trade-enhancing trilateral cooperation by granting carriers the right to engage in international road transport in their respective national territories along Asian Highway routes 3 and 4. The trilateral cooperation could be expanded to other subregional members, notably the Democratic People's Republic of Korea and the Republic of Korea, to build subregion-wide road and railway connectivity. With regard to energy connectivity, the Governments of most member States have recently moved towards building power grid interconnection at the subregional level, and key stakeholders have launched a dialogue platform, the North-East Asia Regional Power Interconnection and Cooperation Forum, facilitated by the secretariat.

II. North and Central Asia

A. Persistent and emerging issues and challenges to the implementation of the 2030 Agenda

8. The countries in North and Central Asia are sparsely populated, geographically distant from major economic centres, and in many cases, landlocked. Coupled with their geography, economic growth as well as employment tend to fluctuate since their narrowly based economies centre around commodities and extractive industries. With the exception of the Russian Federation, their populations are generally youthful. Such demographic, geographic and economic factors present challenges to their efforts to address inequality, in terms of opportunities as well as outcomes, and the overall implementation of the 2030 Agenda.

9. Since most countries in North and Central Asia are landlocked, building resilient infrastructure (Goal 9) remains a priority. Their geographical distance from the key economic centres of Asia and the Pacific and the ensuing high cost of trade and transport continues to hinder their economic integration. Improved connectivity by strengthening transport, energy, and information and communications technology infrastructure and logistics, in line with the Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014–2024, could improve prospects for their integration within the subregion as well as with East and North-East Asia and South and South-West Asia.

10. Given their youthful population, sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all (Goal 8) remain critical. Since they are in transition from a centrally planned economy to a market-oriented economy, the State sector still tends to be large, especially in sectors such as oil, gas and metals. Fluctuations in global demand as well as commodity prices greatly affect both economic growth and employment. Structural economic transformation to address these challenges would require strengthening productive capacities through the expansion of the private sector and diversification through entry into related higher value-added sectors. This would require improved access to finance as well as the development of national strategies aimed at improving productivity, efficiency and competitiveness in the agricultural, manufacturing and services sectors. Such economic transformation is critical if these countries are to benefit from the new opportunities resulting from strengthened infrastructure.

11. In contrast to other subregions of Asia and the Pacific, inequality, defined in terms of access to opportunity, remains relatively low. The transition to a market economy, however, has led to greater intergenerational inequality, owing in part to improved access to education, health care, social protection, financing and employment by those with the means, whether it is knowledge, income or geographical access. Gender inequality, in terms of income and decision-making continues to persist, with the average wages of women significantly lower than those of men. The presence of thinly populated geographical areas not only limits people's access to social services but also raises the cost of providing them, leading to significant differences in the quality of life between rural and urban communities. Finally, continued structural economic transformation as well as demographics drive migration. The Russian Federation, with the largest economy and an aging population, is a significant recipient of migrants and a source of remittances to countries such as Kyrgyzstan and Tajikistan. Its low fertility rate, coupled with its need to sustain economic growth, suggests that this trend will continue. Given this backdrop, reducing inequality within and among countries (Goal 10) remains a priority in North and Central Asia since social cohesion and long-term economic development could be affected if left unaddressed.

B. Empowering people and ensuring inclusiveness and equality

12. Promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all (Goal 8), building resilient infrastructure, promoting inclusive and sustainable industrialization and fostering innovation (Goal 9), and reducing inequality within and among countries (Goal 10) could enable the overall attainment of the 2030 Agenda by empowering people.

13. Empowering people requires the implementation of several measures in parallel. Improved connectivity through the development of infrastructure would not only improve regional integration but also facilitate access to social and financial services as well as employment, especially for people in isolated rural communities. Structural economic transformation would not only promote sustained economic growth as well as full and productive employment but would empower people, especially those in the private sector, to contribute to this change. Improved access to education, health care, social protection, financing and employment by the population at large, rather than only by people with means, would narrow inequalities as more people are able to seize new opportunities.

C. Addressing emerging issues and challenges through subregional economic cooperation and integration in line with the regional road map for implementing the 2030 Agenda in Asia and the Pacific

14. To address the challenges of geography, economic structure and emerging inequality, the regional road map for implementing the 2030 Agenda in Asia and the Pacific highlighted the need for regional cooperation to improve connectivity, provide access to finance and leave no one behind (social development).

