Building Forward Together

Towards an inclusive and resilient Asia and the Pacific

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Building Forward Together:
Towards an Inclusive and Resilient Asia and the Pacific

Printed in Thailand

This is a co-publication of the United Nations (ESCAP), the Asian Development Bank (ADB) and the United Nations Development Programme (UNDP).

ISBN 978-92-9269-433-3 (print); 978-92-9269-434-0 (electronic); 978-92-9269-435-7 (ebook)

Publication Stock No. TCS220113-2

DOI: http://dx.doi.org/10.22617/TCS220113-2

Cataloguing-In-Publication Data

United Nations, Asian Development Bank, and United Nations Development Programme. Building Forward Together: Towards an inclusive and resilient Asia and the Pacific

Bangkok, Thailand: United Nations, 2022

1. COVID-19 2. Inclusion 3. Environment. 4. Regional Cooperation 5. Asia-Pacific 6. Sustainable Development 7. SDGs 8. United Nations, Asian Development Bank, and United Nations Development Programme.

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Foreword

Since the emergence of the coronavirus disease (COVID-19) led to the closure of borders, lockdowns and economic and public health crises across the Asia-Pacific region, the pandemic has taken many twists and turns. As a result, the region's prospects of achieving the 17 Sustainable Development Goals (SDGs) by 2030 are much diminished. The odds of meeting many of them were already low before the pandemic, in the face of intensifying climate and financial shocks.

The pandemic further widened existing inequalities and vulnerabilities. Evidence also shows the reversal of hard-won gains in poverty reduction in several countries in the region. All this is happening alongside intensifying environmental degradation, biodiversity loss, and the continued onslaught of natural hazards and climate change. Consequently, the risks to developing countries, and poor and vulnerable populations, have not abated, but are on the rise.

In 2021, our partnership report highlighted the risk of widening social and economic divergence in Asia and the Pacific—and the threat of a so-called "K-shaped recovery". This report takes a closer look at the implications of the pandemic for attaining the SDGs, and countries' responses to pandemic-induced shocks and rising social and economic stresses. It considers the key factors that are influencing the dynamics of recovery in parts of the region, and what we can learn faster and apply further, from what works.

Critical to countries' ability to cope have been vaccination coverage, access to diagnostics, and COVID-19 therapeutics. Generally, richer countries have made faster progress in inoculating their populations. Yet some poorer countries in the region, such as Cambodia, Bhutan and small island developing states, have also managed to achieve high vaccination coverage. Despite these successes, greater vaccine equity remains vital to getting the region's economies and societies back on track as fast as possible. On this score, every day matters.

The pandemic has sped up the digitalization of economic and social activity in the region. Even countries with limited access to the internet before the pandemic, have found ways to reap the benefits of accelerating technological change. Yet for the most part, the poorest and most vulnerable people continue to be excluded. This must change: ensuring an equitable digital future for all is critical to accelerating progress on the SDGs.

Social protection systems in the region, despite their fragmentation and weaknesses, have saved lives during the pandemic. But it is paramount to ensure they are strengthened further. Countries with a standing social protection architecture have been better able to protect people, and take an inclusive, all-of-population approach, rather than relying on ad-hoc emergency measures that are put into gear only when disaster strikes.

Last but not least, this report considers the economic structures and fiscal positions that have shaped the pandemic's impact in individual countries. Economic concentration has proved a major weakness, and diversification, with a focus on more sustainable and inclusive economic activity, will be vital for faster recovery. Public debt and fiscal stresses have increased significantly in

most countries, adding to an already daunting SDG financing gap. It has never been more urgent to mobilize development finance from a wider range of sources, particularly capital markets. The business case for the SDGs must be made in bolder ways, and better data and impact metrics can be used to demonstrate the high value proposition this offers.

In this context, the region faces an urgent and intertwined question: can countries use the economic, social and environmental policy and financing instruments and reach to make the recovery green, while also building sustainable and resilient economies and societies that leave no one behind. A wealth of good practices to promote both inclusion and environmentally sustainable recovery have already emerged. We must raise the ambition and scale of these efforts without delay.

We are pleased to issue this joint report under our Asia-Pacific Sustainable Development Goals Partnership, as we support efforts to build back along these lines, and do so together.

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Key messages

Chapter 1. COVID-19 reverses progress toward the Sustainable Development Goals

- The pandemic has led to a deterioration of economic, social and environmental conditions throughout Asia and the Pacific, and has exacerbated pre-existing vulnerabilities and inequalities within and between countries.
- Poor and disadvantaged groups, already vulnerable before the pandemic, have suffered the most and are at heightened risk of falling further behind.

Chapter 2. Key factors influencing recovery from COVID-19

- There are signs of a so-called "K-shaped recovery" marked by a widening divergence in economic and social outcomes within and between countries of the region, especially among countries in special situations. Such a skewed recovery carries the risk of leaving behind the poorest and most vulnerable population groups.
- The dynamics of recovery are shaped by at least six factors: vaccination (including access to diagnostics and therapeutics), social protection, digitalization, economic structure, environmental risks, and fiscal space. To avoid a "K-shaped recovery", these factors need to be considered carefully in the design of national recovery strategies.

Chapter 3. Policy priorities for inclusive and resilient recovery

- As countries shift from delivering an emergency response to long-term recovery, they face two principal and intertwined challenges: how to make the recovery inclusive and leave no one behind, while charting a transformative path toward building sustainable and resilient economies and societies and achieving the SDGs. This calls for more systemic and integrated approaches that can reshape the dynamics of recovery, overcome pre-existing vulnerabilities, and drive transformative change.
- Three interrelated thematic areas at the core of the Sustainable Development Goals (SDGs) agenda are highlighted for urgent policy action: **inclusion** (ensuring social protection and quality education for all), **women's empowerment** (advancing gender equality), and **environmental sustainability** (building inclusive green economies). In each of these areas, good practices already are emerging from recovery efforts.

Chapter 4. Building forward together: Putting policies into action to achieve the SDGs

- Governments should review and, as necessary, raise the ambition of their national recovery strategies to ensure they are aligned with the 2030 Agenda, integrated with national sustainable development goals and policy frameworks, and focused on gender equality and the needs of poor and vulnerable population groups.
- Governments have a growing array of new and evolving financing strategies, mechanisms and tools that they can tap to mobilize the significantly greater financial resources—public and private, domestic and international—needed for sustainable development and achieving the SDGs.
- Moving forward, regional cooperation and multi-stakeholder partnerships must play a critical role in supporting necessary policy and institutional reforms and in scaling up practical solutions that make countries' recovery inclusive, resilient and sustainable.

Acknowledgements

Building Forward Together: Towards an inclusive and resilient Asia and the Pacific was prepared under the Asia-Pacific Sustainable Development Goal (SDG) Partnership of the Economic and Social Commission for Asia and the Pacific (ESCAP), the Asian Development Bank (ADB) and the United Nations Development Programme (UNDP). A technical team from the three organizations (Kaveh Zahedi, Hirohito Toda, Oliver Paddison and Juliet Braslow of ESCAP; Lu Shen, Smita Nakhooda and Frank Thomas of ADB; Swarnim Waglé, Jaco Cilliers and Bishwa Nath Tiwari of UNDP) guided the development of the text.

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Staff members from ESCAP, ADB and UNDP reviewed parts of the report and/or provided technical inputs at various stages of preparation: Alberto Isgut, Deanna Morris and Vatcharin Sirimaneetham of the Macroeconomic Policy and Financing for Development Division (ESCAP); Channe Lindstrom Oguzhan, Tingting Chen, Sture Patrik Andersson and Vanessa Steinmayer of the Social Development Division (ESCAP); Katinka Weinberger of the Environment and Development Division (ESCAP); Arman Bidarbakht Nia and Dayyan Shayani of the Statistics Division (ESCAP); Van Nguyen of the Office of the Executive Secretary (ESCAP); Siope Vakataki Ofa and Tae Hyung Kim of the ICT and Disaster Risk Reduction Division (ESCAP); Samantha Hung and Karis Vehnel M. Fonte of the Gender Thematic Group (ADB); Sanchita Basu Das and Shawn Tan of the Economic Research and Cooperation Department (ADB); Wendy Walker, Yukiko Ito, Lydia Domingo and Tanya Concepcion of the Social Development Thematic Group (ADB); Dorothy Geronimo of the Education Sector Group (ADB); Mizuho Okimoto-Kaewtathip of the Inclusive Growth Team (UNDP, Bangkok Regional Hub); Akiko Yamamoto, Doley Tshering, Tashi Dorji, Jose Padilla and Krib Sitathani of the Nature, Energy and Climate Team (UNDP Bangkok Regional Hub); Radhika Lal of the Finance Team (UNDP Bangkok Regional Hub); Koh Miyaoi of the Gender Team (UNDP Bangkok Regional Hub); and Annabelle C. Trinidad of the BIOFIN Team (UNDP Istanbul Regional Hub).

Research and data support was provided by: Arman Bidarbakht Nia, Dayyan Shayani, Kieren Mcgovern, Symone McCollin-Norris and Kayla Kingseed (ESCAP); Dave Pipon (ADB); and Apiradee Treerutkuarkul (UNDP Bangkok Regional Hub).

Tom Felix Joehnk edited the manuscript and project administration support was provided by Aqira Bhatchayutmaytri and Sutinee Yeamkitpibul. Communications and publishing support was provided by Mitch M. Hsieh and Kavita Sukanandan (ESCAP); Pima O. Arizala-Bagamasbad, Rodel Bautista, Graham Dwyer, Mercedes Martin and Duncan McLeod (ADB); Cedric Monteiro, Mahtab Haider, Aminath Mindha and Supaporn Tampirak (UNDP); the Publications Board of the United Nations, Office of the Executive Secretary, ESCAP; the ADB Office of Administrative Services should be changed to Central Services Department; and the publishing team of ADB's Department of Communications. Publication design and layout was by Xiao Dong and Qi Yin with support from Charlene B. Laxamana.

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Chapter 1: Narendra Shrestha/ Asian Development Bank/flickr
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Abbreviations

ADB	Asian Development Bank
APFSD	Asia-Pacific Forum on Sustainable Development
ASEAN	Association of Southeast Asian Nations
BIOFIN	Biodiversity Finance Initiative
CBD	Convention on Biological Diversity
CBWTF	Common Biomedical Waste Treatment and Disposal Facility
CFSC	Child and Family Support Centres
CMP	Child Money Programme
COVAX	COVID-19 Vaccines Global Access
DSSI	Debt Services Suspension Initiative
ESCAP	Economic and Social Commission for Asia and the Pacific
FAO	Food and Agriculture Organization of the United Nations
FSM	Federated States of Micronesia
GDP	Gross Domestic Product
GSI	Greenness of Stimulus Index
HDI	Human Development Index
IEA	International Energy Agency
ICT	Information and Communication Technology
IISD	International Institute for Sustainable Development
IMF	International Monetary Fund
ITU	International Telecommunication Union
LAYS	Learning Adjusted Years of Schooling
LDC	Least Developed Country
LLDC	Landlocked Developing Country
ILO	International Labour Organization
IPBES	Intergovernmental Panel on Biodiversity and Ecosystem Services
MoECRT	Ministry of Education, Culture, Research and Technology
MSME	Micro, small and medium-sized enterprise
NDC	Nationally Determined Contribution
NGO	Non-governmental organization
OCHA	United Nations Office for the Coordination of Humanitarian Affairs
PFI	Participated Financial Institution
PISA	Program for International Student Assessment
PPE	Personal protective equipment
SDG	Sustainable Development Goal
SIDS	Small Island Developing States
SPTO	South Pacific Tourism Organisation
TVET	Technical and Vocational Education and Training
UNCCD	United Nations Convention to Combat Desertification
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFCCC	United Nations Framework Convention on Climate Change
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
WHO	World Health Organization
WWF	World Wildlife Fund

Explanatory notes

The Asia-Pacific region, unless otherwise specified, refers to the group of members and associate members of the Economic and Social Commission for Asia and the Pacific (ESCAP) that are within the Asia and the Pacific geographic region (the Asian Development Bank and the United Nations Development Programme, partners in this publication, have differing regional compositions). Some countries are referred to by a shortened version of their official name in the figures, as indicated in brackets in the listing below.

Geographic subregions in this report are defined (unless otherwise specified), as follows: East and North-East Asia: China, Democratic People's Republic of Korea (DPR Korea), Japan, Mongolia, and Republic of Korea; South-East Asia: Brunei Darussalam, Cambodia, Indonesia, the Lao People's Democratic Republic (Lao PDR), Malaysia, Myanmar, Philippines, Singapore, Thailand, Timor-Leste, and Viet Nam; South and South-West Asia: Afghanistan, Bangladesh, Bhutan, India, Islamic Republic of Iran, Maldives, Nepal, Pakistan, Sri Lanka, and Turkey; North and Central Asia: Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyz Republic, the Russian Federation, Tajikistan, Turkmenistan, and Uzbekistan; Pacific: American Samoa, Australia, Cook Islands, Fiji, French Polynesia, Guam, Kiribati, Marshall Islands, Federated States of Micronesia, Nauru, New Caledonia, New Zealand, Niue, Northern Mariana Islands, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu.

Least developed countries: Afghanistan, Bangladesh, Bhutan, Cambodia, Kiribati, the Lao People's Democratic Republic, Myanmar, Nepal, Solomon Islands, Timor-Leste and Tuvalu. Samoa and Vanuatu were part of the group of least developed countries prior to their graduation in 2014 and 2020, respectively.

Landlocked developing countries: Afghanistan, Armenia, Azerbaijan, Bhutan, Kazakhstan, Kyrgyz Republic, Lao People's Democratic Republic, Mongolia, Nepal, Tajikistan, Turkmenistan and Uzbekistan.

Small island developing States: Cook Islands, Fiji, Kiribati, Maldives, Marshall Islands, Federated States of Micronesia, Nauru, Niue, Palau, Papua New Guinea, Samoa, Singapore, Solomon Islands, Timor-Leste, Tonga, Tuvalu and Vanuatu.

Developing Asia-Pacific: ESCAP region, excluding Australia, Japan and New Zealand.

Developed Asia-Pacific: Australia, Japan and New Zealand.

The classification of countries into income groups is from the World Bank.

Symbols and units

References to dollars ($) are to United States dollars, unless otherwise stated.

The dash (–) between dates signifies the full period involved, including the beginning and end years.

Introduction

This report, released two years after COVID-19 began spreading around the world, considers how countries have been responding to this complex and still evolving pandemic, and highlights key elements of a forward-looking policy agenda aimed at putting countries on a path to longer-term recovery that is inclusive, resilient and aligned with the 2030 Agenda for Sustainable Development and achieving the Sustainable Development Goals (SDGs). It expands on themes of inequality and systemic vulnerabilities discussed in the 2021 SDG Partnership Report: *Responding to the COVID-19 Pandemic: Leaving no country behind*.

Chapter 1 highlights the economic, social and environmental vulnerabilities and inequalities that the COVID-19 pandemic has exposed in the region, and the associated risks to a recovery that leaves no one behind. This includes a particular focus on SDG 4 (quality education), 5 (gender equality), 14 (life below water) and 15 (life on land), to be reviewed at the 2022 session of the United Nations High Level Political Forum on Sustainable Development. These four goals are intimately connected to the region's longer-term recovery and reflect the three themes that frame this report: inclusion, women's empowerment and environmental sustainability.

Chapter 2 considers key factors that have shaped the effects of the pandemic and countries' response, as reflected in global and regional policy discourse, and analysis by our three institutions on the diverse effects of COVID-19 on economies in Asia and the Pacific.[1] Chapter 3 features emerging good practices related to the three themes introduced in chapter 1 that are core elements of the 2030 Agenda: **inclusion** (ensuring social protection and quality education for all), **women's empowerment** (advancing gender equality), and **environmental sustainability** (building inclusive green economies). The analysis draws on extensive inputs from sub-regional fora involving nearly 1,000 stakeholders, and 11 in-depth case studies from countries across the sub-regions and special situations of developing Asia and the Pacific. On this basis, key policy priorities are highlighted for urgent action to build forward better and reignite regional progress toward achieving the SDGs through an inclusive and resilient recovery.

Chapter 4 concludes by focusing on three key cross-cutting areas to unlock the policy opportunities highlighted in the preceding chapter: raising the ambition of national recovery strategies to align with the 2030 Agenda and leaving no one behind, mobilizing and steering public and private finance for inclusive and sustainable development, and leveraging regional cooperation and multi-stakeholder partnerships to overcome common challenges and narrow development gaps.

CHAPTER 1

COVID-19 reverses progress toward the Sustainable Development Goals

Across Asia and the Pacific, national efforts to address the COVID-19 pandemic have largely focused on immediate concerns of short-term relief, containing the virus, and securing and administering vaccines. The less visible but critically important side of the crisis is the complex and multidimensional relationship between the pandemic, pre-existing vulnerabilities, and rising inequalities—and the implications for inclusive recovery and the region's longer-term sustainable development prospects. Chapter 1 reviews pandemic impacts on the region's economies and people, with a focus on the most vulnerable and those who are falling behind, followed by a brief analysis of impacts on the priority SDGs to be addressed at the 2022 High Level Political Forum on Sustainable Development: Goal 4 (quality education), Goal 5 (gender equality), Goal 14 (life below water), and Goal 15 (life on land). These goals link closely to three themes at the core of this report and the 2030 Agenda for Sustainable Development: inclusion, women's empowerment and environmental sustainability.

The coronavirus (COVID-19) pandemic unleashed an unprecedented global health crisis with major social and economic impacts—resulting in a global decline in human development for the first time in 30 years. In Asia and the Pacific extreme poverty increased for the first time in 20 years. Throughout the region multidimensional poverty and vulnerability have intensified due to loss of jobs and livelihoods and disruption of essential services, with poor and disadvantaged groups at heightened risk of falling even further behind.[1]

However, a paucity of data means that it is difficult to adequately measure progress in SDG implementation as well as the pandemic-induced impacts on sustainable development. To be sure: data availability has improved and in 2021, for the first time, more than half of the 231 SDG indicators had sufficient data to measure progress. But 34 per cent of SDG targets still cannot be measured, with large data gaps in the areas of gender equality and environment-related goals. Prior to the pandemic, countries in Asia and the Pacific were already off-track to achieve any of the 17 SDGs by 2030.[2] They now face an even steeper climb as the wide-ranging impacts of the pandemic have slowed or reversed many of the region's hard-won development gains.

1.1 Diverging economic impacts

An unprecedented shock. The COVID-19 pandemic struck the world economy with the biggest shock since the second world war—with devastating impacts across Asia and the Pacific. The impacts are many. They include rising unemployment and sharp falls in both income and household consumption due to lockdowns; weak consumer spending due to a gloomy and uncertain economic outlook; declines, and even cessation, in tourism and business travel due to quarantine requirements and border closures; spillovers of weaker demand to other sectors and economies through trade and production linkages; and supply-side disruptions to production and trade.[3]

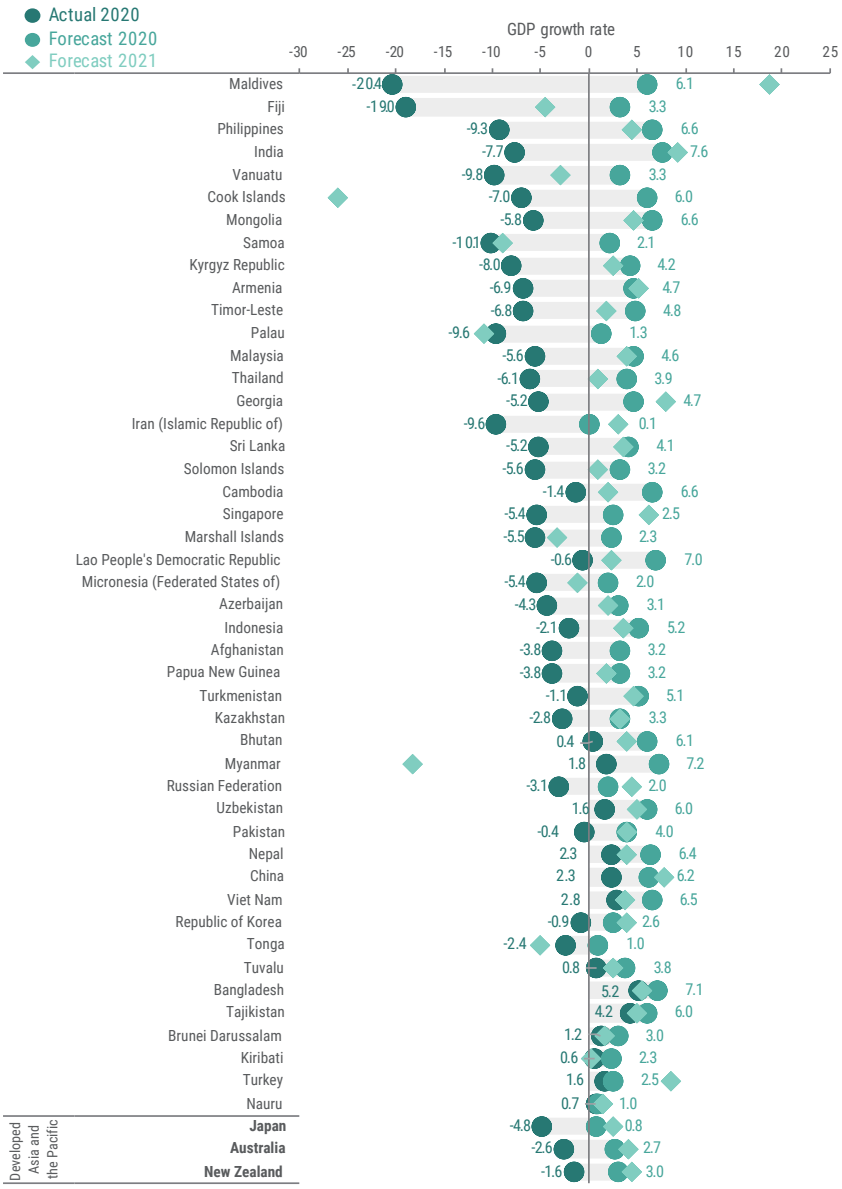
An ongoing and evolving crisis. The pandemic took a turn for the worse in some parts of the world with the virulent Delta variants and the emergence of even more transmissible Omicron variants. As vaccination rates rise, the Asia-Pacific region is expected to grow faster in 2022 than last year.[4] However, future growth will in part depend on effectively controlling the spread of existing and potential new variants. Vaccine access has emerged as one of the principal fault lines between countries where economic activity is rebounding and those that face rising deaths, mounting hospitalizations, health costs, and economic disruption.

A mixed picture for economic growth. The pandemic has had a significant and wide-ranging impact on countries' economies. Based on the latest analysis by the ADB, relative to a pre-COVID-19 baseline, output losses for developing Asia amounted to 6.0 to 9.5 per cent of regional GDP in 2020 and 3.6 to 6.3 per cent in 2021. Overall, pre-COVID-19 growth estimates were significantly higher for 2020 than actual outcomes (Figure 1.1). Despite the headwinds caused by the Delta variant surge last year, Asia and the Pacific remained the world's fastest growing region in 2021, led by high growth in China and India. But within the region, the divergence between developed economies, developing economies and countries in special situations (comprising least developed countries (LDCs), landlocked developing countries (LLDCs) and small island developing states) deepened. Some countries, particularly the high-tech exporters, were able to take advantage of favourable external demand to boost their recovery efforts. At the same time, countries that heavily rely on agriculture or the service sector, especially tourism, are on a slow-growth trajectory. In fact, several economies are estimated to have shrunk in 2021.[5] Economic risks and uncertainty remain high, mainly because of the unpredictability of the future course of the pandemic, varying levels of vaccination, and supply chain and other disruptions.[6]

Fiscal policy response. Faced with the devastating economic impacts of the pandemic, central banks and finance ministries swiftly enacted fiscal and monetary measures to provide lifelines to businesses and the most vulnerable people, stimulate their economies and maintain

macroeconomic and external stability. However, many developing countries, especially the LDCs, lacked fiscal space to mitigate the consequences of the virus outbreak, adequately protect the vulnerable, and mount sustainable recovery efforts. Their situation was made worse as in many countries the pandemic triggered massive capital flight and falling exchange rates. Declining tax revenues further constrained fiscal space and contributed to rising indebtedness. In the region's least developed countries, external debt rose 7.5 per cent, while public expenditure increased by less than one per cent. Rising public debt left even fewer resources to service and repay existing foreign debt. Many countries resorted to emergency loans or debt relief from multilateral development banks and the International Monetary Fund (IMF). In the Asia and Pacific region, 16 countries received financial assistance from the IMF; 14 of them were countries in special situations.[7] The countries that required financial assistance tended to be those relying on economic sectors most affected by the coronavirus, such as tourism, agribusiness, raw materials and remittances by migrant workers.

Figure 1.1: GDP growth rate forecasts of 2020 compared to actual 2020 growth rate, and projected growth rate 2021



Source: ESCAP, *Economic and Social Survey of Asia and the Pacific 2022: Building forward fairer – Economic policies for an inclusive recovery and development*, (forthcoming)

Severe effects on MSMEs. The adverse economic and financial conditions have hit micro, small and medium-sized enterprises (MSMEs) particularly hard. This group of businesses is a vitally important engine of inclusive economic growth and development in the formal and informal sectors of developing economies due to their large share in employment and important role in value chains and trade. Surveys in Indonesia, the Lao People's Democratic Republic, the Philippines and Thailand show that after the virus outbreak at least 40 per cent of MSMEs suspended operations and a similar share reduced their workforce.[8] Those that remained open experienced significant production and supply disruptions and faced sharply reduced sales due to feeble domestic demand. Most MSMEs reported a lack of cash, savings and access to bank credit. In many cases they had to borrow from relatives and friends to retain their businesses. To cope with the crisis, enterprises also laid off workers, at least temporarily. Women-owned micro-enterprises have been especially hard hit. Their businesses often lack proper access to loans and start-up capital and have fewer reserves compared to male-owned enterprises. Furthermore, as women-owned MSMEs are mostly informal and therefore unregistered, many cannot access emergency financial support and other public assistance programmes aimed at sustaining businesses during the emergency.[9]

1.2 Rising poverty and inequality

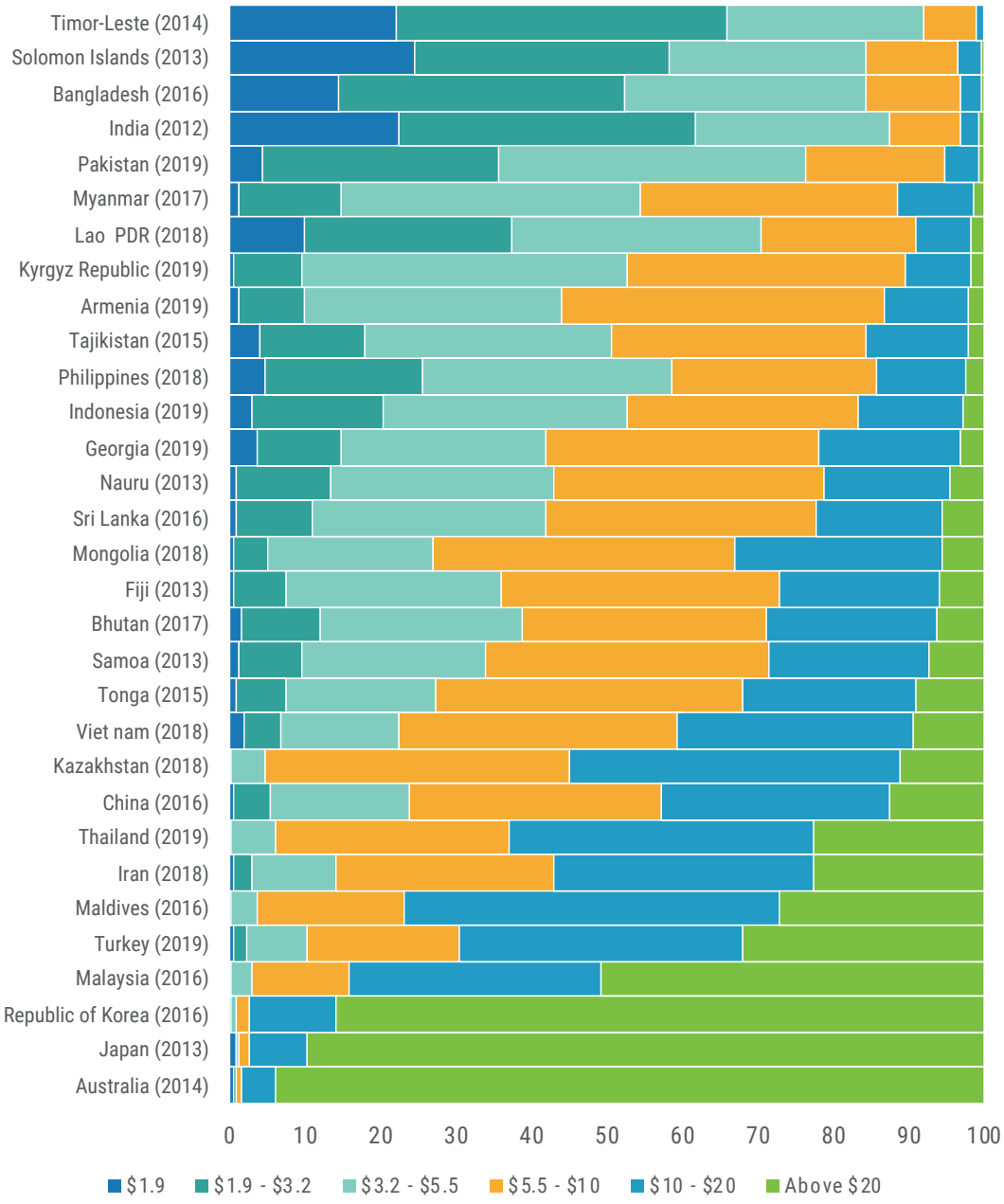
The economic impacts of the pandemic have reversed years of progress toward eliminating poverty in developing Asia and the Pacific. The crisis has also widened and deepened existing inequalities within and between countries. Due to the pandemic's adverse impacts on livelihoods—by way of falling incomes, remittances, and consumption—nearly 90 million people are likely to have been pushed into extreme poverty (less than $1.90 per day) and over 150 million and 170 million people live on less than $3.20 and $5.50 a day, respectively.[10]

To estimate the impact of COVID-19 on poverty and inequality, the World Bank, together with National Statistical Offices, conducted phone surveys in 34 countries worldwide. All six countries in the sample from Asia and the Pacific reported higher income losses for the bottom 40 per cent than for the top 60 per cent of the population at the national level and in rural areas.[11] On average, COVID-19-induced extreme poverty in the 34 countries is estimated to have increased by 0.9 percentage points and income inequality, as measured by Gini coefficient, is estimated to have climbed 0.3 percentage points.[12]

Multiple dimensions of poverty set back. The situation is even bleaker when indicators of multidimensional poverty are considered. At the global level, UNDP estimates that the impact of the pandemic on health, education and income will be equivalent to a loss of six years of gains in the Human Development Index,[13] and may set poverty levels back 9 years with an additional 490 million people falling into multidimensional poverty across 70 countries.[14] With about half of the world's 1.3 billion multidimensional poor currently living in Asia and the Pacific, it is estimated that the region will account for around 245 million of the new multidimensional poor. Millions of them are children for whom falling into poverty often comes with lifelong adverse consequences for their development and opportunities.

Severe income inequality. In many countries across Asia and the Pacific, income inequality is high and in some inequality keeps rising. The fragmentation of the population by income levels differs greatly across the countries of the region. A significant share of the population lives in extreme poverty with income below $1.90 per day in several developing countries. In developed countries of the region, more than 80 per cent of people have an income of more than $20 a day (Figure 1.2). COVID-19 has left a legacy of increased inequality.

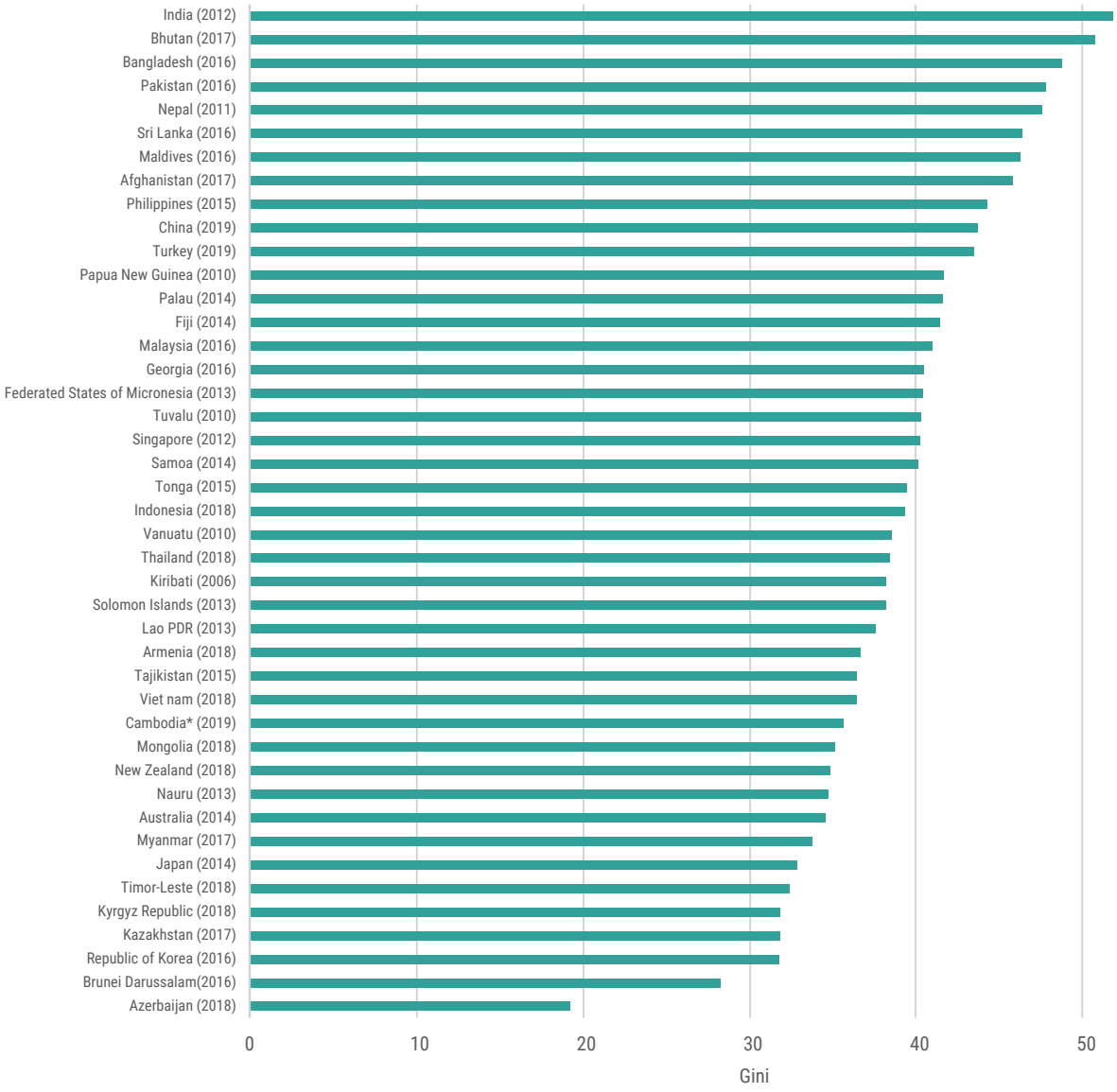
Figure 1.2: Distribution of population by different income groups (per capita per day)



Source: UNDP, *Inequality and Social Security in the Asia-Pacific Region,* (UNDP Bangkok Regional Hub, 2022).

Income inequality varies across sub-regions and economies within the region. The highest level of inequality is found in India, with other South Asian economies not far behind.[15] Around one in three countries in the region have a Gini coefficient above 40, which denotes a big income gap between rich and poor (Figure 1.3).

Figure 1.3: Gini Index of Inequality across Asia and the Pacific



Source: UNDP, *Inequality and Social Security in the Asia-Pacific Region*, (UNDP Bangkok Regional Hub. 2022).

High inequality of opportunity. Income inequality is often accompanied by inequality of opportunity as poor households face greater challenges in investing in education, health and other basic needs. Using a so-called Dissimilarity Index (D-Index), ESCAP has estimated inequality in access to a range of opportunities across economies and population groups within economies. The results show that high inequality is found in access to the internet, financial services and tertiary education. Inequality is also high in the use of clean fuels, an area that pertains to health and environmental quality. In fact, it is the most unequally distributed opportunity in about half of the 27 Asia-Pacific economies in the index. Overall, Papua New Guinea, Afghanistan, Kiribati and Lao PDR exhibit high inequality in many dimensions.[16]

High multidimensional poverty and disparity within countries. With the diverging speed and scope of economic recovery, the COVID-19 pandemic has further exacerbated poverty and inequality not only between countries but also across economic sectors, sub-regions and population groups within countries. Countries with higher vaccination rates and strong public health systems have been reaping recovery gains earlier than others. The informal and service sectors were especially vulnerable to lockdowns and other pandemic restrictions and lag behind other sectors.