1. Connectivity for the 2030 Agenda

15. To address the challenges presented by geography, the regional road map calls for improved connectivity, in part through the expansion and integration of the Asian Highway network, the Trans-Asian Railway network and the network of dry ports. Such integration would allow the expansion of

connectivity; the implementation of regional transport facilitation frameworks and other technical standards for operationalizing transport connectivity; and the development of regional standards, including the harmonization of technical standards for transport infrastructure, a sustainable urban transport index, regional road safety goals, targets and indicators, and handbooks on road safety.

16. Transport corridors provide a blueprint for enhanced connectivity as well as competitiveness not only within North and Central Asia but also in the region. The expansion and integration of the Asian Highway and Trans-Asian Railway networks with dry ports of international importance could lead to the development of the infrastructure necessary for seamless intermodal connectivity, while the implementation of regional transport facilitation measures and frameworks, including the harmonization of technical standards, could ease their operationalization. Since the adoption of the Intergovernmental Agreement on the Asian Highway Network, the percentage of Class I highway sections in member States of the United Nations Special Programme for the Economies of Central Asia rose from 1 to 8.8 per cent of the Asian Highway network, while the proportion of sections below Class III, the minimum desirable standard, declined from 29 to 11.1 per cent during the period 2004–2017.³ At the same time, Azerbaijan and Georgia, together with neighbouring Turkey, completed the Baku-Tbilisi-Kars rail project, including construction of the 98-km missing link in the Trans-Asian Railway network, in 2017. The Belt and Road Initiative as well as other transport-related initiatives promoted by the Shanghai Cooperation Organization, the Eurasian Economic Union and others are further contributing to strengthening connectivity within the subregion and beyond.

17. In addition to the introduction of the sustainable urban transport index, a framework of indicators aimed at assessing the social, economic, and environmental dimensions of urban transport, the secretariat has also supported member States in their efforts to halve fatalities and serious injuries on the roads of Asia and the Pacific by providing guidelines for policy formulation and implementation through the Regional Road Safety Goals and Targets for Asia and the Pacific 2016–2020, as well as assessment tools to determine progress at national and regional levels.

2. Finance

18. Finance is a key means of implementation for improving connectivity and restructuring the economy. The regional road map calls for (a) financing for development to enhance regional knowledge of infrastructure financing, including public-private partnerships; (b) mainstreaming of financing for development in areas such as domestic resource mobilization; (c) enhancing capacity for domestic and international resource mobilization; (d) strengthening partnerships for effective development cooperation; and (e) promoting financial inclusion.

19. Despite their financing needs, countries of North and Central Asia are often constrained by limited government budgets, public debt, regulatory frameworks, institutional capacities and underdeveloped financial markets. To address such constraints, a number of reforms have been instituted, including the following:

³ The members of the Special Programme for the Economies of Central Asia are Afghanistan, Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan.

(a) **Domestic and international resource mobilization.** With the government as a primary source of financing for development, increased tax revenue through improved revenue collection, coupled with public expenditure reforms, is needed in order to ensure the availability of resources for infrastructure development. Additionally, the establishment of the Astana International Financial Centre in Kazakhstan was expected to increase foreign direct investment to Central Asia through the development of a competitive, efficient and transparent financial market;

(b) **Private sector financing through public-private partnerships and financing small and medium-sized enterprises.** Given the magnitude of financial resources required to implement the 2030 Agenda, private sector engagement is essential. Owing to the risks involved in public projects, however, improved cost and risk management, asset utilization and regulatory environments are needed in order to foster such partnerships. Similarly, while most people are employed in the small and medium-sized enterprises segment of the economy, many such enterprises are unable to access the formal financial sector since they are not recognized as legal entities, have limited financial history or lack significant assets that could be used as collateral. To address this issue, for example, the Government of Kazakhstan established the “Damu” Entrepreneurship Development Fund to enhance financial inclusion, while the National Bank of Kyrgyzstan, as part of the Government’s banking sector development strategy, has promoted financial education, increased penetration, especially in remote areas, and targeted previously excluded segments by providing subsidized funds through commercial banks. Such measures are aimed at fostering economic growth and reducing poverty by improving access to financial services.

20. In parallel with these measures, structural reforms to diversify the economy, develop the private sector, and increase investment in innovation and human capital have been introduced so that future growth is not only stronger but also more sustainable and inclusive. Improved use of technology could further reduce systemic inefficiencies and improve transparency in the public sector. The successful implementation of these reforms, however, will require proper prioritization and sequencing, while ensuring policy coherence and focus.

3. Leaving no one behind (social development)

21. To ensure that no one is left behind, the regional road map calls for (a) policy advocacy to address inequalities, reduce poverty and enhance social protection, including for persons with disabilities, to build socioeconomic resilience; (b) multisectoral policies, strategies and programmes to implement the 2030 Agenda, the Programme of Action of the International Conference on Population and Development and the Beijing Platform for Action and to advance gender equality and women’s empowerment; (c) addressing unemployment and underemployment among youth, including by improving the match between the knowledge and skills of youth and labour market demands; (d) policies to address population ageing; (e) implementation of the Incheon Strategy to “Make the Right Real” for Persons with Disabilities in Asia and the Pacific; and (f) strengthening the linkages between international migration and development, including through the more effective management of migration.

22. Countries of North and Central Asia have accordingly emphasized the creation of favourable social and economic conditions for families, especially in rural areas, as well the economic empowerment of women. The Government of the Russian Federation, for example, has increased support to low-income

families with children and revised the tax code in order to reduce the risk of poverty, while the Government of Kazakhstan will provide payments for child care for working women and men, in addition to existing allowances to different social groups. Increased economic empowerment of women, including through greater private sector engagement, and the provision of social protection could likewise address inequalities and poverty. Unpaid domestic work will also need to be recognized as being economically productive if these contributions, primarily from women, are to be accounted for in the calculation of pensions. Such measures will be needed if women are to reach parity with men in line with the 2030 Agenda.

III. The Pacific

A. Persistent and emerging issues and challenges to the implementation of the 2030 Agenda

23. Climate change, and related disaster risk, remains the highest priority for Pacific island countries as it is an existential threat that is causing irreversible loss and damage to Pacific communities, livelihoods and natural environments. Pacific small island countries have been at the forefront of the global advocacy for the urgent and unprecedented changes needed to keep global warming to a maximum of 1.5 degrees. Increased warming will amplify the exposure of atolls and low-lying coastal areas to the risks associated with sea level rise for communities and ecological systems, including increased saltwater intrusion, flooding and damage to infrastructure. Pacific island countries are among those with the highest risk of natural disasters. Vulnerability to climate change and disasters is already influencing migration patterns in the Pacific, including population displacement and planned relocation. Climate change is intensifying the consequences of underlying environmental, social and governance challenges. Adaptive responses, supported by national planning and budgetary processes, must ensure that public investments have a positive impact on sustainable growth and development, with particular attention to the needs of women and vulnerable groups.

24. An increasing ocean temperature and the associated increases in ocean acidity and decreases in ocean oxygen levels are expected to cause significant losses of the coral reef, mangrove, seagrass and intertidal habitats, which provide shelter and food for coastal fish and shellfish, presenting grave threats to food security, livelihoods and economic development. These interact with challenges such as overfishing, habitat destruction and marine plastics to damage marine biodiversity and ecosystems and undermine their functions and services to humans. National fish consumption in the Pacific is three to four times the global average, while fisheries account for a large part of exports (more than 50 per cent of all exports in half the States of the region). Deep-sea mining has the potential to further undermine the resilience of marine ecosystems.

25. Social exclusion and inequality, particularly in relation to access to services and livelihood opportunities, continue to be a challenge, compounding vulnerability and insecurity. Geographic isolation, distance from markets, small private sectors, limited skills development and entrepreneurship, high costs of doing business, and poor connectivity continue to challenge all Pacific countries. For women, these issues are coupled with a lack of access to quality health services and education and a lack of representation in leadership roles across the region, creating multiple interrelated barriers to equality. Women have a higher mortality rate during natural disasters, while forced resettlement

impacts women's human security. The incidence of violence against women is the worst in the world with more than 60 per cent of women and girls having experienced violence at the hands of an intimate partner or family member, while women and girls with disabilities are even more likely to be victims of physical and sexual abuse than those without a disability.

26. There is increasing inequality among marginalized population groups and in remote communities. Older persons and other vulnerable groups are more likely to fall into hardship and poverty. Disability has until recently been largely an invisible issue, with little accurate official data on incidence, few services, and challenging physical environments for people living with disabilities. Persons with disabilities in the Pacific, totalling 1.5 million, are among the poorest and most marginalized in their communities. They are overrepresented among those living in poverty and underrepresented in social, economic and public life, including in national decision-making. The Pacific region also has some of the highest rates of non-communicable diseases and associated risk factors in the world, exacerbating disability challenges.