The effects of COVID-19 could widen existing disparities between different population groups that national poverty measures do not capture. The proportion of people who experience multiple deprivations, the multidimensional poverty headcount ratio, varies across sub-regions, population age groups and caste and ethnicity within countries. Indonesia had a national multidimensional poverty rate of 3.4 per cent in 2017. However, two of its provinces, East Nusa Tenggara and Papua, have an incidence of 16.1 per cent and 17.9 per cent, respectively. In Lao PDR the national multidimensional poverty rate stood at 23.7 per cent in 2017, with the rate varying from 2.0 per cent in the capital Vientiane to 48.8 per cent in the southern province of Saravane.[17]

The pandemic is affecting young children particularly hard. Children (aged 0-17 years) already make up 29 per cent of the population in the Asia-Pacific region but account for 43 per cent of the multidimensional poor. In Nepal, multidimensional poverty is highest among children under the age of 10. More than one-fifth of children in South Asia under the age of five experience intrahousehold inequality in nutrition, implying that some children in the same household experience malnourishment. On average 10.7 per cent of school-aged girls in South Asia are multidimensionally poor; in Afghanistan the figure stands at 44.0 per cent.[18]

In seven Asia-Pacific countries with disaggregated data, multidimensional poverty varies across race, caste and ethnic groups. The incidence is higher in India and Lao PDR than in other countries. Even in countries with low poverty, such as the Philippines and Sri Lanka, the incidence varies widely. In the Philippines, multidimensional poverty among Maranao people was more than 10 times that of the Visaya, Ilokano, or Kapampangan population. In Sri Lanka, a minimal proportion of Burgher and Malay groups were affected by multidimensional poverty, but among Tamil Indian groups 16 per cent faced multiple deprivations. In Lao PDR, the difference ranged from 11 per cent in Lao-Tai to 45 per cent in Mon-Khmer groups. In India, the poverty headcount ratio ranged from 16 per cent among the non-scheduled tribes, scheduled caste or other castes to 51 per cent among scheduled tribes.[19]

Using the D-Index, ESCAP found that some groups are left behind more than others. Women are more frequently found in the furthest behind groups in education completion. The most vulnerable population groups—typically youths, the elderly, girls and female or people living in rural areas—often experience multidimensional poverty. Multiple deprivations in terms of access to opportunity compound people's vulnerability and inequality. Among the factors that interact to form greater disadvantage are a lack of access to financial services, overweight and wasting, residential status, sex and age. For instance, urban children with one or no siblings are more likely to be overweight, irrespective of their family's wealth.[20]

Rising unemployment. The pandemic has had a major adverse impact on the region's labour market and could worsen income inequality and disproportionately affect poor and vulnerable groups and MSMEs. Job losses in developing Asia and the Pacific are projected to be between 109 million to 166 million, nearly 70 per cent of global job losses. The region's losses from reduced wage income are estimated between $348 billion to $533 billion, about 30 per cent of global losses.[21] The most affected groups are unskilled workers, women, persons with disabilities (with an estimated three in four persons with disabilities reported losing their income during lockdown), the elderly, informal sector workers, and foreign migrant workers. The sharp decline in

cross-border labour mobility has posed particular challenges for remittance-dependent countries such as Kyrgyz Republic, Nepal, Tajikistan and Tonga, where remittances account for at least a quarter of GDP. Even countries less reliant on remittances were affected. For instance, remittance inflow to Lao PDR fell by almost half in 2021 as some 200,000 of an estimated 900,000 Laotians living abroad returned home due to the pandemic. This pushed up unemployment and increased the risk of poverty. Although remittances declined in most countries in the region, in Bangladesh and Pakistan remittances increased by 15 per cent in the first three quarters of 2020.[22]

Workers in the informal sector, including care workers (which are mostly women), are particularly at risk of economic hardship given their low pay and poor access to basic social protection and personal protective equipment for coronavirus. They are also especially at risk of under– and unemployment because of pandemic-induced working-hour losses. In the Asia-Pacific region informal employment dominates: around 7 in 10 workers are in the informal sector and women are more likely to be engaged in informal work than men.[23] Workers in South Asia (where at least 9 in 10 jobs are informal) and South-East Asia were at especially high risk.[24]

1.3 Effects of COVID-19 on SDGs 4, 5, 14 and 15

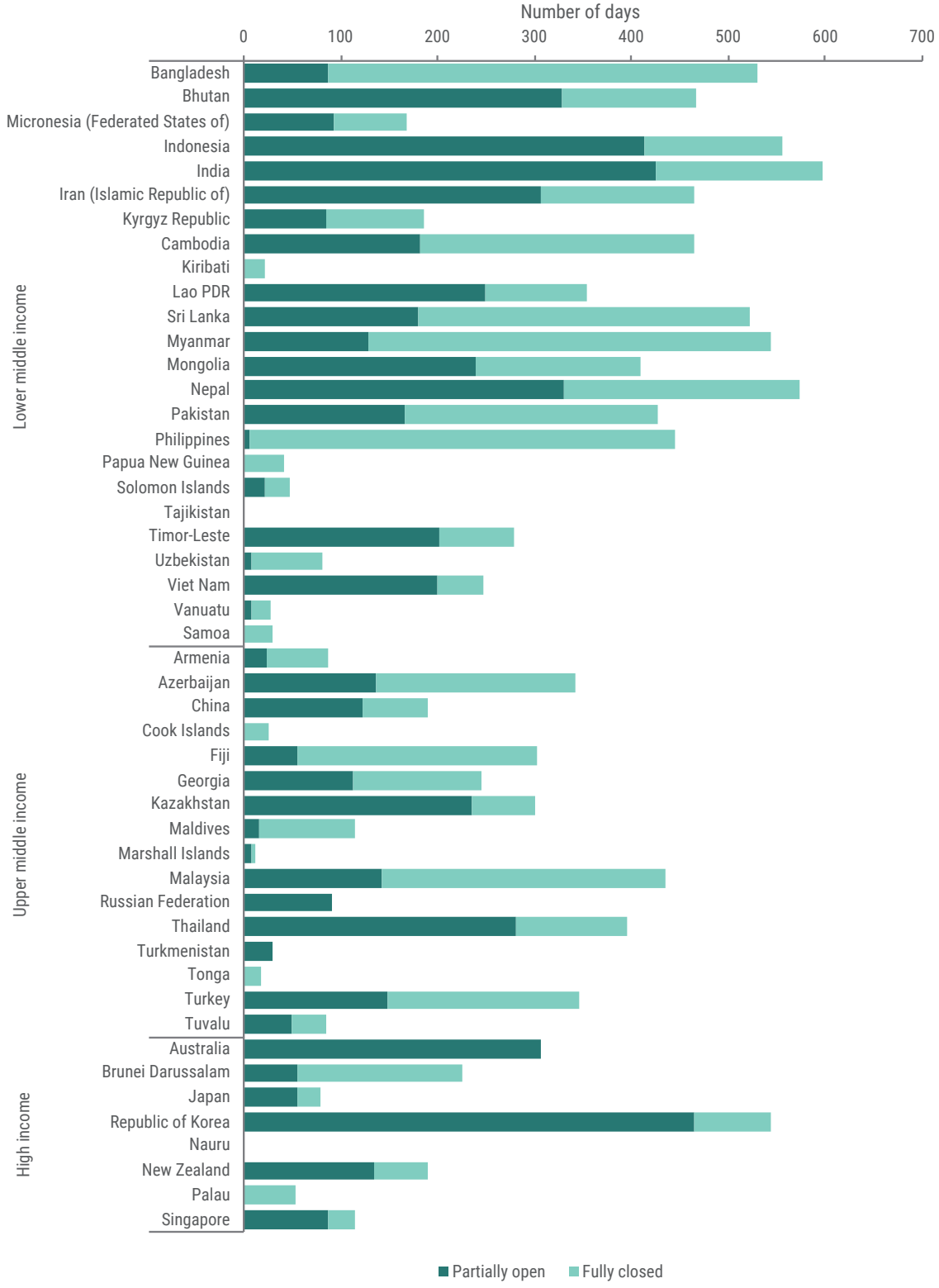
The United Nations High-level Political Forum on Sustainable Development session in July 2022 will focus on "Building back better from the coronavirus disease (COVID-19) while advancing the full implementation of the 2030 Agenda for Sustainable Development". It will review progress on four Sustainable Development Goals: Goal 4 on quality education, Goal 5 on gender equality, Goal 14 on life below water, and Goal 15 on life on land (in addition to a review of Goal 17 on partnerships for the goals). The four goals are closely linked with the COVID-19 pandemic's impacts as well as efforts toward an inclusive and resilient recovery—and hence provide an analytic framework for this report and proposed areas for policy action. This section considers the impacts of COVID-19 on these priority goals.

Quality education (Goal 4)

The COVID-19 pandemic accelerated a pre-existing learning crisis in the region with many children not in school and the quality of schooling deeply fragmented.

Widespread disruptions to education for young people. Pandemic-induced school closures severely impacted Goal 4. Data shows that some countries in South Asia, such as Nepal and India, experienced up to 400 days of full or partial school closures between February 2020 and April 2021, with Bangladesh recording the longest closure of schools anywhere in the world.[25] Some Pacific Island states that took early strict measures to contain the spread of COVID-19 had minimal disruptions to schooling (Figure 1.4). In Bangladesh and the Philippines, 36.8 million and 24.9 million students, respectively, missed at least three-quarters of classroom instruction time between March 2020 and September 2021.[26] In Cambodia, some 3.2 million learners were affected in 2020, leading to the equivalent of four years of lost progress in human development.[27]According to UNICEF, in South and West Asia an estimated 12 million children from pre-primary to university level could drop out of school as a result of the pandemic.[28]

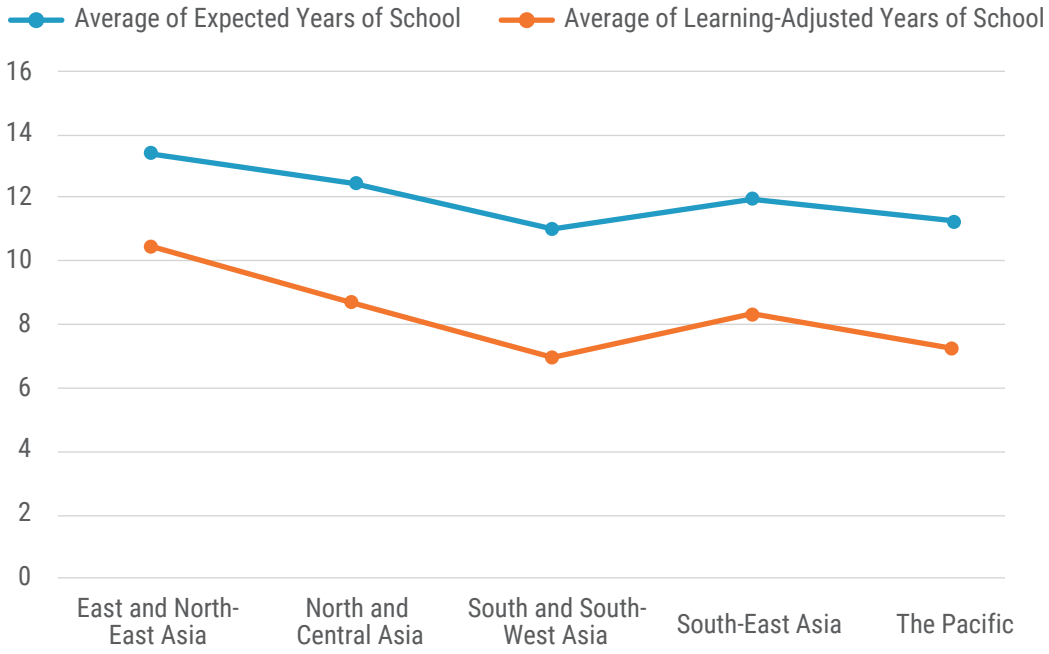
Figure 1.4: Number of days schools partially or fully closed 16 February 2020 – 31 December 2021[29]



Source: UNESCO, Dashboards on the Global Monitoring of School Closures Caused by the COVID-19 Pandemic. https://covid19.uis.unesco.org/global-monitoring-school-closures-covid19/ (Accessed 8 February 2022.)

In 2020, the number of Learning Adjusted Years of Schooling (LAYS, a metric that combines quantity and quality of schooling) in developing Asia stood at 7.72. Because of school closures, students lost an estimated 23 to 38 per cent of a learning-adjusted year of schooling.[30] The disruptions to schooling vary considerably by subregion (Figure 1.5). In Indonesia, school closures between January 2020 and June 2021 are estimated to have resulted in a loss of 0.9 LAYS.

Figure 1.5: Average and learning-adjusted years of schooling 2020



Source: World Bank, Human Capital Index. https://databank.worldbank.org/source/human-capital-index

Severe effects on vulnerable groups and women. The unprecedented disruption to education systems has amplified challenges faced by marginalized and vulnerable groups, especially those from the poorest communities. For example, female students have been disproportionately affected by school closures and lack of remote learning access. In Asia and the Pacific, more than 1.2 million girls from pre-primary to upper secondary level may drop out or not go to school due to the pandemic's socio-economic impacts on girls, including the need to prop up household income and increased household and childcare responsibilities.[31] As was the case in other epidemics and emergencies, the COVID-19 crisis is likely to have led to an increase in child labour due to the need to sustain families' livelihoods.[32] A rise in gender-based violence, including child marriage, and associated teen pregnancies further threaten girls' ability to access and pursue education.

Challenges for children and youth with disabilities. The pandemic has also hampered the education of children and adolescents with disabilities. Even before COVID-19, youth with disabilities were more likely to not be enrolled in an education programme and stay idle (neither in school nor employed) compared to youth without disabilities. Those with disabilities living in rural areas were 1.5 times more likely to be idle than their urban counterparts. And female youth with disabilities were more than 2.5 times as likely to be idle than male youth without disabilities.[33] Furthermore, for many children and adolescents with disabilities the pandemic limited access

to rehabilitation, physical therapy and other services essential for supporting their learning. The limited accessibility of digital platforms and content have made remote learning difficult for children and youth with disabilities across the region.

Disruptions to nutrition and health. The nutrition and health of children from the poorest families have been especially affected through the loss of school meals (for many the only nutritious meal of the day) and reduced access to school health services. In some countries, the impact has been enormous. In Bangladesh, for instance, 42 million children were affected by 18 months of school closure;[34] the disruption to the national School Feeding Programme for 3 million pupils left many students undernourished.[35]

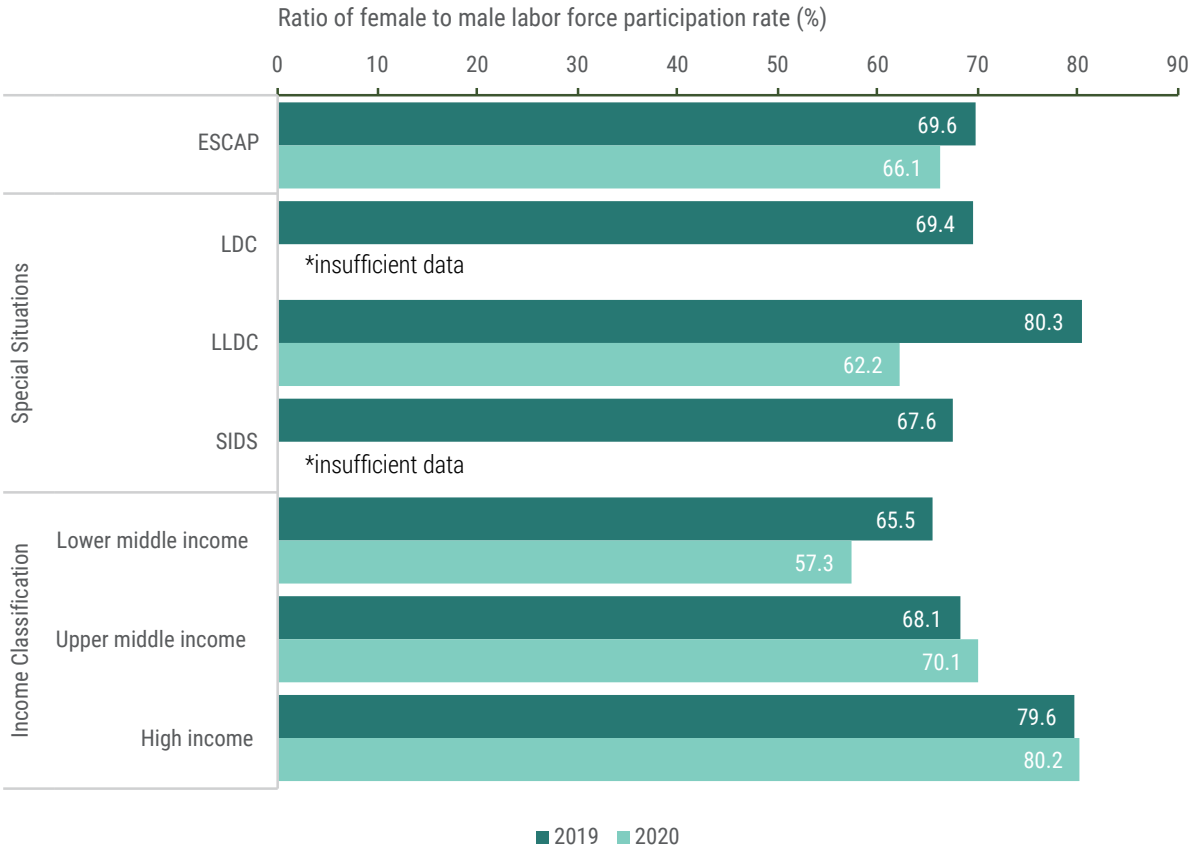
Inequalities exacerbated by uneven access to digital opportunities. Maintaining educational quality during the pandemic has been a serious challenge for schools and teachers. While shifting to online learning or blended models ensured continuity of learning for millions of students, the quality of online education has varied greatly. The Asian Development Bank (ADB) estimates that the variation in the effectiveness of online learning between low- and high-income countries of the region may be as high as 71 per cent (with just 18 per cent owning a computer in the low-income countries and 41 per cent of households connected to the internet).[36] As discussed in Chapter 2, the shift to remote and online learning has led to greater inequality due to a lack of access to the internet and electronic devices, especially among vulnerable groups such as girls, rural communities, and the poor. For instance, in Indonesia more than two thirds of students with disabilities reported problems accessing online learning, including difficulty focusing (46.3 per cent, likely in response to adjusting to the new platforms) and limitations related to internet access (27.5 per cent).[37] In general, students who did not have access to distance education during pandemic-induced lockdowns were more likely to drop out entirely.

Gender equality (Goal 5)

Interventions to address gender inequality are critical to achieving the Sustainable Development Goals, requiring ambitious policies in the areas of education, health, social protection, economic growth, energy and the environment, among others. The COVID-19 pandemic has been a major setback for attaining Goal 5, as it has aggravated many of the social and economic inequalities women and girls have long faced. The list of these inequalities is extensive and includes women's higher vulnerability to employment and income loss, a disproportionate burden of unpaid care, unequal access to quality education, lack of property rights and assets, and heightened risks of violence. All these effects have been especially severe for women and girls in low-income groups.

Setbacks to women's employment. The pandemic has had an extraordinarily large impact on female employment. Even before COVID 19, the female labour-force participation rate was below male levels, particularly in lower and upper middle-income countries in the region and LLDCs (Figure 1.6). The pandemic has compounded this situation and further reduced women's participation in economic life. In hard-hit service sectors such as retail, education, food and hospitality, and tourism, as well as in the manufacturing and garment sectors, in many countries the majority of employees are women, especially in LDCs.[38] In Mongolia some 42 per cent of women had lost their jobs by June 2021 (compared with 27 per cent for men).[39] Women were also disproportionately affected within the informal economy. In Solomon Islands, where two-thirds of women are employed informally, female-headed households experienced a 52 per cent fall in income (compared with a 39 per cent drop for male-headed households). Typically, such informal workers not only lost their jobs but also had no access to social protection.[40]

Figure 1.6: Female to male labour force distribution in Asia and the Pacific



Source: World Bank, Databank - Gender Statistics. https://databank.worldbank.org/source/gender-statistics

Note: ESCAP refers to the Economic and Social Commission for Asia and the Pacific; LDC refers to least developed country, LLDC refers to landlocked developing country, SIDS refers to small island developing states.