B. Empowering people and ensuring inclusiveness and equality

27. In the Pacific, vulnerability and marginalization are strongly linked to access to resources and governance, constraints in relation to voice and participation, access to substantive and procedural legal rights, and access to justice. As part of the Pacific Framework for the Rights of Persons with Disabilities and in support of the Incheon Strategy, some important legislative, policy and budgetary reform initiatives are being implemented to address the needs of persons with disabilities and of women. Steady progress has been made towards developing legislative frameworks aligned with the Convention on the Rights of Persons with Disabilities across the Pacific. Legislative reviews are at different stages for the Federated States of Micronesia, Solomon Islands, Tonga and Tuvalu.

28. Despite the bleak outlook on gender equality, the Pacific Leaders Gender Equality Declaration represents a significant regional undertaking that highlights the need for accelerated action on the empowerment of women and girls. There have been some steady gains in national policymaking, for example the introduction of temporary special measures to boost female representation in Samoa, which resulted in the highest proportion of female candidates elected in the 2016 general election. Several countries, including Fiji, Kiribati, the Marshall Islands, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga and Vanuatu, have also introduced domestic violence legislation. In order to maintain and advance progress, Pacific leaders have committed to the implementation of national policy actions to advance gender equality, with a focus on supporting women with disabilities, adopting temporary special measures, improving women's access to employment and economic opportunities, and improving sexual and reproductive health services.

29. The need to maintain the Pacific identity is a persistent theme in the subregion that is coupled with the recognition of the important roles played by geography, culture and tradition in reinforcing marginalization and vulnerability. Continued discrimination against marginalized groups remains an issue, with limited transparency and accountability on issues such as the allocation of resources for women, children, youth, the elderly and lesbian, gay, bisexual, transgender and queer people. Traditional norms that reinforce inequality continue to exist while the voice and participation of vulnerable groups are limited.

30. All of the risks related to climate-related migration, displacement and relocation are typically experienced disproportionately by women and vulnerable groups such as children, older persons and persons with disabilities. The United Nations, the Pacific Islands Forum secretariat and the Platform on Disaster Displacement are implementing an inter-agency approach to address the interconnected issues of economic security through empowerment activities that facilitate safe labour mobility, and therefore diversify livelihoods, and community and political security through the development of a regional framework that will protect communities affected by climate change and the rights of people migrating in the context of climate change.

C. Addressing emerging issues and challenges through subregional economic cooperation and integration in line with the regional road map for implementing the 2030 Agenda in Asia and the Pacific

31. The lack of reliable and up-to-date data in and about the Pacific has long compromised planning and service delivery, as well as monitoring and evaluation of development programs. Given the capacity constraints, and the breadth and complexity of implementing the indicators of the Sustainable Development Goals, the challenge is to identify priority indicators that will ensure that the 2030 Agenda is both relevant and achievable in the Pacific context. While it is important to recognize inherent statistical capacity constraints, these should not curb the level of ambition to fully contextualize and implement the 2030 Agenda. Rather, it will be essential for the subregion to harness the momentum behind the global call for a data revolution to track priority national and regional indicators.

32. The Framework for Pacific Regionalism, endorsed by the Pacific Islands Forum leaders in July 2014, sets out a robust process that includes regionality tests to identify and implement regional priorities. Significantly, it includes Pacific regional values, which the Forum agreed would guide their policymaking and policy implementation. In the following year, Forum leaders also set in motion a process for consolidated systems to, inter alia, reduce reporting burdens and ensure meaningful follow-up and review processes, guided by the 2030 Agenda. National indicator development has often placed too much emphasis on meeting global reporting requirements and has overlooked the need to focus on national policy priorities. On behalf of the United Nations system in the Pacific, the secretariat assisted in the development of the Pacific road map for sustainable development, which the Forum leaders launched in 2017. One of its core components is integrated reporting, and it includes a provisional set of 132 Sustainable Development Goal indicators. Linked planning and budget systems allow more coordinated implementation of planning priorities (aligned to government priorities, including the Goals), improved accountability for performance of implementing departments and/or ministries and informed monitoring of performance, which facilitates adaptive resource allocations for improved delivery of national priorities.

33. The need to address climate change and disaster risk reduction in a coherent manner is reflected in the adoption of the Framework for Resilient Development in the Pacific: An Integrated Approach to Address Climate Change and Disaster Risk Management. The Framework contains a set of voluntary guidelines that support coordination and action on strengthened adaptation and risk reduction to enhance resilience to climate change and disasters; low-carbon development; and strengthened disaster preparedness, response and recovery. It is useful for national Governments, regional agencies, the private sector and civil society. Forum leaders also adopted the

Blue Pacific initiative, which, guided by the Framework for Pacific Regionalism, drives collective action to strengthen solidarity, reinforce the potential of the shared stewardship of the Pacific Ocean, and improve ownership and returns from fisheries. It is intended to form the basis of a long-term regional foreign policy commitment to act as one “blue continent”. While recognizing the need to address the causes of climate change and other existential threats to the Pacific Ocean and fisheries, the best adaptation strategy that the Pacific has control of is to get fisheries in the region in the best possible shape to cope with the coming stresses.

34. Regional approaches to managing fiscal volatility include the Nauru Agreement concerning Cooperation in the Management of Fisheries of Common Interest, a joint management agreement on the world’s largest sustainable tuna purse seine fishery that provides non-tax revenues of approximately 38 per cent of current government revenues on average. Another example is the Pacific Catastrophe Risk Insurance Company, which provides an immediate payout for an insured disaster event that meets specified parametric triggers for participating Pacific island countries. The Pacific Region Infrastructure Facility, which is a partnership between key development partners and multilateral banks, is another example of regional cooperation to pool donor assistance for infrastructure development in Pacific island countries.

35. Broadband connectivity in Pacific island countries has continued to improve in some areas despite the vastness of the subregion. For broadband connectivity to be accessible and affordable by all, more steps need to be taken, including by other sectors, such as the energy sector. While improvement in broadband connectivity has been attributed to regulatory policy reforms, the broadband divide continues to widen despite well-intentioned policy interventions.

IV. South-East Asia

A. Persistent and emerging issues and challenges to the implementation of the 2030 Agenda

36. Progress by South-East Asian countries in implementing the 2030 Agenda is varied, as can be seen by looking at their voluntary national reviews. In South-East Asia, 7 out of 10 countries have completed their voluntary national reviews. Brunei Darussalam, Cambodia and Myanmar have not.

37. The subregion faces many challenges, from widening development gaps to increasing inequality and vulnerability. In particular, they include barriers to seamless connectivity; social exclusion and inequality; and resilience and disaster risk reduction. Attaining sustainable growth also remains a challenge in many economies. Significant differences in development outcomes between countries, and within countries, undermine the commitment to leave no one behind.

38. Expanding trade and investment requires better market integration, which in turn depends on seamless connectivity in transport, energy, and information and communications technology. Moreover, strengthening the social protection agenda is central to reducing inequalities within and between countries in the subregion, ensuring no one is left behind and building resilience to reduce disaster risks. Resilience building is central to the

Sustainable Development Goals and often requires transboundary solutions and technological innovations.

B. Empowering people and ensuring inclusiveness and equality

39. The Economic and Social Commission for Asia and the Pacific (ESCAP) continues to collaborate with subregional organizations such as ASEAN to support broader subregional goals of empowering people, reducing growing inequality, and working to support more inclusive, equitable, and sustainable growth in South-East Asia. To this end, key priority areas are identified as infrastructure connectivity, disaster resilience and inequality, particularly with regard to the ageing population, as well as regional integration and related cross-cutting issues.

40. ESCAP supports countries to expand regional connectivity and to ensure that the region's growing prosperity is more widely shared through the implementation of several instruments, such as the Master Plan on the Association of Southeast Asian Nations Connectivity, the Association of Southeast Asian Nations Transport Strategic Plan (2016–2025) and the Regional Action Programme for Sustainable Transport Connectivity in Asia and the Pacific, phase I (2017–2021). Enhancing the sustainability of electricity supply through increased subregional connectivity is of particular importance, as demand for energy in South-East Asian countries is set to increase in the coming decades. Meeting this demand, particularly for electricity, will remain a primary concern. Doing so sustainably, while ensuring the affordability and reliability of the supply should shape countries' transition to more sustainable energy sources. ESCAP supports the development of national road maps for achieving Sustainable Development Goal 7 and aligning existing national energy strategies with it and with a regional perspective. To do so, ESCAP conducts energy infrastructure analysis and mapping at subregional and country levels.

41. Building resilience is fundamental to the continued development of the subregion. Rising inequality and diminishing social cohesion, volatile economic development and climate impacts are pressure points that are converging rapidly, creating a more unpredictable context for policy and planning in the region and elsewhere. In building resilience and reducing disaster risk in the subregion, ESCAP, as the lead entity of the priority programme on risk awareness and assessment, supports the implementation of the Association of Southeast Asian Nations-United Nations Joint Strategic Plan of Action on Disaster Management; the ASEAN Declaration on Culture of Prevention for a Peaceful, Inclusive, Resilient, Healthy and Harmonious Society; and the ASEAN Declaration on One ASEAN, One Response: ASEAN Responding to Disasters as One in the Region and Outside the Region. ESCAP continues to improve analysis to enhance regional knowledge on disaster risk and resilience, promote the wide dissemination of such knowledge, identify challenges and opportunities for data-sharing and provide the analytical basis for regional cooperation.