Health impacts on women. Access to healthcare fell for all population groups during the pandemic. In Mongolia, for instance, one in three people were unable to access health and medical services due to lockdown restrictions or coronavirus infection.[41] This has had severe consequences for women's health and set back Mongolia's efforts in achieving Target 3.1 on maternal mortality: maternal deaths rose by 27.8 per cent during the pandemic.[42] Across the region, women were at greater risk of contracting the virus (most frontline healthcare workers are women). In Bangladesh, some 94 per cent of nurses and 90 per cent of community health workers are women.[43]

Increased burden of care. Even before the pandemic, women and girls in the region on average spent at least thrice as much time as men on daily unpaid care and domestic work. This disparity has widened substantially due to COVID-19, further limiting women's and girls' opportunities and making them more vulnerable to physical illness and mental health effects as they assume additional care responsibilities, including for children and sick and elderly family members.[44] [45] In Azerbaijan, women aged 35-44 accounted for the majority of women reporting mental and emotional effects, likely because they are economically active and have more domestic duties and care responsibilities.[46] In Indonesia, female domestic workers in the informal sector, who account for 75 per cent of such workers, have been especially affected.[47] Many of them lost their jobs and income and saw their care burden at home increase. Others kept their jobs, but were

faced with an increased burden of care for their employers during lockdown.[48] Such job losses and increased care duties may not be temporary. In Mongolia, for instance, more than 70 per cent of female respondents in a household phone survey who were out of work in June 2021 due to the pandemic, reported that they have no jobs to return to.[49]

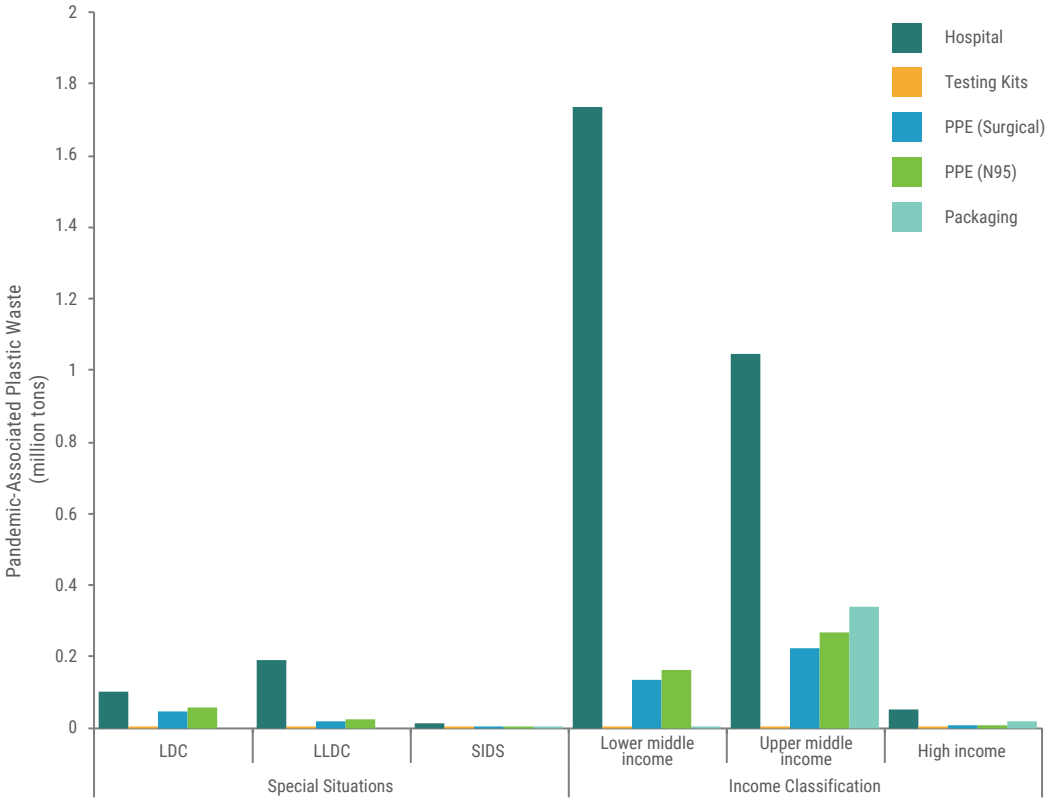
Increased gender-based violence. Violence against women and girls, including domestic violence, child marriage and associated teen pregnancy, have increased dramatically during the pandemic. According to figures from 2018 (the latest available data), 10.3 per cent of females aged 15 and above in the region had experienced physical and/or sexual violence by an intimate partner in the past 12 months. The prevalence rate was the highest in South and South-West Asia with 18.3 per cent, followed by 10.5 per cent in the Pacific, 8.7 per cent in South-East Asia, and 7.4 per cent in East and North-East Asia.[50] Even in subregions with lower rates, the situation is still worrisome as the data are known to underreport the true extent of violence. Long lockdowns meant that women were continuously in close proximity to those abusing them and even less likely able to call for help. Phumzile Mlambo-Ngcuka, the Executive Director of UN Women, has called the conditions a "perfect storm for controlling, violent behaviour behind closed doors."[51] Rapid assessments seem to confirm these concerns: prior to the pandemic crisis one in three women were victims of violence, now the ratio stands at one in two.[52] In Thailand, 27 per cent of women reported having experienced intimate partner violence since the pandemic.[53] Reported cases of domestic violence surged in Malaysia and Singapore by 43 per cent and 34 per cent, respectively. Child marriage is already prevalent in some subregions. In Bangladesh, for instance, there are an estimated 38 million child brides, including 13 million who married before the age of 15.[54] In the first year of the pandemic, an estimated 191,000 additional girls were at risk of child marriage in South Asia.[55]

Life below water (Goal 14) and Life on land (Goal 15)

Lockdowns give nature a short-lived respite. In the early stages of the pandemic, lockdown measures and slumping economic activity and energy use reduced environmental pressures. Air pollution levels fell in many major cities, but they rebounded quickly once lockdown rules were relaxed and economic activity bounced back. In India, CO_2 emissions fell by 7 per cent in 2020, compared with an average annual increase of 3.3 per cent from 2015 to 2019.[56] The pandemic also created a small window of opportunity for fish stocks to recover in the Pacific due to the global slowdown in the commercial fishing industry amid access restrictions for vessels and port closures. This trend may have been at least partially offset by an increase in illegal fishing. In any case, the hiatus was too brief: research suggests that for depleted stocks to recover, fishing activity would have to decline for 10 to 15 years.[57]

Surging medical and plastic waste. During the pandemic demand and production for personal protective equipment and single-use plastics soared across the world (Figures 1.7 and 1.8). To illustrate, Indonesia's Ministry of Environment and Forestry in July 2021 recorded 18,460 tons of medical waste originating from health facilities, emergency hospitals, isolation and quarantine centers, and vaccination facilities.[58] Most of it was waterborne, and public waste management has been overwhelmed due to labor shortages and a high concentration of waste facilities on the densely populated island of Java.

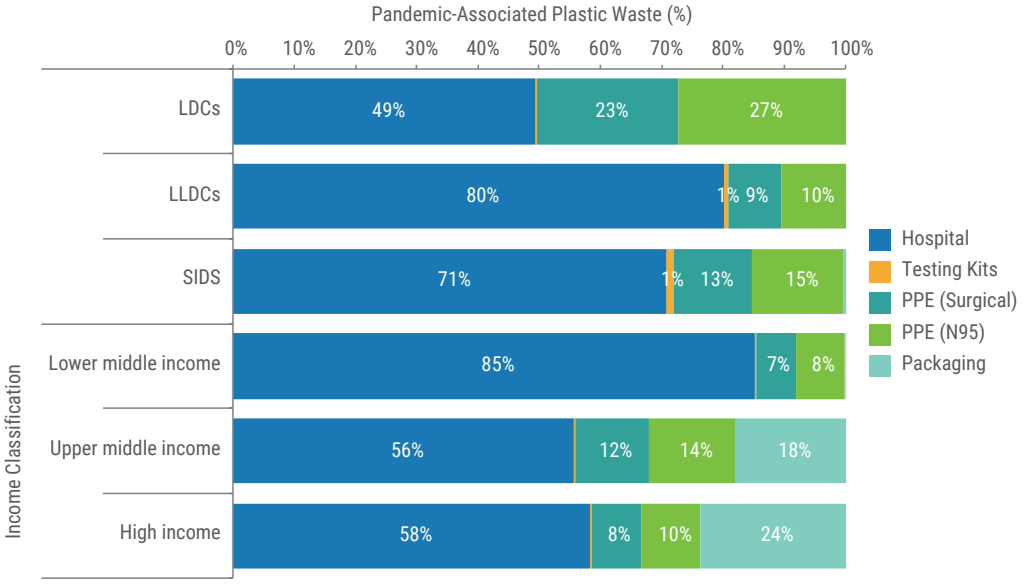
Figure 1.7: Pandemic associated waste by country groupings



Source: Y. Peng, P. Wu, A.T. Schartup and Y. Zhang, *Plastic waste release caused by COVID-19 and its fate in the global ocean,* Proceedings of the National Academy of Sciences, 118 (47), (Nov 2021).

Note: Hospital waste refers to aggregate of COVID-19 in-patient related waste and per-patient medical waste generation.PPE refers to personal protective equipment, LDC refers to least developed country, LLDC refers to landlocked developing country, SIDS refers to small island developing states.

Figure 1.8: Pandemic-associated waste by type



Source: Ibid.

Note: PPE refers to personal protective equipment, LDC refers to least developed country, LLDC refers to landlocked developing country, SIDS refers to small island developing states.

Decline in tourism revenues and jobs and impact on protected and conserved areas. The pandemic triggered massive job losses in the region's tourism sector and devastated the livelihoods of tourism-reliant communities. The International Labour Organization (ILO) found that nearly one third of total job losses in Asia and the Pacific were linked to the tourism sector. An estimated 1.6 million tourism related jobs were lost in just five countries: Brunei Darussalam, Mongolia, Philippines, Thailand and Viet Nam. The impact on employment in the tourism sector was much higher than other sectors. In the Philippines, for example, employment in the tourism sector fell 28 per cent, compared with 8 percent in other sectors.[59]

In terrestrial and marine protected and conserved areas (PCAs) across Asia and the Pacific, the collapse of tourism had a profound impact on management and governance. In many already under-funded PCAs, the crisis and the reallocation of funds towards the COVID-19 health emergency, worsened their financial situation and reduced their capacity to manage and govern protected areas. The impacts on biodiversity and ecosystem health in PCAs will only be known once management functions fully resume.[60]

In a global survey of PCA rangers, many rangers in Asia-Pacific reported increased pandemic-related pressures on biodiversity. Some 48 per cent say that subsistence hunting increased since the start of the pandemic; 38 and 47 per cent, respectively, observed a rise in commercial hunting and illegal logging; and the majority of respondents reckon that the collection of non-timber forest products and livestock grazing have increased.[61] Poaching of wild animals also increased in various countries of Asia and the Pacific. In Bangladesh, animal killings soared 28 times during the lockdown period, while wildlife rescuing plummeted by more than 40 per cent.[62]

Rising pressures on forests. In Indonesia, illegal forest clearing to make way for oil palm plantations intensified in eight areas of the Leuser Ecosystem on the island of Sumatra during the pandemic. In Nepal, illegal extraction of forest resources rose steeply in 11 protected areas managed by the Department of National Parks and Wildlife Conservation, with harvesting especially high in tiger habitats. Similarly, natural resource-related offenses increased in Cambodia in the early stages of the pandemic (e.g., forest clearing for farming and extraction of forest, wildlife and fisheries resources).[63] The reasons for this were a rising need for food and fuel, reduced monitoring, and a drop in community-based tourism (which tends to promote natural resource protection).[64] More broadly, massive migration from the cities to the villages, combined with a collapse in rural incomes during lockdown, has made rural communities more reliant on surrounding forests for their livelihood. The decline in monitoring and enforcement in PCAs has also increased pressures on forests.[65]

Unsustainable fish harvesting. Freshwater fisheries make an important contribution to the food security and livelihoods of rural people in the Asia-Pacific region. In times of crisis fishing serves as a key livelihood opportunity. In many regions pandemic-related closures of formal fisheries have temporarily lowered harvest pressures, but interruptions to other sectors of food production have led many rural communities to rely on freshwater fish as an emergency food source. Much of the escalating exploitation of freshwater fisheries during lockdown in China, the Mekong River basin and South Asia is likely due to a lower level of enforcement of fishing regulations.[66] Furthermore, mass migration of workers to their rural homes is likely to have fuelled over-exploitation and unsustainable fishing practices.

CHAPTER 2

Key factors influencing recovery from COVID-19

The COVID-19 pandemic has exposed—and magnified—deep-rooted vulnerabilities and inequalities in the region's economies and societies that pose a major challenge to recovery. Across the region, there are signs of a "K-shaped recovery" marked by widening social and economic divergence within and between countries, particularly among countries in special situations. This uneven economic revival carries the risk of exacerbating pre-COVID-19 inequalities and leaving behind the poorest and most vulnerable population groups. Environmental degradation, increasing natural hazards and accelerating climate change further heighten the risks to developing countries and poor and vulnerable populations. This chapter reviews six key factors that need to be considered in national recovery strategies: vaccination, social protection, digitalization, economic structure, environmental risks, and fiscal space.

It is early in the economic recovery from the COVID-19 pandemic and data on impacts of the crisis and the effectiveness of the response are still sketchy. It is clear, however, that a number of factors will be key in shaping the recovery in the countries of Asia and the Pacific and beyond (Figure 2.1).

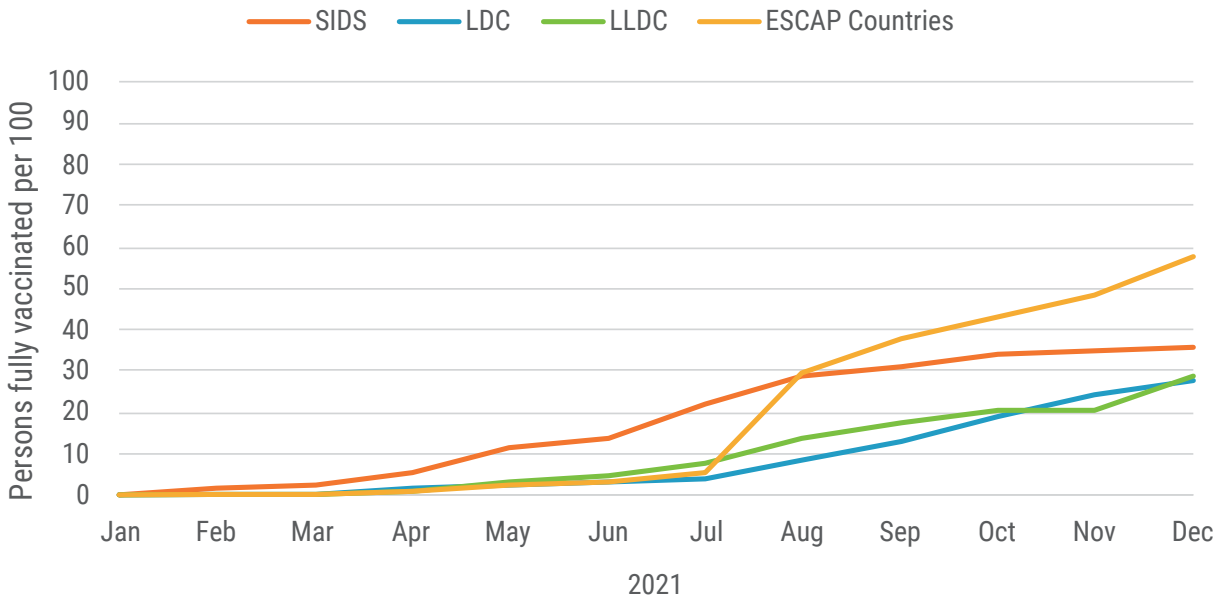
Figure 2.1: Key factors that influence the dynamics of recovery

2.1 Vaccination

Vaccination changes pandemic management. By the end of 2021, there were approximately 291 million confirmed COVID-19 cases and almost 5.5 million deaths globally. About 29 per cent of all COVID-19 cases and 26 per cent of all COVID-19 related deaths were in Asia and the Pacific. Asia and the Pacific accounted for nearly a third of all cases and one fifth of all COVID-related deaths. Vaccination programmes and other interventions are gradually changing public health responses to the pandemic. The coronavirus has continued to spread, but vaccination has significantly reduced hospitalisations, severe illnesses and deaths. Countries rallied to establish the Covid-19 Vaccines Global Access Facility (COVAX), a vaccine-sharing scheme designed to provide supplies to low- and middle-income countries. By January 2022, COVAX had shipped 1 billion doses to more than 140 countries.

Despite these efforts, the supply of vaccines and the support for such programmes have been inadequate to meet the needs of some developing countries. While most governments in the region have stepped up the rollout of vaccines, progress is uneven and many countries, particularly LDCs, are lagging in vaccinating their populations (Figure 2.2). The emergence of new virus variants has made wider vaccination coverage even more urgent. Above all, inadequate health infrastructure and a lack of universal health coverage and social protections in the region have contributed to inequities in access to vaccines, diagnostics and therapeutics.

Figure 2.2: Vaccination rates in Asia and the Pacific



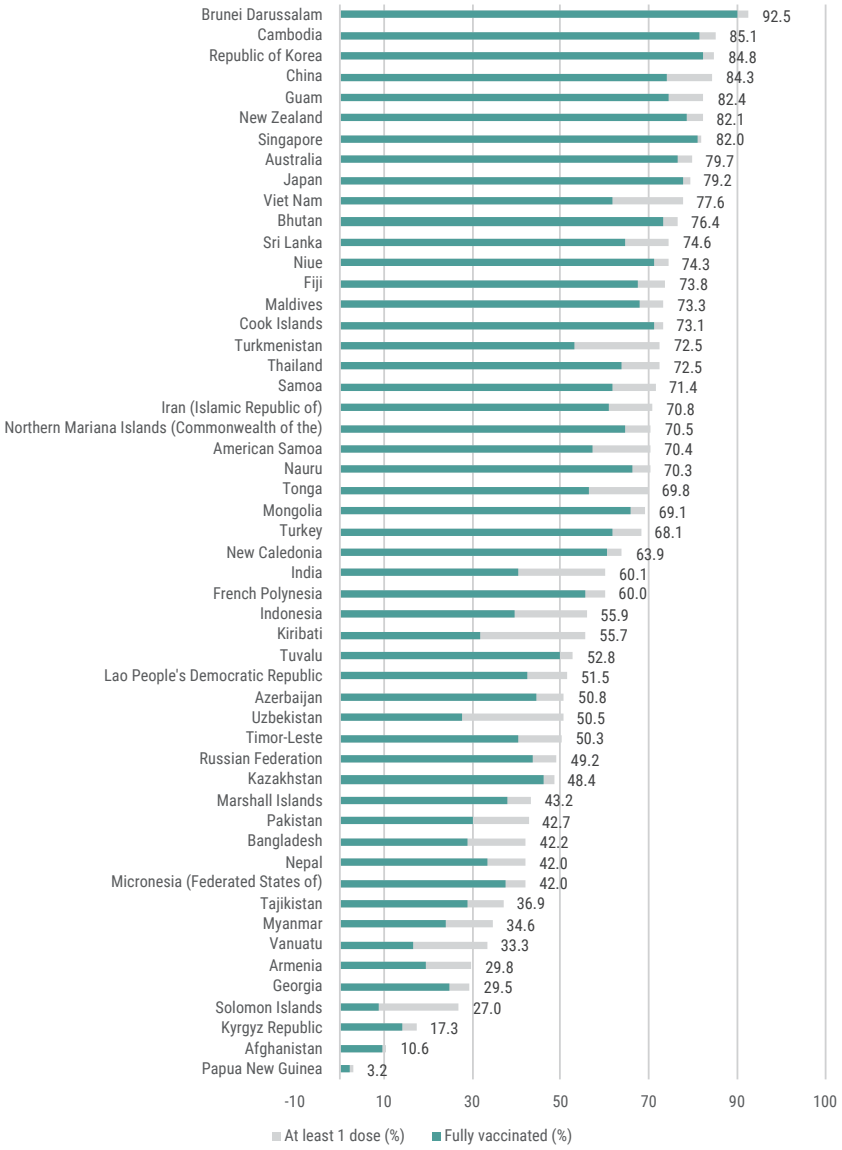
Source: E. Mathieu, H. Ritchie, E. Ortiz-Ospina et al., Nature Human Behaviour, vol. 5, pp. 947-953, (May 2021).
Note: LDC refers to least developed country, LLDC refers to landlocked developing country, SIDS refers to small island developing states.

Uneven vaccination rates and diverging growth paths. Uneven vaccination coverage is creating a new economic divide: the number of COVID-19 cases in a country was negatively correlated with GDP growth in 2020 (see Annex at https://sdgasiapacific.net/), with uneven vaccination progress contributing to diverging growth paths in developing Asia.[1] In 16 economies in developing Asia and the Pacific, less than half of the population is fully vaccinated (Figure 2.3)—with vulnerable populations who need vaccines the most often lagging. That said, vaccination rates vary considerably, even among LDCs. Cambodia has the second highest coverage in the region and Bhutan ranks in the top quintile. But overall, the concentration of vaccine production in North America and Europe, combined with the early procurement and stockpiling of vaccines by many developed countries, has delayed vaccine access across the Asia-Pacific region. Inequitable access to life-saving vaccines was made worse by a lack of effective mechanisms to transfer knowledge, technology and other resources.

Access to vaccines and health technologies

Against this backdrop, it is apparent that efforts to achieve widespread vaccination must be redoubled. Uneven coverage and unequal access are delaying recoveries and weighing on economic growth prospects. At the national level, systems and processes for equitable distribution of vaccines must be institutionalised and strengthened so that governments can respond more effectively and build systemic resilience for future health emergencies. A forward-looking "whole-of-government" and "whole-of-society" approach is needed to ensure universal health coverage, with equal access to quality, comprehensive, and affordable health care. More inclusive, anticipatory, and adaptive health systems will facilitate more effective immunization campaigns in the future.

Figure 2.3: Share of population vaccinated against COVID-19

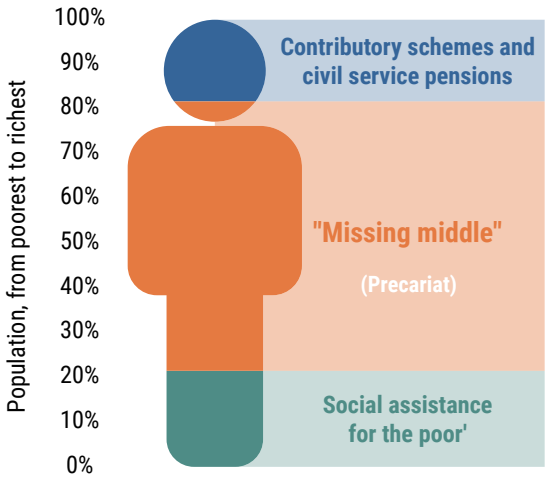


Source: WHO, COVID-19 Dashboard, (Geneva, 2020). Available online: https://covid19.who.int/ (last cited: 3 January 2022).

2.2 Social protection

Fragmented social protection systems still provided a lifeline. Most countries in the Asia-Pacific region are yet to establish comprehensive universal social protection systems. Instead, their systems are split in two: public service pensions and social insurance schemes for formal sector workers (where the rich are over-represented) and small social assistance programmes for the poorest members of society. This set up excludes a big chunk of population from the social security system, the so-called "missing middle" (Figure 2.4). People in this group mainly work in the informal sector and live on low and insecure incomes. The high prevalence of informal employment in the region—68.2 per cent of jobs are informal—adds to the challenge.[2] ADB estimates that before the pandemic only 55.1 per cent of Asia-Pacific's intended beneficiaries of social protection programmes were covered by at least one social protection benefit and less than one third had comprehensive coverage. Furthermore, only 1 out of 5 unemployed working-age adults in the region receive unemployment benefits.[3] Yet for all these weaknesses, in many countries pre-pandemic investments in social protection programmes provided a lifeline for many people during the pandemic. In some cases, they stabilized aggregate demand. Social protection coverage and vaccination rates in Asia and the Pacific were positively correlated.

Figure 2.4: Social security model common in Asia-Pacific countries



Source: UNDP. Inequality and Social Security in the Asia-Pacific Region. UNDP Bangkok Regional Hub. 2022.

Low spending on social protection, including health, remains a major problem. Countries in the region on average spend less than 6 per cent of GDP on social protection systems. This compares with 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 programmes. For example, only about half of the elderly population in the region receive a pension, and less than one third of the labour force is actively paying into a pension.[4] In the absence of adequate social protection infrastructure, it is hard to reach people who need protection during a crisis, and people in need of support often face practical challenges in accessing the benefits they are eligible for.[5]

Inadequate attention to gender equality. Most of the pandemic response measures are not gender-sensitive. According to the COVID-19 Global Gender Response Tracker by UNDP and UN Women, only one in ten countries have policies addressing women's economic security needs. The data also show that only 8 per cent of the social protection and labour market responses address unpaid care, and 10 per cent of the fiscal measures are channelling public money to female-dominated sectors.[6] This dramatically skewed situation points to the urgent need for gender-responsive social protection systems.

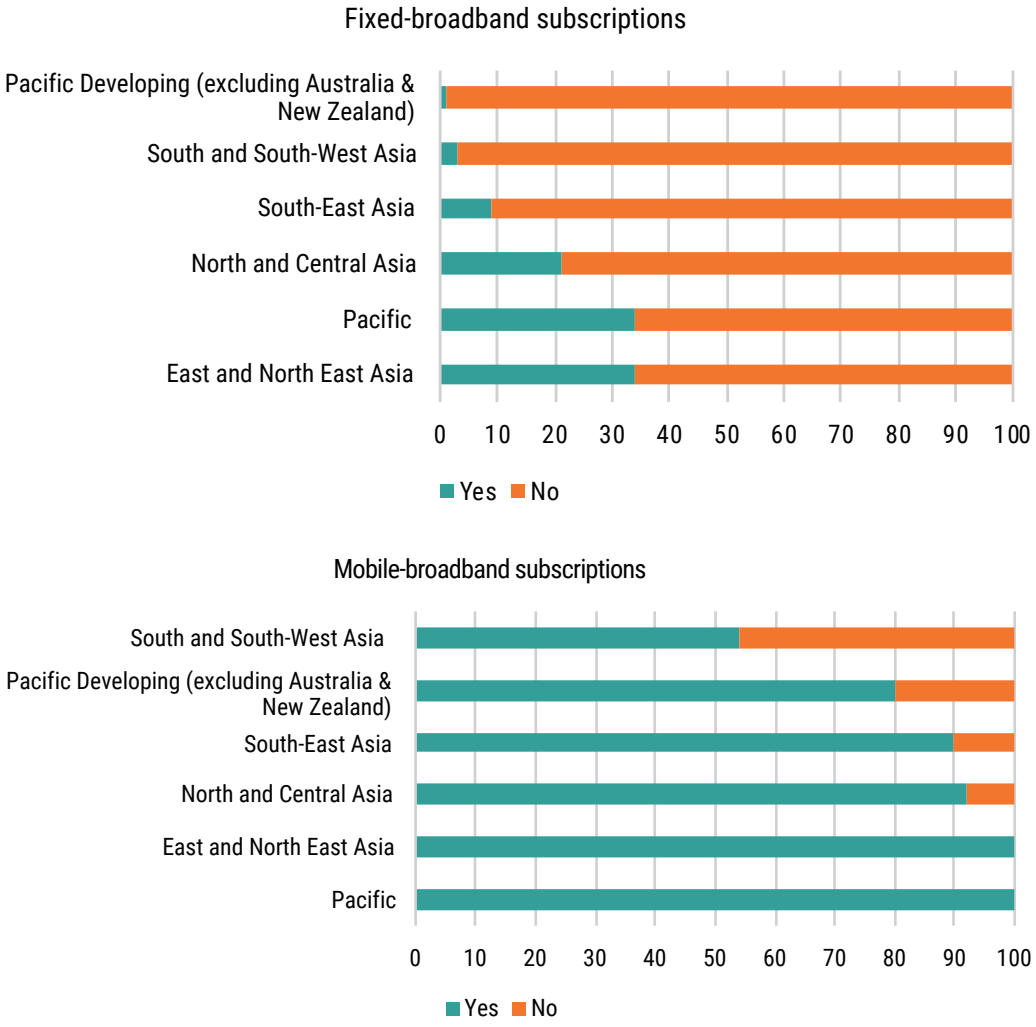
2.3 Digitalization

Digitalization drives the pandemic response. Digital technology has played a key role in shaping the COVID-19 response. Contact tracing apps help protect people from infection, supercomputers analyse drug compounds to identify candidates for treatments and vaccines, and e-commerce platforms provide household staples and medical supplies. The Republic of Korea was able to use a test-trace-isolate smartphone app to effectively help contain the virus.[7] Digital and geospatial information systems helped shape evidence-based policies by sifting through global, national and subnational data. Many countries have shown how hotspot mapping, contact tracing, and early warning systems can strengthen disaster preparedness. The applications have helped gather the evidence-based data used to determine the timing of lockdowns and easing of pandemic restrictions.

Digital technologies and digital government assisted countries in dealing with the negative shocks of the pandemic. Bangladesh turned to digital cash transfers for low-income families. Indonesia launched a digital service which provides income and training assistance for laid-off informal and formal workers.[8] In India, Aadhaar, the national biometric identification system, was put to use in the distribution of food and essential goods to migrant workers, the poor and other vulnerable groups.[9]

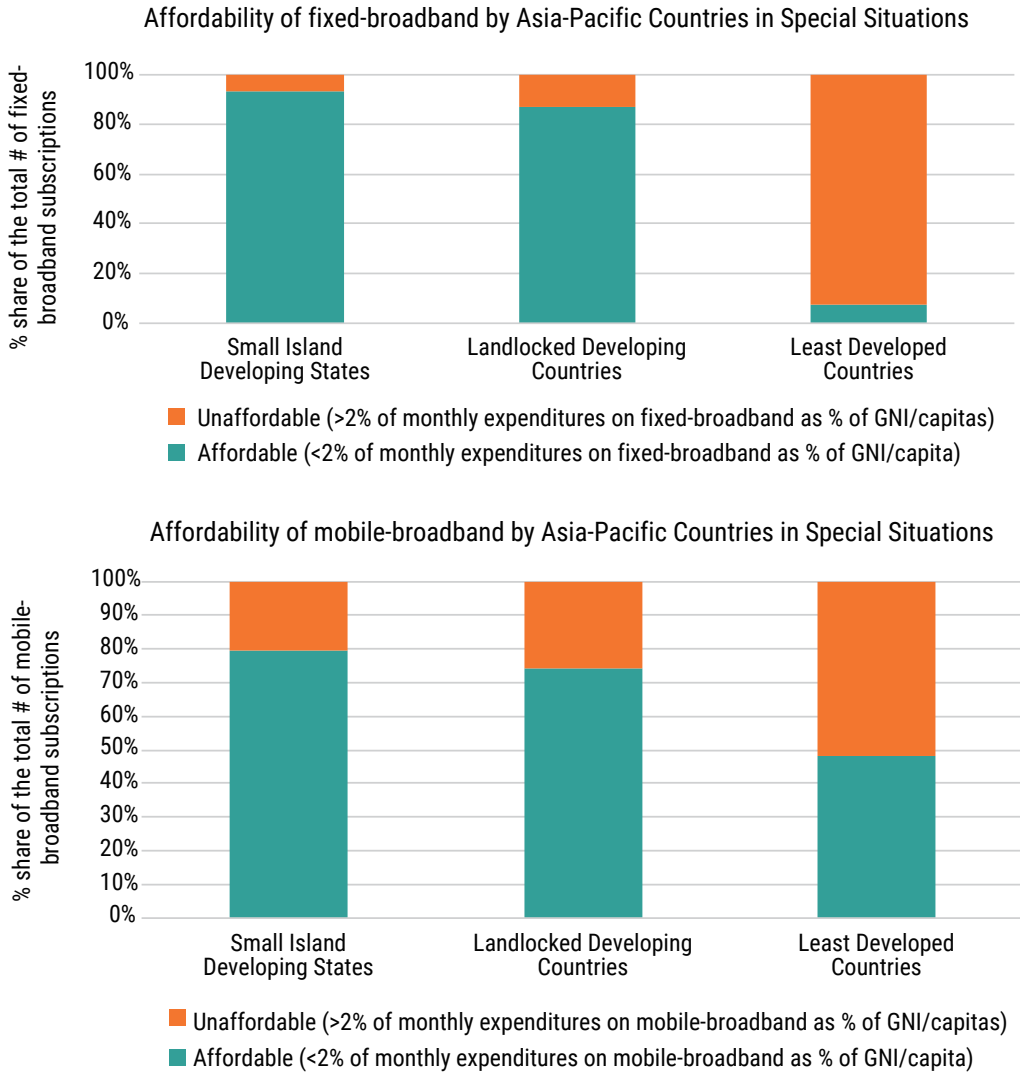
Inequitable access to digital services. Across the region digitalization has become a cornerstone of everyday life and business operations in the time of COVID-19. The accelerating digital transformation unfolded in the public health sector, the labour market (with the remote-working revolution), and education (with online and distance learning becoming the norm). As a result, access to the internet and digital skills have become even more critical. However, the Asia-Pacific region does not fare well in this regard: only one in two people have access to the internet. The availability and affordability of digital connectivity varies widely by country, income, location, age, gender and other characteristics (Figures 2.5 and 2.6), though mobile broadband is more widely available than fixed broadband and often less expensive.[10] In Brunei Darussalam and Singapore internet usage is near-ubiquitous. In Lao PDR and Myanmar, by contrast, less than one-third of the population are online.[11] Internet use and mobile phone ownership is much lower among the elderly, and access to digital technologies is lower for older women than men.[12] Women are also less likely to decide independently when and how to use their phone. The degree of pre-COVID-19 disparities in digital access are likely to determine countries' ability to use digital infrastructure and investments to mitigate COVID-19 impacts.[13]

Figure 2.5: Availability of fixed and mobile broadband subscriptions in Asia and the Pacific



Source: ITU, World Telecommunication/ICT Indicators Database (italics), 25th Edition, (July 2021).

Figure 2.6: Affordability of fixed and mobile broadband subscriptions in Asia and the Pacific



Source: Ibid.

As recently as 2020, some 95 per cent of the population in the Asia-Pacific region lived within reach of a mobile network, but only 45 per cent were actually using the internet.[14] In other words, there is a wide gap between internet access and use. One major reason for this is cost: while in most developed and high-income countries in the region fixed broadband and mobile data packages are affordable, in many LDCs, LLDCs and small island developing states they are unaffordable.[15]

Digital divide in income-generation and education. The pandemic increased people's reliance on digital technology to earn an income and pursue an education. Uneven access to digital technologies feeds widening inequalities in education and the labour market. Vulnerable population groups are especially at risk of being left behind. In Bangladesh, nearly two-thirds of pupils had no access to the internet at home during the first year of the pandemic.[16]

The shift to online learning and increased need for ICT skills have led to a widening of the gender gap and made it more difficult for vulnerable women to deal with pandemic restrictions. Limited digital literacy hampers women's prospects of purchasing goods and services online. As a consequence, many of them miss the opportunity of reducing time spent on household chores or accessing economic relief services offered online.[17] To illustrate, in Pakistan people have to enroll for cash-relief assistance by SMS, even though mobile phone ownership among women is one of the lowest in Asia and the Pacific.[18]

Bridging the digital divide

The pandemic has highlighted the urgent need for narrowing the digital divide and strengthening e-resilience—the ability of information connectivity infrastructure systems to withstand, recover from and adapt to external disturbances. The Asia-Pacific Information Superhighway initiative plays an important role in building this resilience and connecting geographically remote communities, the elderly, persons with disabilities and other groups.[19] National ICT policies must ensure greater coverage and better access by phasing out oligopolistic competition in the telecommunications sector and encouraging investment in digital infrastructure.

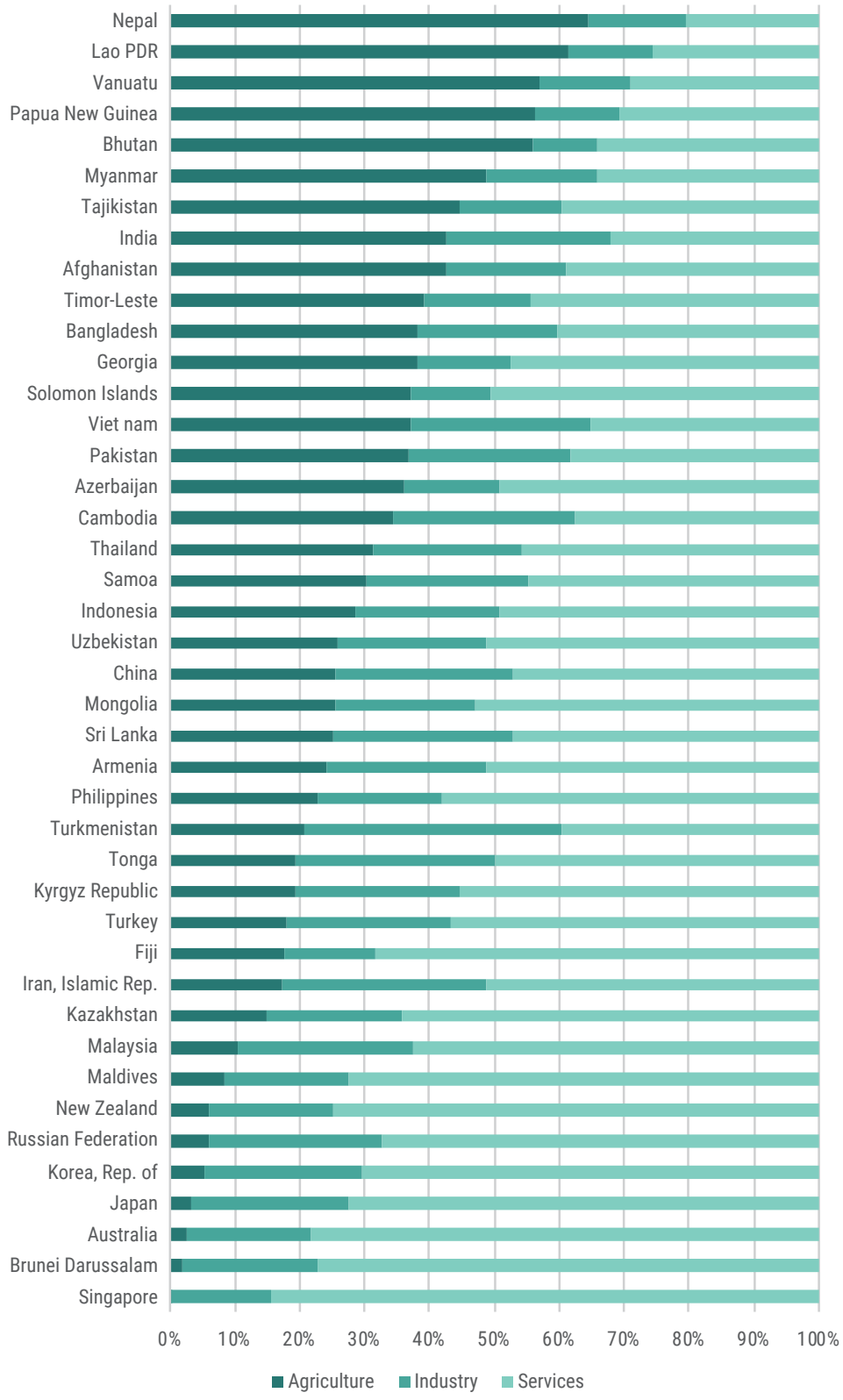
2.4 Economic structure

Vulnerabilities and economic structure. Economic fundamentals have played a key role in determining the impacts of the pandemic and countries' ability to recover. In general, a high degree of informality in the labour market and reliance on tourism have turned out to be major vulnerabilities in the face of the pandemic. Similarly, countries' fiscal position often has determined the size of the fiscal response to mitigate the economic fallout from COVID-19 (see section 2.6). Economic concentration and reliance on remittances also proved key structural weaknesses.[20] Some landlocked developing countries saw their natural resource exports collapse amid a sharp fall in global demand for commodities and energy. By the same token, countries that heavily rely on services were hit hard by travel restrictions and border closures, whereas those with large industrial sectors saw smaller contractions.[21] All of this has highlighted the need for structural transformation and its role in abating long-term inequality trends in developing Asia-Pacific countries. This urgent transformation is also the way to ensure a lighter environmental footprint and more sustainable economies that are less intense in their use of natural resource and energy.

The pandemic has reinforced the need for structural transformation. One way of classifying countries' progress on structural transformation is to look at the number of people working in different sectors of the economy. Using this measure, most LDCs are "structurally underdeveloped" with most jobs in agriculture, often engaged in informal or subsistence activities, followed by industry and services. Most LLDCs are "structurally developing" with service sector jobs dominating (followed by agriculture and industry). Finally, the developed economies and many small island developing states are "structurally developed", with most people employed in the service sector, followed by industry and agriculture (Figure 2.7).

As economies develop along this path labour productivity increases because labour productivity is lower in agriculture than in industry and services. The consequence is that incomes and employment rise and poverty falls. The COVID-19 pandemic has highlighted the urgent need of accelerating structural transformation to diversify economies and foster resilience to external shocks.

Figure 2.7: Distribution of labour force across sectors (latest available data)



Source: World Bank Development Indicators

Pursuing structural transformation for sustainable development

Developing countries in the region can implement a number of policies to promote structural transformation. Building a manufacturing base and integrating into global and regional value chains is one such strategy. It helps absorb labour moving out of the farm sector. Making supply chains more resilient, so that businesses are less vulnerable to sudden shocks from pandemics and disasters, is also critical. Foreign direct investment will play a crucial role, including climate-smart investment that directs funds into net zero carbon sectors of the economy, particularly in the least developed countries where access to technology and capital is limited. In addition to an improved business climate, skilled labour is key to embarking on a structural transformation. This requires, above all, investment in education.