42. The impressive economic growth and remarkable achievements of the subregion in poverty reduction have not closed the income gap between the rich and the poor nor created more equal access to basic services. These gaps disproportionately affect women and the vulnerable segments of society, such as the ageing population. In South-East Asia, the oldest old are a modest proportion of the population aged 60 or older, but this share is projected to increase to approximately 15 to 16 per cent by 2050. Social protection systems are essential to reduce old-age poverty. With effective policies, population ageing can herald a period of sustained development progress. ESCAP

supports ASEAN member States in the implementation of the Madrid International Plan of Action on Ageing, 2002, conducted the third regional review of the Plan of Action and will continue supporting ASEAN in the preparation of a draft plan of action for the implementation of the Kuala Lumpur Declaration on Ageing: Empowering Older Persons in ASEAN. ESCAP also facilitates subregional dialogue on policies to address population ageing.

C. Addressing emerging issues and challenges through subregional economic cooperation and integration in line with the regional road map for implementing the 2030 Agenda in Asia and the Pacific

43. The regional road map for implementing the 2030 Agenda in Asia and the Pacific identifies priority areas for regional cooperation to promote the balanced integration of the three dimensions of sustainable development in a set of priority areas. These include rising inequalities, disaster risk reduction and resilience, climate change, the management of natural resources, transport, information and communications technology, and energy connectivity, all of which are relevant to the South-East Asian countries.

44. Human dimensions are firmly placed at the centre of the 2030 Agenda and subregional agendas such as the ASEAN Community Vision 2025, with the ultimate objective of providing shared prosperity and improving well-being. The human dimension is further strengthened in these agendas through their emphasis on inclusivity and connectedness, with a special focus on the poor and vulnerable groups. This includes reducing barriers and improving connectivity, building resilience, and ensuring equitable access for all through initiatives to narrow the development gap and ensure no one is left behind.

45. In recent years, the secretariat has worked closely with ASEAN under the framework of the Joint Declaration on Comprehensive Partnership between the Association of Southeast Asian Nations and the United Nations to strengthen collaborations for delivering inclusive and sustainable development through the ASEAN Community Vision 2025 and the 2030 Agenda. A notable achievement was the recognition that there are clear complementarities between the two agendas. In the report *Complementarities between the ASEAN Community Vision 2025 and the United Nations 2030 Agenda for Sustainable Development: A Framework for Action*, launched at the ASEAN-United Nations Summit in 2017, the authors recommended five priority areas that require cross-sectoral and cross-dimensional approaches that can accelerate the simultaneous achievement of the dual objectives of both agendas: resilience, infrastructure, sustainable consumption and production, poverty eradication, and sustainable management of natural resources.

46. The report shows that ASEAN member States have made notable progress in promoting economic, social and environmental advancement. In order to maintain this progress and to meet the objectives of Community Vision 2025 and the 2030 Agenda, countries will need to accelerate efforts. The report shows that one of the best ways to achieve this is to focus on the complementarities between the two agendas. Seven flagship initiatives could support concrete actions to efficiently draw on limited resources and deliver high-impact and inclusive benefits across a broad range of sustainable development priorities.

V. South and South-West Asia

47. The 2030 Agenda is particularly relevant for the member States of the South Asia subregion. Despite robust economic growth and other development achievements, the subregion accounts for a disproportionately high share of poverty and other deprivations. Given its weight in global population and its share in global poverty, the world will not be able to achieve the Sustainable Development Goals without South Asia achieving them. The subregion's success in implementing the Goals hinges on addressing current capacity gaps and strengthening the means of implementation through regional cooperation.

A. Persistent and emerging issues and challenges to the implementation of the 2030 Agenda

48. Despite notable progress towards the Millennium Development Goals, the subregion remains a global poverty and hunger hotspot, with a 36 per cent share of the world's extreme poverty, a third of global hunger and nearly half of child malnutrition in the world.⁴ Wide development gaps also exist in terms of access to education and health services, sanitation, clean energy and social protection.