2.5 Environmental risks

Regression on SDG goals 13 (climate action), 14 (life below water) and 15 (life on land) threatens inclusive and resilient recovery. According to the latest Global Risks Report by the World Economic Forum, world leaders now rank biodiversity loss as one of the gravest risks facing humanity, alongside the risks of climate action failure and extreme weather events.[22] Degradation of terrestrial and marine ecosystems, resource depletion, pollution, and climate change impacts are accelerating globally and throughout the Asia-Pacific region. This is causing irreversible harm to life support systems, and aggravating poverty, hunger and other deprivations. The exact magnitude of the effects is unknown: for many indicators measuring progress on environment-related SDGs in the region there are no or inadequate data, leaving gaps in evidence-based monitoring and planning.[23]

The extent of environmental degradation is extensive. Between 2000 and 2015, more than 40 per cent of coral reefs and 60 per cent of coastal mangroves in Asia and the Pacific were lost. Pollution, overextraction for drinking water, energy production and irrigation are threatening the region's freshwater ecosystems—with significant knock-on effects for people and the environment.[24] The number and size of protected areas have increased, but it is likely that the region will continue to lose habitats and species at a similar pace to the global rate of extinction by 2050.[25] These alarming trends, combined with the effects of climate change, impact the livelihoods, health and well-being of poor and vulnerable communities the hardest.

The pandemic has highlighted the link between ecosystem and human health. Humanity's broken relationship with nature makes us more vulnerable to pandemics. Land use changes have paved the way for zoonotic viruses with pandemic potential to spill over into human populations. The list of factors that make the jump of diseases from animals to humans more likely is long. It includes demographic changes, wildlife habitat loss as a result of tropical deforestation and agricultural expansion (especially near human settlements), and wild animal hunting and trade. Climate change also contributes to the spread of pathogens: changing temperature and rainfall patterns influence when and where pathogens appear.

Green recovery spending has been small. While there is a strong economic case for investing in ecosystem restoration as a part of recovery stimulus policies, the recovery measures in Asia and the Pacific have paid only limited attention to ecosystems and biodiversity protection. The Global Recovery Observatory, which tracks the green recovery spending of the world's 50 largest economies, estimates that by the end of 2021, the 20 Asia-Pacific economies included in the review had set aside total recovery spending of $981.2 billion. A little over one fifth of it was earmarked for "green recovery" (which includes green measures in energy, transport, industry and infrastructure). However, "green spending" was highly concentrated in a few countries. Many of the region's most biodiverse countries allocated very little money to green recovery.[26]

Moreover, only 1.4 per cent of recovery spending had been allocated for investing in natural capital. Only China, India, Pakistan and the Republic of Korea set aside spending in areas such as agriculture, tourism and water, climate change adaptation, or prevention of zoonotic diseases. A separate review of recovery measures in 13 countries in Asia and the Pacific found that 11 of them gave no or very low consideration to the environment.[27] In sum, the region is yet to embark on a recovery that prioritizes the environment. Doing so is especially urgent as the region's greenhouse gas emissions are rising much faster than the global average (they doubled between 1990 and 2018, compared with a 60 per cent rise in global emissions).[28]

2.6 Fiscal space

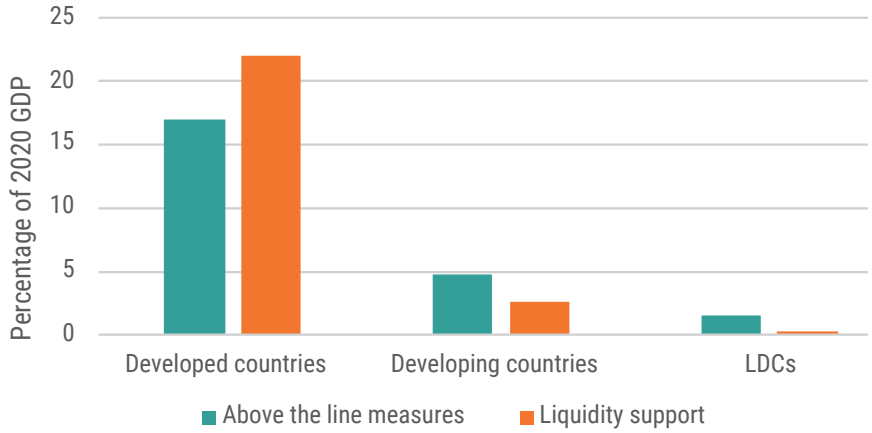
The fiscal position of the government has determined in large part countries' ability to mitigate the economic and social impacts of the COVID-19 pandemic. Governments have launched fiscal packages to stimulate demand, finance emergency health measures, and expand social protection programmes, among others.

Some packages were financed through bonds and asset purchases. Several countries in the Asia-Pacific region tapped the bond market for pandemic-related spending and SDG objectives. In August 2020, Thailand became the first country in Southeast Asia to issue a sovereign sustainability bond, an instrument that channels funds raised towards environmental and social objectives. The government used the 50 billion Thai baht ($1.6 billion) in proceeds to finance the expansion of urban rapid transit systems, rehabilitation packages for SMEs and public health-related spending.[29] Similarly, the government of Malaysia in April 2021 issued a dollar-denominated sovereign sustainability Sukuk, a type of Islamic bond, raising $800 million.[30] The issuances continue a pre-pandemic trend. Between 2017 and 2020, Malaysia and Indonesia issued green sukuk bonds worth $5.4 billion and $1 billion, respectively, to bolster their green spending.[31]

The main mechanism to create additional fiscal headroom has been public debt issuance and sovereign bond purchases. Aiming to keep stable government bond yields and stabilize market sentiment, several central banks in 2020 carried out asset purchases on a large scale for the first time. Most of these bond purchases took place in secondary markets (in India, Malaysia, the Republic of Korea, Thailand and Turkey). In Fiji, Indonesia, Papua New Guinea and Sri Lanka central banks also made purchases in primary markets. In Papua New Guinea and the Philippines, the central bank lent directly to the government. The size of these interventions varied widely across the region. In Fiji and the Philippines they amounted to 8 per cent of GDP, in Indonesia 4 per cent, and between 1-2 per cent in other developing economies.[32]

Fiscal space shaped response. The overall fiscal response to the pandemic varied. It was sizable in a number of the region's developing countries. But in most countries, tight fiscal constraints, obligations to service foreign currency-denominated debts and falling inflows of foreign currency severely limited room for fiscal manoeuvre. Countries' ability to respond was also a function of their ability to raise taxes. Some LDCs have single-digit tax-to-GDP ratios, while in some developed economies the ratio can be as high as 30 per cent. The difference in the fiscal response is evident (Figure 2.8). However, some countries developed fiscal resilience in the years prior to the pandemic. Georgia, for example, pursued several years of debt management reforms and strengthened its debt sustainability systems and processes with support from the World Bank and the IMF. The resulting debt management framework allowed it to develop greater fiscal space. Although Georgia's public debt rose during the pandemic, the country was better positioned to weather the economic shock.[33]

Figure 2.8: Fiscal response to the COVID-19 pandemic in Asia and the Pacific



Source: ESCAP, *Database of Fiscal Responses to COVID-19,* (2021). Based on IMF data. (Accessed 2 September 2021).

Note: Estimates as of 5 June 2021. The numbers are based on official estimates covering cumulative spending in 2020 and the first five months of 2021. The fiscal measures include resources allocated or planned in response to the COVID-19 pandemic since January 2020, which will cover implementation in 2020, 2021 and beyond. "Above-the-line" measures involve expenditure which affects the overall fiscal balance and government debt. "Below-the-line" measures involve the creation of assets or liabilities without affecting fiscal revenues and spending today.

Fiscal positions deteriorated. A surge in pandemic-related spending and falling revenues pushed up the average fiscal deficit among Asia-Pacific developing countries from 1.5 per cent of GDP in 2019 to 6.8 per cent 2020. In 2021, the average fiscal deficit was 5.6 per cent. Public debt also increased across the region.[34] The average public debt-to-GDP ratio rose from pre-pandemic levels of 51 per cent to 63 per cent in 2021. In several economies, the rapid build-up raised concerns over debt sustainability.[35] According to the IMF and the World Bank 11 countries in the region were at high risk of debt distress at the end of 2021.[36] The upshot is that the attainment of SDGs is at even greater risk than before the pandemic as many governments struggle to sustain even essential spending and investments.

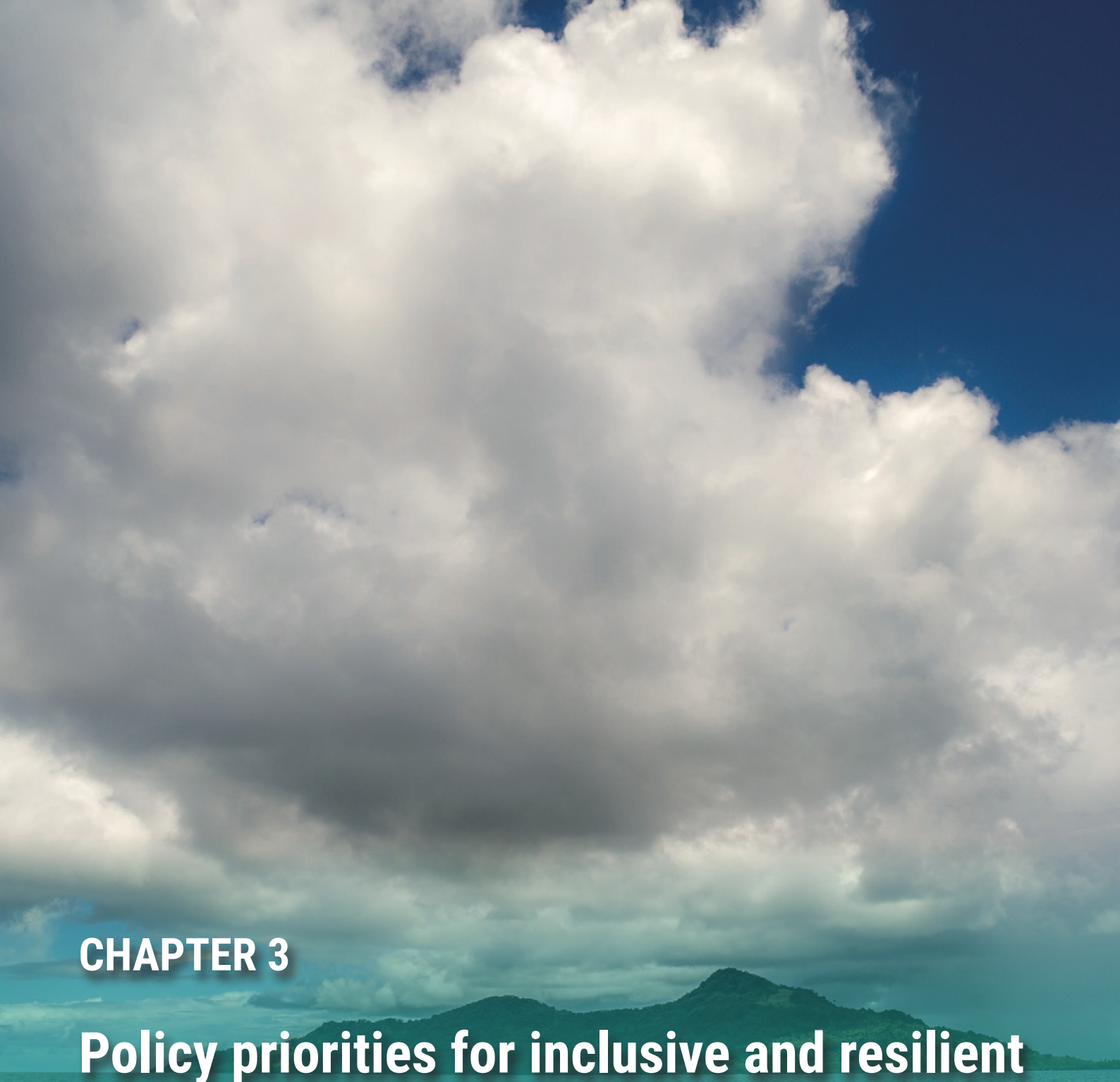
It is against this background that 11 countries from the Asia-Pacific region have joined the G20-led Debt Services Suspension Initiative (DSSI). Under the initiative countries can ask their bilateral lender to defer debt service repayments for three years. However, at 1.9 per cent of their combined GDP, the total potential savings for these 11 countries is small (savings range from 0.2 per cent of GDP for Nepal to 3.7 per cent for Tonga), providing debt relief for less than one-fifth of their debt obligations during the 2020-2021 (Table 2.1).[37]

Table 2.1: Asia-Pacific countries participating in the Debt Service Suspension Initiative

		Potential DSSI Savings May 2020-December 2021		External debt service due (percent of GDP)	
Country	Risk of external debt distress	USD millions	Percentage of GDP	2020	2021
Afghanistan	High	112.2	0.6	0.7	0.7
Fiji		40	0.7	5.8	1.8
Kyrgyz Republic	Moderate	167.9	1.9	2.5	2.8
Maldives	High	165.9	2.9	7.2	7.9
Myanmar	Low	1093.4	1.4	1.3	1.3
Nepal	Low	68.5	0.2	1.2	1.2
Pakistan		7310.2	2.6	5.7	5.3
Papua New Guinea	High	377.4	1.5	20.3	14.4
Samoa	High	26.2	3.1	3.6	3.7
Tajikistan	High	164.9	2	11.7	9.9
Tonga	High	18.7	3.7	3.2	3.1
Average			1.9	5.7	4.7

Source: ESCAP based on data from World Bank, COVID-19 Debt Service Suspension Initiative, updated 3 September 2021; World Bank, Databank: International Debt Statistics. (Accessed 7 September 2021).

Note: Potential savings for the 20 months from May 2020 to December 2021 as a percentage of 2019 GDP.



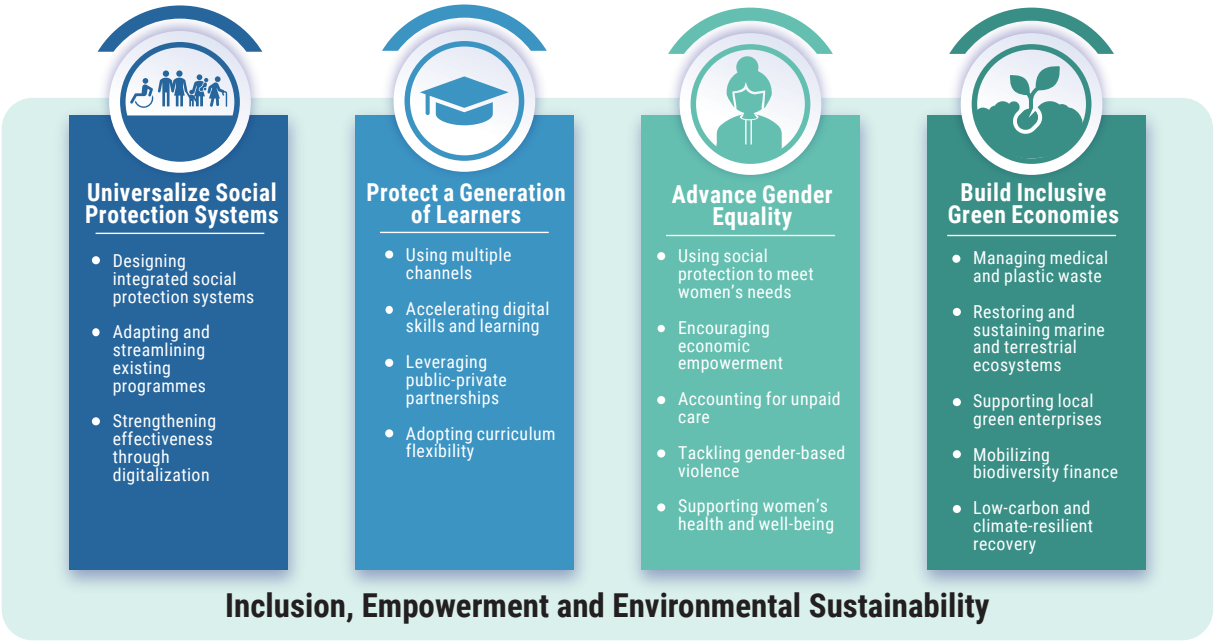
CHAPTER 3

Policy priorities for inclusive and resilient recovery

As countries shift from emergency response to longer-term recovery, they face two overriding challenges: to ensure that the recovery is inclusive, just and leaves no one behind, while charting a transformative path toward building sustainable and resilient economies and societies. Chapter 3 looks beyond the immediate pandemic response and focuses on three **interconnected** areas for policy action that can contribute to the region's longer-term recovery while reigniting progress toward the 2030 Agenda and the Sustainable Development Goals: **inclusion** (ensuring social protection and quality education for all); **women's empowerment** (advancing gender equality); and **environmental sustainability** (building inclusive and resilient green economies).

More evidence is needed to assess the impacts of the COVID-19 pandemic (Chapter 1) and understand the dynamics of the ongoing recovery (Chapter 2). The analysis in the preceding chapters, however, makes clear that preventing a K-shaped recovery hinges on tackling not only economic concerns but also social and environmental factors. Only through more systemic and integrated approaches can pre-existing vulnerabilities and inequalities be reduced, the dynamics of recovery reshaped, and an alignment of national policies with the SDG agenda achieved. Three interlinked thematic areas for policy action are essential to this endeavour (Figure 3.1): **inclusion** (ensuring better social protection and quality education for all); **women's empowerment** (advancing gender equality); and **environmental sustainability** (building inclusive and resilient green economies). Bringing these policy objectives together in a common framework, and maximizing synergies between them, will be vital to both long-term recovery and achieving the SDGs.

Figure 3.1: Policy priorities for inclusive and resilient recovery



This chapter presents examples of emerging good practices that have been employed during the pandemic. The focus is on practices in the three thematic areas that address the needs of the most vulnerable people and communities. The analysis draws on eleven country case studies of COVID-19 response and recovery strategies in Asia and the Pacific. It is also informed by insights on policy and practice innovations from five sub-regional consultations convened by ESCAP, ADB and UNDP in preparation for the Asia-Pacific Forum on Sustainable Development (APFSD) in 2022.[1]

3.1 Inclusion: Ensuring social protection and quality education for all

The pledge to leave no one behind is at the core of the 2030 Agenda for Sustainable Development. To achieve the SDGs, countries need a mix of policies, programmes and public investment that help the most marginalized groups realize an adequate standard of living and make them more resilient in the face of external shocks. The focus here is on universal access to comprehensive social protection (Goal 1) and quality education (Goal 4).

Developing comprehensive social protection systems

The devastating impact of the pandemic on livelihoods, health and education in the region has brought into sharp focus the importance of well-functioning social protection systems.

Designing integrated social protection systems. When a shock of this magnitude hits an economy and society, a system that provides income support, ensures continued access to education, health care, nutrition and other goods and services is essential. Social protection systems played an vital role for many people in Asia and the Pacific during the pandemic. However, the pandemic also put in the spotlight their long-standing gaps and weaknesses. To better respond to future crises and protect all people, especially the most vulnerable, requires a major shift towards modern universal social security systems. Only social protection systems with a broad reach can ensure effective distribution of relief and emergency support. The case for strengthening these systems is all the more powerful given the growing threats of environmental degradation and climate change.

Adapting programmes to help people cope with COVID-19. During the pandemic, many countries increased financing for social protection programmes. In some large and hard hit countries such as India, the additional financing amounted to more than 1.5 per cent of GDP.[2] International finance often directly targeted these programmes. Overall, more than half of the pandemic-related response measures in Asia-Pacific countries centered on unemployment and income protection, and special allowances.[3] In many cases, programmes were amended or tweaked to help families pay for costs such as energy (electricity, cooking fuels, heating) and schooling. In Mongolia, almost all families with children receive the equivalent of $7 a month per child under the government's Child Money Program. During the pandemic, the government increased the monthly stipend to around $36 (Box 3.1).[4]

Box 3.1: Using the Child Money Program in Mongolia to weather the pandemic

Since 2005, the Mongolian government's Child Money Programme (CMP) has provided cash grants to all children aged 0-17 registered in the public Integrated Household Database.[a] A household survey in 2016 found that the programme helped lower the child poverty rate by 5 per cent.[b] When Covid-19 hit, the government increased grants from MNT 20,000 ($7) to MNT 100,000 ($36) per child per month for a six months (April to September 2020).[c] This was then extended to June 2021. The CMP helped address several negative coping strategies such as the sale of productive assets, or reduced household spending on food, education and health. The programme was part of a wider stimulus package worth 1.5 per cent of GDP.

An ADB-supported microsimulation analysis showed that without these additional measures of social protection, inequality and poverty would have increased significantly. Because of the high rate of child poverty and the large number of children in poor households, the child grants had the power to reduce poverty and inequality: they reached nearly two thirds of all households, thereby covering four fifth of of the population. The CMP experience underlines the value of long-term investments in social protection systems.[d]

An ESCAP-supported review of the CMP found that it was a significant step towards providing a social protection floor for Mongolians, and an important advance towards establishing more comprehensive and effective social protection.[e]

a: Since its introduction, the programme has experienced varying coverage levels. Initially, it was only targeting the poor, but it became universal in 2007. The programme was discontinued in 2010 and reinstituted in 2012. UNICEF. Universal Child Benefit Case Studies: The Experience of Mongolia. New York. 2019.

b: ILO and UNICEF. *Towards Universal Social Protection for Children: Achieving SDG 1.3*. ILO–UNICEF Joint Report on Social Protection for Children. New York and Geneva. 2019.

c: As part of its COVID-19-related support to Mongolia, ADB financially supported the temporary increase in child grant and assisted in strengthening social welfare programs and systems (first and second Shock-Responsive Social Protection Project). ADB. *Report and Recommendations of the President to the Board of Directors: Second Shock-Responsive Social Protection Project*. Manila. 2021.

d: ADB. *Building Capacity for an Effective Social Welfare System: Assessment of the Social Protection Response to COVID-19*. Consultant Report. Manila. 2020.

e: UNESCAP. *Policy Paper: Mongolia's Child Money Programme*. Bangkok. 2021.

Reaping the dividends of digitalization. The digitalization of registration and payments has led to faster and more effective rollouts of protection programmes. In Lao PDR, the government and international donors provided social protection support for unemployed workers (primarily women), businesses, and garment and textile factories.[5] In Pakistan, the government strengthened the Ehsaas emergency cash assistance programme (Box 3.2).

Box 3.2: Ehsaas Emergency Cash (EEC) Programme in Pakistan

Starting April 2020, Pakistan used Ehsaas Emergency Cash (EEC), a social security and poverty alleviation program, to disburse money to the poorest families to mitigate the effects of pandemic-related job losses. The government allocated some $1.2 billion for one-time cash assistance of about $79 to some 17 million families, covering nearly 100 million people. Of these, five million families had already been beneficiaries; the rest were newly enrolled. The scheme helped raise social protection coverage from 18.1 per cent in 2017 to 54.7 per cent in 2020. Despite these achievements, the programme met only a fraction of beneficiaries' needs and left out millions of people.

Social media campaigns and field visits to poor districts raised awareness of EEC. The authorities identified beneficiaries by estimating household income using national identification numbers, data from the National Socioeconomic Registry, and wealth proxies such as electricity bills or asset holdings. Beneficiaries registered using their national identification numbers through SMS, web-based, or district services. They were categorized into six groups based on federal and provincial government criteria.

Cash payments were made through branchless banking platforms and over 11,500 cash points on 2,270 campsites. Recipients had to identify themselves via biometric authentication. More than 4.6 million women received cash payments in the category reserved for women. In the remaining categories, there were 8 million female and 6.8 million male beneficiaries. Twenty-six beneficiaries were transgender.

Despite these achievements, EEC faces many challenges and broader social security support is far off. For the poorest 40% of the population, the cash transfers met only around 3.5 per cent of daily consumption. Many impoverished groups were unaware of COVID-19-related cash assistance programmes. Others lacked the money to register (the fee was later scrapped). Low financial and reading literacy, and problems with electronic identity cards to withdraw payments complicated access. Pakistan has nearly 2.6 million women and close to 3 million Bengali and Bihari refugees without ID cards. Furthermore, poor internet connectivity slowed down the speed of EEC payments, especially in rural areas. A clearer division of responsibilities at different levels of government—and a diversification of relief measures beyond cash—holds the promise of simplifying and speeding up the delivery of emergency assistance.

Sources:

Nishtar, S. *Ehsaas Emergency Cash: A digital solution to protect the vulnerable in Pakistan during the COVID-19 crisis*. Government of Pakistan 2020.

Lone, T. et al.. *Towards shock-responsive social protection: lessons from the COVID-19 response in Pakistan*. Oxford Policy Management. 2021.

Ensuring access to quality education for all

Long pandemic-induced school closures severely affected education and social learning of children and adults across Asia and the Pacific. With in-person learning severely curtailed during lockdowns, governments sought new modes of instruction and learning.

Using multiple channels to support distance learning. Education ministries have used a mix of television, radio and web-based tools to substitute for in-person learning. Some governments ensured that minority groups and people with special needs can access these services. In Mongolia, tele-classes were broadcast in local languages for the Kazakh and Tuva populations. The classes also included sign language and interpretation to make them accessible for children with disabilities.[6] In Bangladesh, the government broadcast radio primary education programmes called "Ghore hose shikhi" (or "learn in the home") and repurposed a public television channel to broadcast lessons for tens of millions of pupils and madrassa and vocational students.[7] In Cambodia, the government trained teachers and developed specialist multilingual resources, including radio and video educational programmes. It also supported in-person instruction of members of indigenous ethnic minority communities in the country's northeast.[8]

Accelerating digital learning. In many cases, the pandemic sped up the adoption of digital and web-based learning tools. In Azerbaijan, only 2 out of 52 higher education institutions (and none of the technical and vocational ones) had a digital learning infrastructure before the pandemic. When COVID-19 hit, the Ministry of Education launched an online-based learning platform in dozens of secondary and higher education institutions attracting 110,000 users. A partnership between the government and several mobile operators provided 40,000 schoolteachers, or one-fourth of the total, with free mobile internet packages for two months (followed by discounted packages). The authorities' efforts to move learning online covered 70 per cent of school children and 36 per cent of pre-school children.[9] Similarly, in a bid to support digital learning the Indonesian government in 2021 gave free internet data quotas to 35 million people.[10]

Public-private partnerships. Collaboration between the public and the private sector has been a key feature of efforts to foster online learning. For example, in Azerbaijan a new digital learning platform was set up, giving students access to learning materials including tests, textbooks and other learning tools. One million primary and secondary school students and teachers enrolled in the virtual school.[11] In Mongolia, telecom operators provided free service access and discounted data services for the portal created by the Ministry of Education and Science.[12] Similarly, in Sri Lanka all internet service companies provided free access for university learning management systems and remote learning facilities through the Lanka Education and Research Network (LEARN), giving nearly 90 per cent of university students access to online education.[13]

Curriculum flexibility. In many countries, governments gave schools and educators more freedom than ever before in how to deliver remote learning. In Indonesia, for example, the authorities launched Guru Berbagi ("teacher sharing"), a forum that assists teachers with new challenges and teaching strategies. The initiative was complemented by the Guru Belajar ("teacher learning") platform, which hosts online sessions.[14] Both platforms were a success. However, big gaps remained in rural areas. By August 2020, 80 per cent of teachers in urban areas were using social media learning tools, compared with 50 per cent in rural areas.[15]

Key priorities for more inclusive social protection and education systems

Two priority areas for policy action to make faster progress toward reaching SDG 1 (no poverty, specifically on universal social protection systems) and SDG 4 (quality education) are highlighted here:

Comprehensive and responsive social protection systems. Strengthening social protection systems and moving towards universal coverage are powerful tools against future shocks. Governments in the Asia-Pacific region recognise this.[16] A durable recovery from the COVID-19 pandemic requires the establishment of comprehensive social protection systems that pay attention to factors such as age, gender and disability, and are disaster-responsive, encompass livelihood, health and education dimensions, and address the needs of the informal sector. Pandemic-induced advances in leveraging digital technology must be sustained and built upon.

Social protection systems do not exist in isolation: there are synergies to be harnessed from advancing social protection, including in connection with SDGs 14 (life below water) and 15 (life on land). For example, social protection schemes can be designed to induce poor and vulnerable communities to adopt improved natural resource management practices in fisheries, agriculture, and forestry. Such an arrangement simultaneously helps improve livelihoods and food security, sustain and restore ecosystems, and build climate resilience.

The potential of hybrid learning. Communities across the region are gradually returning to in-person learning and many are integrating hybrid learning in order to adapt to rapid technological changes and be better prepared for future shocks. More data on education outcomes before and after COVID-19 will need to be collected to assess the effectiveness of the different learning approaches. What is already clear is that integrating hybrid learning models into mainstream education will require an upskilling of teachers and parents across the region, as well as tackling access and other digitalization challenges.[17]

3.2 Women's empowerment: Advancing gender equality

As highlighted in the previous chapters, women were especially affected by the pandemic. For many countries in Asia and the Pacific this has made attaining SDG 5 (gender equality) much harder. Many governments have recognized the challenge and have taken measures to address women's needs in recovery plans and strategies.

Targeted social protection for women and their families. Many countries stepped up support for women through existing social protection systems. In Azerbaijan, the authorities increased assistance for women and vulnerable households, reaching 7,000 families through a network of child and family support centres.[18] In Indonesia, the Ministry of Women Empowerment and Child Protection launched #BERJARAK ("Together Keep Our Family"), a project aimed at preventing COVID-19 in women, children, the elderly and people with disabilities.[19] The Cook Islands, Fiji, the Federated States of Micronesia, Samoa, and Tonga all provided assistance to women-led households, among other vulnerable groups. In Solomon Islands, the state employed women in shops to monitor price control regulations.[20]

Encouraging women's economic empowerment. MSME development has been a cornerstone of COVID-19 recovery efforts and some programmes have focused on increasing women's participation in the economy. In Pakistan, the government in 2020 launched the Ehsaas Interest Free Loan Program. The initiative provides loans of $115-450 to help beneficiaries build micro-enterprises. Nearly 600,000 Pakistanis have benefitted from it, half of them women.[21] In Indonesia, the Mekar initiative provides cheap finance for small firms which predominantly employ women.[22] In Viet Nam, the government is preparing to support women-led SMEs (which were more than twice as likely to be shut down as those led by men) and has developed a portal for women entrepreneurs as part of the National SME Portal.[23] In Tuvalu, the Funafuti Kaupule (town hall) is supporting women's micro-enterprises, among other entities, by lowering administrative fees for micro-businesses and start-ups.[24]

Recognising, reducing and redistributing care and domestic work. In many countries the pandemic brought to the fore the burden on women of unpaid care for children and other

family members. Some governments took steps to enable women to work from home during the pandemic, but the double burden of employment and additional unpaid care work remained high.[25] Some countries launched initiatives aimed at bringing about a more equal sharing of care and other household responsibilities. In Azerbaijan, for instance, the government launched "Men engage", a social media campaign encouraging men to take on more household duties.[26] The government of Mongolia introduced 7–14 days paid leave for employees with sick children, reduced in-office work hours, and waived social security payments for 6 months.[27]

Confronting gender-based violence. Amid a sharp rise in reported incidents during the pandemic, many governments in the region have strengthened mechanisms to tackle gender-based violence. Many of them invested in communication campaigns to raise awareness of domestic violence and set up 24-hour helplines and other online services for women. In Fiji, the number of complaints via hotlines doubled in the early months of the pandemic.[28] Solomon Islands expanded support services for women and children, including helplines, domestic violence support and care, and in-person and virtual crisis centres. In Indonesia, the authorities set up a centre for the reporting of violence against women and children who require special protection.[29]

In some countries, NGOs played an important role in combating gender-based violence. In India, the Akshara Centre, a women's rights organization, the Tata Institute of Social Sciences, and the state government of Maharashtra launched "Stand Up Against Violence," an app that connects users with public or private organizations that assist in cases of violence.[30] In Kazakhstan, shopkeepers and pharmacists were warned to look out for a code phrase, the pronunciation of which signals an incidence of domestic violence and the need to call police immediately.[31] Australia earmarked AU$150 million in pandemic relief funds to strengthen support services for survivors of domestic violence (a further AU$20 million was made available for legal assistance to survivors). Brunei Darussalam provided special training for police officers on violence against women in the context of COVID-19. In Fiji and Tonga, the authorities designated crisis centres as essential services during lockdowns.[32]

Women's health and well-being. In many countries in the region, initiatives to support women's health and well-being sprung up in the wake of the pandemic. The Lao Women's Union established hotlines, helplines, and online counselling platforms. Together with the Lao Youth Union and central, provincial and district authorities, the union also worked to ensure that women health workers have adequate access to personal protective equipment, menstrual hygiene products and mental health support, and that women and girls have safe access to medical treatment, including sexual and reproductive health services.[33] In Bangladesh, para-counsellors known as "shantir apa" (sisters of peace) provide mental health and psychological services for Rohingya communities located in makeshift settlements in Cox's Bazar.[34]

Key priorities for promoting gender equality and empowerment

Greater investments are needed to reverse the negative impact of the pandemic on gender equality and to empower women and girls. Women's rights to good healthcare (including sexual and reproductive health services), good education, economic, social and political participation, and freedom from violence are all interlinked. Significant efforts are required in all these areas. This includes targeted measures to support disadvantaged women and girls, such as those with disabilities, who face multiple forms of discrimination. Two key areas for policy action to bolster gender-sensitive policies and bring about the transformative changes needed to achieve SDG 5 in the region are highlighted here:

Mainstreaming gender equality in COVID-19 response and recovery. Countries can draw on extensive experience in the area of gender mainstreaming when shaping their gender-based policies and integrating them into COVID-19 response plans. Policy and legal frameworks that

support women's labour force participation and provide opportunities for decent work should be strengthened. This includes frameworks that support women entrepreneurs and the critical roles women play in agriculture, food security and natural resource management. Expanding and enhancing women's participation and leadership in governance and decision-making is also crucial. Governments must strengthen laws and policies that explicitly promote women's representation and participation in political and public affairs, especially in sectors where women are underrepresented such as environmental management and disaster risk reduction. This requires investment in women's leadership capacities. Finally, to design and monitor such policies, data collection must be improved and disaggregated by sex, age and disability status.

Strengthen gender-responsive and care-sensitive social protection. Social protection benefits should be extended to women in informal and vulnerable work and designed and delivered in gender-responsive and inclusive ways. The benefits in question include income security, health insurance, maternity and child benefits, and pension schemes. Governments also need to design and finance policies that foster more affordable, accessible and quality care services for children, the elderly and persons with disabilities. This will reduce the burden of care, which falls disproportionately on women. Paid family leave and tax breaks can be used to bring about a more equal distribution of unpaid care and domestic responsibilities. Greater investments in sustainable public infrastructure—such as electricity, clean water and sanitation facilities—are also essential in order to reduce women's work burden.

3.3 Environmental sustainability: Building inclusive green economies

The short-term goal of protecting people during a crisis need not come at the expense of long-term environmental sustainability. The vast pandemic-induced spending on economic recovery offers a unique opportunity to steer a transition to nature- and climate-friendly economic systems that foster greater inclusion and deliver multiple economic and social benefits. Governments increasingly recognise the urgent need to prioritize environmental sustainability and encourage a green recovery. Fourteen heads of state and government from Asia and the Pacific have signed the "Leaders' Pledge for Nature". In it, they commit to a response to the health and economic crisis that is "green and just and contributes directly to recovering better and achieving sustainable societies" and puts "biodiversity, climate and the environment as a whole at the heart of both our COVID-19 recovery strategies and investments and of our pursuit of national and international development and cooperation".[35] Similarly, many countries have signed the Sustainable Recovery Pledge launched in June 2021 and co-sponsored by Fiji. The signatories vow to "adopt climate- and environment-sensitive approaches to COVID-19 recovery efforts, including by inter alia aligning investments and domestic policies with the relevant objectives of the 2030 Agenda and with the Paris Agreement, reversing biodiversity loss, and accelerating renewable energy transitions."[36]

These voluntary global agreements stress the need for joint approaches to sustain and restore ecosystems and biodiversity, enable pollution and climate action, and tackle poverty and inequality as central pillars of "building back better" from COVID-19 and achieving the SDGs. Since the start of the pandemic some headway has been made in furthering environmental sustainability, with some countries integrating environmental factors into their recovery plans—but more action is urgently needed.

Managing medical and plastic waste. In most countries around the world, including Asia and the Pacific, efforts to contain the spread of the coronavirus have led to a surge in medical waste. Single-use plastics such as masks and gloves have often ended up in rivers and oceans. Most countries in the region have sought to improve their medical waste management systems. Azerbaijan, for example, built on an existing strategy to reduce plastic packing waste and launched a campaign to raise awareness around plastic pollution and alternative packaging materials.[37] In India, the Central Pollution Control Board, a government agency, issued new guidelines for the treatment

and disposal of waste. The initiative was supported by "COVID19BWM", a software application for tracking the generation, collection and disposal of COVID-19 bio-medical waste.[38] Maldives has banned the import of various single-use plastics altogether as part of its "Single Use Plastic Phase-out Plan 2020-2023."[39] Finally, Indonesia outlined a plan to cut marine plastic pollution by 70 per cent by 2025.[40]

Restoring marine ecosystems. Various countries in the region have reaffirmed their commitments to protect coastal and marine ecosystems (Box 3.3). In South Tarawa, Kiribati, local governments vowed to support a "Blue and Green" economy based on sustainable management of land and marine resources. They aim to become more self-sufficient and reduce their reliance on imported goods and services despite pandemic-related challenges. There has also been some progress in revitalizing seaweed farming for livelihoods and fostering ocean health and improving waste management.[41] Palau continued to implement one of the world's largest marine protected areas, the Palau National Marine Sanctuary, which includes a no-fishing and a domestic fishing zone to buttress food security and generate other benefits for the island's inhabitants.[42]

Box 3.3: Sustainable tourism in Tuvalu

COVID-19 and its impact on tourism has presented Tuvalu and other Small Island Developing States with enormous challenges. But the pandemic is also an opportunity to reset and recalibrate the tourism sector. Ideally, such recovery efforts should prioritize sustainability and foster greater diversity and resilience.[a] The Pacific island countries can only realize their full potential by making this transition. The political will is there: in October the Council of Tourism Ministers for the Pacific islands endorsed the Pacific Sustainable Tourism Policy Framework. It sets out a shared vision of sustainability, prosperity, and environmental protection for the sector by 2030. In practice, this will entail creating an industry that creates incomes, empowers local communities, promotes cultural heritage, and protects ecosystems.[b]

Tuvalu is a fledgling destination for international visitors, but its prospective Sustainable Tourism Policy is aligned with the Sustainable Development Goals and the government's vision for a peaceful, resilient and prosperous Tuvalu.[c] The policy was developed in consultation with communities and stakeholders from the nine islands (though most tourists visit only the capital Funafuti). The consultations identified, among others, a consensus to let visitors experience the culture of Tuvalu and the spirit of *te olaga fakatau fesoasoani* (reciprocity).

To make its tourism more diverse, Tuvalu has already identified sites it would like to be recognized as UNESCO Global Geoparks.[d] Currently, none of the world's 169 geoparks are in the Pacific islands. In Tuvalu, the focus is on the coral atoll of Funafuti and the possibility of merging the existing Funafuti Conservation Area into a proposed geopark. The area is largely free from human modification and showcases rich marine biodiversity and gives visitors the opportunity to learn about Tuvalu's forest gecko and endangered species such as the green sea turtle.