49. A key challenge that the subregion faces with regard to sustainable development and poverty eradication is due to the fact that economic growth has not created an adequate number of decent jobs to harness the youth bulge. In the report *Achieving the Sustainable Development Goals in South Asia*, ESCAP found that jobless growth was a result of a distorted pattern of structural transformation. South Asia has not been able to harness the job-creating potential of manufacturing, and agriculture continues to sustain close to half of the workforce, although its share in national income has declined to approximately 15 per cent.⁵ Resource deprivation, broad gender gaps, child mortality and malnourishment are manifestations of the inequality of opportunity arising from skewed income distribution that locks populations in intergenerational poverty traps.

50. The lack of broad-based growth also has spillover effects on certain other structural deficiencies, resulting, for example, in wide technological and infrastructure gaps. The proportion of GDP spent on research and development and infrastructure are substantially lower in South Asia compared to the world average. Gaps in transport, technology and basic infrastructure cost the subregion 3 to 4 per cent of the GDP.⁶

51. South Asia is also among the worst affected subregions in terms of economic losses due to extreme climate events and natural disasters. The increasing incidence of such calamities can put a drag on economic growth and undo years of progress. The secretariat's projection of climate scenarios for the year 2050 finds South Asian countries among the worst affected from climate change-induced food insecurity.⁷

⁴ *Achieving the Sustainable Development Goals in South Asia: Key Policy Priorities and Implementation Challenges* (United Nations publication, Sales No. E.17.II.F.12).

⁵ Ibid.

⁶ Ibid.

⁷ *Leave No One Behind: Disaster Resilience for Sustainable Development – Asia-Pacific Disaster Report 2017* (United Nations publication, Sales No. E.17.II.F.16).

B. Empowering people and ensuring inclusiveness and equality

52. The theme of the second South Asia Forum on the Sustainable Development Goals, organized by ESCAP in New Delhi on 4 and 5 October 2018, was “Empowering people and ensuring inclusiveness and equality”. The Forum underscored that the implementation of the Goals in South Asia requires concerted action by all four pillars of democracy – the judiciary, the legislature, the media and civil society – and diverse stakeholders at the grassroots level. Regional initiatives should complement national-level reforms given the interrelatedness of the Goals, which have spillover effects.⁸

53. Among the specific Sustainable Development Goals, Goal 8 (Decent work and economic growth) was identified as critically important for South Asia, especially because of its close linkages with Goal 10 (Reduced inequalities) and Goal 13 (Climate action). The priorities for South Asia with respect to Goal 8 lie primarily in human resources development through industry-oriented skill and vocational training programmes followed by investments in employment-intensive sectors and labour-augmenting technologies. South Asian countries also need to exploit their export potential through sectoral diversification and trade facilitation, particularly focusing on connectivity, as the cost of trade within the subregion is among the highest in the world.⁹

54. In order to meet Goals 8 and 10 in South Asia, the following types of reforms are essential: reforms focused on the ease of doing business; addressing the call for equal pay for work of equal value and for safe and secure working environments for all workers; extending social security coverage; improving the quality of public services provision and financial inclusion.

C. Addressing emerging issues and challenges through subregional economic cooperation and integration in line with the regional road map for implementing the 2030 Agenda in Asia and the Pacific

55. South Asian countries face many common challenges with regard to implementation of the 2030 Agenda, which makes a compelling case for policy coherence and coordination at the subregional level. Certain solutions for sustaining growth fall in the realm of enhanced intraregional trade and market integration, especially given the low levels of intraregional trade in South Asia, which exploits only about a third of its potential, as estimated by ESCAP. Regional cooperation includes multi-stakeholder partnerships for sharing of best practices and capacity-building across a number of thematic areas. Cooperation on financing, technology, climate resilience and statistical capacity were identified by the South Asia Forum on the Sustainable Development Goals as some of the main areas in which regional knowledge networks should be created.

⁸ ESCAP, National Institution for Transforming India, and Research and Information System for Developing Countries, “South Asia Forum on Sustainable Development Goals”, report of the meeting, New Delhi, 4 and 5 October 2018. Available at www.unescap.org/sites/default/files/South%20Asia%20SDG%20Forum%202018%20Report.pdf.

⁹ *Unlocking the Potential of Regional Economic Cooperation and Integration in South Asia: Potential, Challenges and the Way Forward* (United Nations publication, Sales No. E.17.II.F.14).

56. New and innovative sources of finance are required for bridging South Asia's severe infrastructure deficit. In this regard, conventional models of financing need to be revisited, and financing needs to be conceptualized as a collective effort in which the participation of governments, the private sector, non-governmental stakeholders, intergovernmental donor agencies and others needs to be secured under a comprehensive regional cooperation framework. The impending graduation from least developed country status for three South Asian countries, namely Bangladesh, Bhutan and Nepal, over the next four years will pose additional financing challenges for those countries. Another critical area of infrastructure financing in rapidly urbanizing South Asia relates to improving the delivery of sustainable urban infrastructure and services by focusing on institutional environment and fiscal instruments, as highlighted by regional discussions.

57. Access to technology is a critical issue in South Asian countries, as the nexus between technology, the intellectual property rights regime and financing has not been properly addressed in the Sustainable Development Goals discourse. Cooperation is required to find cost-effective solutions to meet the technology requirements for development purposes. Collaborative research would be fruitful for exploiting synergies in frugal innovation for addressing shared challenges.

58. Collective action is critical to enhance the environmental sustainability of South Asian countries through low-carbon pathways, given their contiguous geography and increasing vulnerabilities from multiple climate change threats. While South Asian countries have initiated institutional and policy actions at various levels, regionally concerted efforts have yet to take shape. One area of progress is that of regional-level efforts to address increasing threats to food security due to the climate sensitivity of the agrarian sectors.¹⁰

59. Gaps in technical capacities for collecting and processing data for informing policymaking has been reported by all South Asian countries during periodic assessments and in their voluntary national reviews. Cooperation to strengthen national statistical systems by sharing experiences could include collaborations and innovative partnerships with educational institutions, universities, academia, knowledge networks and civil society organizations.¹¹

60. Closely aligned with data management is the collaboration needed for mapping cross-border intersections of key vulnerabilities. Regional knowledge networks can help to improve the delivery of social security measures. Sharing experiences on improving beneficiary targeting, outreach, and the depth of coverage and efficiency of public welfare programmes could be valuable. ESCAP is engaging with civil society organizations, such as the South Asian Women Development Forum, to facilitate sharing experiences from other subregions to promote women entrepreneurship to close gender gaps.

¹⁰ ESCAP, South Asia Centre for Policy Studies, and Research and Information System for Developing Countries, "Policy Dialogue on Unlocking the Potential of Regional Cooperation in South Asia for Achieving Sustainable Development Goals", paper prepared for the meeting, New Delhi, 6 October 2018 (available at: www.unescap.org/sites/default/files/Policy%20dialogue%20on%20regional%20cooperation_Key%20Highlights.pdf); and Mustafizur Rahman, Estiaque Bari and Sherajum Monira Farin, "Operationalizing the SAARC food bank: issues and solutions", ESCAP, South and South-West Asia Development Papers 1803 (New Delhi, 2018).

¹¹ ESCAP supports the United Nations country teams in South Asia with respect to the implementation of the United Nations Development Assistance Framework.

61. With regard to issues of cross-border transport connectivity and facilitation, ESCAP has advocated for a multimodal freight corridor extending from Myanmar in the east to Central Asia and Europe in the west, with feeder links to landlocked countries. Such a corridor can yield significant cost and time savings. Similarly, regional cooperation to harness the potential of renewable energy through hydroelectric power projects based on power trading arrangements can immensely help to achieve the targets of the Paris Agreement and the 2030 Agenda.¹²

62. The South Asia Forum on the Sustainable Development Goals proposed the creation of a South Asia network for the Goals to support their implementation in the subregion. In view of the secretariat's neutral, intergovernmental character, multisector expertise and strategic presence in the subregion as well as its mandate to foster regional cooperation for development, ESCAP was asked to facilitate the network.

63. The Sustainable Development Goals provide a development agenda which can form the basis for cross-border partnerships and coalitions in South Asia. Stakeholders of the subregion have recognized the potential of regional cooperation for supporting and complementing national implementation mechanisms. The secretariat's provision of a regional and subregional platform for dialogue and policy coordination, including through the South Asia Forum on the Sustainable Development Goals, is one of its key activities in the subregion. ESCAP, through its South and South-West Asia Regional Office, will continue to support these initiatives to assist member States through policy analysis, the provision of knowledge products, capacity-building and technical assistance, and as a platform for subregional cooperation.

VI. Issues for consideration by the Commission

64. The Commission may wish to provide guidance to the secretariat on priority areas of work, approaches and partners for addressing subregional challenges and opportunities in relation to the 2030 Agenda, and in particular in terms of empowering people and ensuring inclusiveness and equality, so that the secretariat's initiatives are better targeted and delivered.

¹² ESCAP, *Integrating South Asia's Power Grid for a Sustainable and Low Carbon Future* (Bangkok, 2018).