A full reopening of Tuvalu will take time. The island can use it to prepare for a more sustainable future. The tools are at hand: The Pacific Sustainable Tourism Policy recovery tool kit, which Tuvalu helped design, supports small tourism businesses in getting to grips with how to better serve international guests while protecting the island's natural assets.[e]

a: OECD. *COVID-19 pandemic: Towards a blue recovery in small island developing states*. OECD Policy Responses to Coronavirus (COVID-19). January 2021.

b: Pacific Tourism Organisation. Pacific 2030 Sustainable Tourism Policy Framework. April 2021.

c: Government of Tuvalu. National Strategy for Sustainable Development 2021-2030. Ministry of Finance. 2020.

d: UNESCO. UNESCO Global Geoparks (UGGp). Available at https://en.unesco.org/global-geoparks

e: Pacific Tourism Organisation. Sustainable Tourism Resources. SPTO SME Recovery Toolkit. December 2021.

Source: Box drafted by SPTO

Restoring terrestrial ecosystems. Despite the disruptions caused by the pandemic, many countries have continued programmes aimed at restoring ecosystems and climate change mitigation and adaptation, especially by increasing tree cover and reversing land degradation. Often these programmes have also provided a means for resource transfer to vulnerable communities and generated income that supports peoples' livelihoods. Mongolia launched an initiative to plant a billion trees by 2030, as part of the president's commitment to spend the equivalent of 1 per cent of GDP on combatting deforestation and climate change (with a target of cutting greenhouse gas emissions by 600,000 tons).[43] So far, more than 300 enterprises and organizations have joined the "Billion Tree" initiative.[44] Similarly, Turkmenistan has kept up its nation-wide tree planting campaign.[45]

In Pakistan, the government launched the "Green Stimulus Initiative" under the Ten Billion Tree Tsunami Project, a programme focused on restoring the environment, sequestering carbon, and enhancing disaster resilience. As part of the stimulus, a separate programme, the "Green Nigehabaan" initiative, aims to provide jobs to tens of thousands of youths and low-income earners who lost their jobs due to the pandemic. In a second phase of the green stimulus, the government intends to create nine new national parks and strengthen management in six existing parks under its "Protected Areas Initiative".[46]

Supporting local green enterprises. MSME support has been a core focus of COVID-19 coping programmes across the region (see Box 3.4), presenting opportunities to create new incentives for more inclusive local green enterprise development. Some countries in the region have taken steps to this end. For example, the government of Azerbaijan and the EU4Environment programme in 2020 carried out capacity building in green economy policy and supported the greening of local MSMEs.[47] In Lao PDR, the government launched a special recovery plan for MSMEs, with a focus on green financing, credit guarantees, and digitalization and e-commerce development.[48]

Box 3.4: MSME development: An opportunity for environmental sustainability and inclusion

Support for micro, small and medium enterprises (MSMEs) has been key to cushioning the impact of the pandemic. They account for a large share of employment and support therefore tends to benefit a large number of people. In Cambodia, the government launched a co-financing-scheme for SMEs with 28 Participated Financial Institutions in 2021. As of end-November 2021, around $100 million in loans had been disbursed to 790 SMEs, many of them owned by women.[a] In India, the government introduced special initiatives to help MSMEs deal with the fallout from COVID-19 under Aatma Nirbhar Bharat Abhiyan, a mission to make India self-reliant. It has earmarked $26.8 billion in guarantees for subordinated debt of struggling MSMEs.[b] Similarly, Indonesia's National Economic Recovery Programme focuses on MSME support.[c]

a: SME Bank of Cambodia. "Total Budget of SME Co-financing Scheme II Increased to USD 140 million". 3 December 2021. https://smebankcambodia.com.kh/2021/12/03/increased-to-usd-140-million/.

b: Srishty, A. and Sarmishtha, N.. *Post COVID-19 for Women in Work: Perspectives from India.* 1 May 2020. Feminisminindia.com/2020/05/01/post-covid-19-women-work-india/.

c Ministry of Finance of the Republic of Indonesia. "Gender Dimensions in Government Policies are Important in Facing a Pandemic" (in Bahasa Indonesia). 18 November 2021.

Mobilizing biodiversity finance. There is growing awareness in the public and private sectors of the significant economic, social and environmental benefits of "nature-based solutions",[49] alongside green financing, which integrates nature-related risks and impacts into financial decision-making

and reporting.[50] China is an important leader in the region in this regard. It has developed several innovative financial instruments, including the National Green Development Fund, the Yangtze River Green Development Fund, and green industry investment funds established by local governments.[51] Pakistan is considering the issuance of its first Nature Performance Bond, which ties the cost of debt repayments to quantified results in protecting or restoring ecosystems or other nature-based impacts.

The range of global initiatives has grown quickly.[52] In 2019, the Finance for Biodiversity (F4B) initiative was established. The initiative aims to integrate biodiversity in financial decision-making and instruments, and thereby align global finance with nature conservation and restoration. In 2021, the Task Force on Nature-Related Disclosures, a global initiative which aims to provide financial institutions and firms with a complete picture of their environmental risks and opportunities, was launched.[53] A growing number of financial institutions have made commitments to scale up "nature positive" investments, for example through the "Finance for Biodiversity" pledge launched in September 2020. UNDP's Biodiversity Finance Initiative (BIOFIN) has supported the development of comprehensive Biodiversity Finance Plans in 41 developing countries, including 15 in Asia and the Pacific, as well as various initiatives supporting countries in managing pandemic-related impacts (see Box 3.5).

Box 3.5: Biodiversity Finance Initiative (BIOFIN): Pioneering new ways to channel finance towards nature

UNDP's BIOFIN helps countries assess biodiversity funding needs, develop Biodiversity Finance Plans, and explore and test innovative financing mechanisms. BIOFIN supported a range of efforts to help conserve nature and restore livelihoods lost as a result of the COVID-19 pandemic.

In the Philippines, rangers who used to protect the *tamaraw*—a rare type of buffalo only found on the Island of Mindoro—lost their jobs when the pandemic hit and tourists stopped visiting the site. BIOFIN Philippines and partners launched the "Together for Tamaraws" crowdfunding campaign seeking support for 59 rangers and wardens who received in-kind and financial assistance for patrolling and protecting tamaraws. A similar initiative was launched to support tourist-reliant boat operators in Thailand.

BIOFIN has also supported "ecological fiscal transfers" (EFTs), the transfer of public revenue between governments within a country based on ecological factors, to channel money into conservation. These include Indonesia's Reforestation Fund, which transfers national revenues to provincial and district levels, and fiscal transfer schemes from Malaysia's federal government to the states.

Source: UNDP BIOFIN. Available at https://www.biofin.org/

Low-carbon and climate-resilient recovery. In the wake of the global climate policy process, which culminated in the UN Climate Change Conference in Glasgow (COP26) in November 2021, some countries launched programmes with a focus on climate change and low-carbon recovery (Box 3.6). In Bangladesh, for example, the government in July 2021 launched the Mujib Climate Prosperity Plan (MCPP), which aims to create 4.1 million new jobs, improve the livelihoods of vulnerable groups, and increase the share of renewables in the national energy mix to 30 per cent by 2030. The MCPP focuses on generating more wind energy, establishing a carbon market, promoting regenerative and climate-resilient agriculture and fisheries, and developing environment-friendly transport. A year earlier, Bangladesh scrapped plans to build 10 coal-based power plants involving $12 billion in foreign direct investment.[54] In the lead up to the COP26

summit, India pledged to reach net-zero emissions by 2070. At COP26 itself, 11 countries from Asia and the Pacific committed to phasing out coal. The signatories include advanced energy-intensive economies such as Brunei Darussalam, Singapore, and the Republic of Korea, as well as countries whose commitments are subject to additional international support such as Indonesia, the Philippines, and Sri Lanka. The low emission countries Nepal and Maldives are also signatories. Against this background, multilateral development banks such as the Asian Development Bank have launched new programmes aimed at unlocking financing to accelerate energy transitions from coal toward renewables.[55]

Box 3.6: Climate action in Asia and the Pacific: A vital element of SDG-aligned recovery

The lead-up to the COP26 summit provided added impetus for countries to back low-carbon and climate-resilient development. Thus far, 47 countries from the Asia-Pacific region have submitted their Nationally Determined Contributions (NDCs) under the Paris Agreement to cut emissions and adapt to climate impacts. As of December 2021, 37 countries had updated their NDCs, and six submitted their second NDC.

Thirty-five Asia-Pacific member States have made carbon neutral pledges for the years 2030, 2050 and 2060. Bhutan is already carbon negative, while Maldives has pledged to become carbon neutral by 2030.[a] Cambodia in December 2021 became the third LDC to submit a long-term strategy to achieve carbon neutrality by 2050.[b] New Zealand, the Republic of Korea and Fiji have all passed carbon neutrality legislation. Australia, China, Japan, Kazakhstan, Malaysia, the Marshall Islands and Uzbekistan have issued policy documents outlining their carbon neutrality pledges. The Pacific island states, the most vulnerable to climate change, have been amongst the first to make new commitments to climate action.[c]

Despite some progress, the NDCs submitted by countries in Asia and the Pacific are not ambitious enough to help keep global warming below 1.5°C as recommended by the Intergovernmental Panel on Climate Change (IPCC).[d] In many countries, pandemic-related interventions at the sectoral level did not reflect the need for urgent climate action or other environmental considerations.[e] Similarly, NDC targets were often fixed with little input from key sectoral or COVID-19 coordinating agencies.

a: Based on data from: Wallach, O. *Race to Net Zero: Carbon Neutrality Goals by Country*. Visual Capitalist. 8 June 2021.

b: "Cambodia Targets Carbon Neutrality by 2050: What Next?" https://cambodianess.com/article/cambodia-targets-carbon-neutrality-by-2050-what-next

c: Ibid.

d: ESCAP, UNEP, UN Women and the greenwerk (2021)., *Is 1.5°C within Reach for the Asia-Pacific Region? Ambition and Potential of NDC Commitments of the Asia-Pacific Countries*. Bangkok. Available at HYPERLINK "https://www.unescap.org/kp/2021/15degc-within-reach-asia-pacific-region-ambition-and-potential-ndc-commitments-asia-pacific .

e: ESCAP. Are Countries in the Asia-Pacific Region Initiating a Green Recovery? What More Can Be Done? Environment and Development Policy Brief 2020/1. Bangkok. 2020.

Key priorities for enabling green recovery

Overall, too many COVID-19 recovery plans have failed to prioritise environmental sustainability, with economic growth the focal point. This short-term "business-as-usual" approach undermines countries' longer-term economic as well as environmental and social objectives. The pandemic is a multifaceted challenge that touches on almost every dimension of economic activity. Promoting circular economy approaches and more sustainable and responsible production and consumption will also play a critical role in helping achieve the SDG agenda as a whole.

Three areas for policy action to deepen the focus on environmental sustainability in national recovery and stimulus programmes are highlighted here:

Scaling up ecosystem restoration. Governments urgently need to implement integrated landscape and seascape management approaches at scale and promote a shift to regenerative and climate-smart agricultural practices in order to restore and sustain ecosystems. These nature-based solutions will protect livelihoods and strengthen the resilience of food systems, reduce disaster risk, and build climate resilience. They would also reduce habitat loss and with it the probability of zoonotic diseases taking hold. A vital part of the required change in approach is to invest in quality data collection and management systems to monitor the state of the region's biodiversity and natural capital, and to assess the economic, social and environmental costs and benefits of ecosystem restoration efforts. Such publicly available data will be key for policymakers and investors who seek to manage environmental risk and scale up nature-positive investment.

Enabling local green and gender-empowering enterprise development. Governments have recognized the need to support MSMEs and included programmes to this end in their pandemic response. These recovery programmes will need to help restart, rehabilitate and strengthen MSMEs, providing opportunities to greatly enhance their contribution to the SDG agenda. Governments should further strengthen the enabling environment for MSMEs, with a focus on creating incentives and support structures to unlock the transformative potential of inclusive local green enterprises to deliver nature-based solutions and support low-carbon development. There is also the opportunity to step up support for MSMEs led by women and other vulnerable groups. Key enabling factors include improved access to business support services and locally-appropriate finance, the expansion of digital skills and participation in e-commerce, and steps that help MSMEs integrate into regional and global value chains and the wider economy.

Investing in low-carbon, climate-resilient infrastructure. To achieve decarbonization and energy efficiency, reduce pollution and accelerate climate change mitigation and adaptation, governments need to develop integrated policies to promote more inclusive, equitable, resilient and green infrastructure development. Climate-smart trade and investment-related policies, from promoting trade and investment in low-carbon and renewable energy technologies to digitizing trade and transport systems, are powerful tools to mitigate impacts of climate change. Transport in cities must be reimagined to be environmentally sustainable, climate resilient and socially inclusive. More public and private investment must flow into areas such as solid waste management and water and sanitation infrastructure, with a view to ensuring equitable access, resource efficiency and the promotion of nature-based approaches to service delivery. Green infrastructure approaches can help reduce the footprint of economic activity on the environment and check the spread of infectious diseases. A transition away from traditional fossil fuels—while expanding zero carbon, low-carbon and climate-resilient infrastructure—will also play a vital role.

CHAPTER 4

Building forward together: Putting policies into action to achieve the SDGs

The COVID-19 pandemic has brought into sharp focus the interconnected nature of economic, social and environmental vulnerabilities across the Asia-Pacific region and the urgent need for more coherent and integrated approaches to longer-term recovery. The pandemic has also highlighted differences in the ability of member states to respond to its impacts, and the need for more joint action to scale-up provision of regional public goods. This brings to the fore the importance of stronger inter-governmental cooperation and the pivotal role of effective multistakeholder partnerships to overcome common challenges and narrow development gaps. This chapter highlights three cross-cutting areas of collaborative action that can bring coherence and coordinated support to the policy agenda put forward in Chapter 3 and accelerate its implementation: (1) raising ambition of national recovery strategies to align with the 2030 Agenda; (2) re-invigorating public and private finance for inclusive and sustainable development; and (3) redefining regional cooperation with people and planet at the centre.

Chapter 1 highlighted how the COVID-19 pandemic has exacerbated pre-existing economic, social and environmental vulnerabilities and inequalities in the Asia-Pacific region, and the risks to a recovery that leaves no one behind. Chapter 2 reviewed key factors that will influence the dynamics of recovery across countries—vaccination, social protection, digitalization, economic structure, environmental risks, and fiscal space—and their importance for national recovery strategies. Chapter 3 looked beyond the immediate pandemic response to the need for more systemic and integrated solutions that can help overcome vulnerabilities and inequalities, reshape the dynamics of recovery, and put countries on a path to a long-term recovery that is inclusive, resilient, and aligned with the 2030 Agenda for Sustainable Development. A forward-looking policy agenda to drive national recovery strategies comprises three interconnected themes at the core of the 2030 Agenda (Figure 4.1). This chapter weaves together the strands of the preceding chapters by highlighting three cross-cutting action areas that can make this policy agenda more transformative and accelerate its implementation.

Figure 4.1: Building forward together to achieve the SDGs

4.1 Raising ambition in national recovery strategies to align with the 2030 Agenda

National recovery strategies need to be formulated and implemented in alignment with national sustainable development objectives, plans and financing strategies. In doing so, countries need to raise ambitions and set clear medium- and long-term targets toward achieving the SDGs and in line with the Paris Agreement and other key global sustainable development commitments. Governments in the region and their development partners have extensive experience in mainstreaming ('localising') the 2030 Agenda and SDGs into national, sectoral and subnational development planning, budgeting and monitoring frameworks. They can use this practical knowledge to ensure that their recovery strategies are integrated and aligned with other policy frameworks for poverty reduction and sustainable development, including efforts to speed up the transition to an inclusive green economy.

Priorities areas for action

Putting the SDGs and the pledge of leaving no one behind at the heart of national recovery strategies. Governments should review and, as necessary, raise the ambition of their national recovery strategies to ensure they are aligned with the 2030 Agenda, integrated with national sustainable development goals, policies, planning instruments and financing frameworks, and focused on building resilience. The aim is to better integrate policies in order to take advantage of synergies across economic, social and environmental objectives. Better policy integration is also essential to identifying and mitigating trade-offs, paying special attention to the policy priorities of inclusion, gender equality and women's empowerment, and environmental sustainability (as highlighted in Chapter 3).

In the realm of environmental sustainability, this means aligning recovery strategies with national commitments under the three major global environmental conventions: Nationally Determined Contributions (NDCs) and National Adaptation Plans under the Paris Agreement and UNFCCC; National Biodiversity Strategies and Action Plans under the post-2020 Global Biodiversity Framework and the Convention on Biological Diversity; and Land Degradation Neutrality targets under the Convention to Combat Desertification. Other critical areas that need to be aligned with national recovery strategies include policy frameworks and commitments on disaster risk reduction, green growth, and low-carbon and climate-resilient development.

The need for integrated monitoring and reporting. Governments should develop indicator frameworks and protocols for monitoring their national recovery strategies that are linked to existing national development and sectoral monitoring frameworks for tracking and reporting on progress toward the SDGs. These include Voluntary National Reviews under the High-Level Political Forum on Sustainable Development, NDC review under the Paris Agreement, and other relevant global and regional commitments.

Expanding capacity development support to enhance and accelerate national recovery. There is a continued need to build the capacity of national and subnational institutions to achieve cross-sectoral policy coherence and whole-of-government coordination, and to undertake integrated planning, budgeting, implementation and monitoring. This capacity is critical to advancing the policy priorities for inclusion, women's empowerment and environmental sustainability put forward in Chapter 3, as well as to building the capacity of countries to anticipate, absorb and recover from shocks. Development partners, in consultation with member states and other regional stakeholders, can support efforts to act on the SDGs by developing and implementing harmonized approaches to capacity development with a focus on integrated approaches to recovery and alignment with the 2030 Agenda.

4.2 Re-invigorating public and private finance for inclusive and sustainable development

The pandemic has added to the urgency of mobilizing more public and private financial resources for sustainable development. Against the background of weak tax revenues and increases in public spending, it will be challenging to mobilize the additional financing needed to achieve the SDGs. With public debt rising in most countries, there is a need to strengthen public debt management and enable spending that advances the SDGs. Some governments are considering debt-for-nature and debt-for-climate swaps to raise capital for nature-based solutions and low-carbon development. Fortunately, governments have a raft of new and evolving financing strategies and tools at their disposal, and new opportunities for development financing as COVID-19 triggers greater global and regional cooperation for recovery.[1]

Priorities areas for action

Creating an enabling financial environment. Private sector interest in SDG-aligned investment has surged in recent years. Blended and concessional financing can play a critical role in enabling such investments. To steer capital at scale towards sustainable development and incentivize green, low-carbon investments, governments can, for instance, issue thematic bonds—green, blue, social, SDG-related securities. However, to attract financing that meaningfully supports progress towards the SDGs, governments will need to adopt rigorous taxonomies and disclosure frameworks and ensure compliance with international standards, including new standards for SDG-focused instruments such as bond issuances. Governments need to further strengthen incentives and regulations that encourage environmentally and socially sustainable investment. Wider adoption of rigorous SDG-aligned risk assessment and impact management frameworks and standards can enable a shift of focus towards sustainable development among the region's financial institutions.

Improving tax administration for sustainable development. In many countries of the region strengthening domestic resource mobilization remains essential to create greater fiscal space to finance the 2030 Agenda. Fiscal reforms, particularly in the areas of taxation and public spending efficiency, will be essential to unlock finance for sustainable development. Broadening the tax base and making tax administration and collection more efficient are among the key steps to bolster revenue. Digitalization has enormous potential to strengthen tax administration and widen the tax net. Regional tax cooperation has an important role to play in this context. With cross-border digital transactions surging, it will be vital for countries to strengthen tax cooperation and harmonization to fully reap the benefits of the digital economy.

Environmental fiscal reform: A stronger focus on fiscal reform with environmental and social benefits can generate significant resources for inclusive, green and resilient recovery programmes. This is especially relevant given countries' longstanding commitments to eliminate fossil fuel and other environmentally harmful subsidies, and to introduce carbon pricing. For instance, while the total cost to government of fossil fuel subsidies declined due to pandemic-induced lockdowns and mobility restrictions, the Indian government increased excise duties on gasoline and diesel to raise funds for COVID-19 recovery programmes. These fuel price increases are estimated to have generated $19.4 billion in the first 9 months of the pandemic.[2] Similarly, governments have an opportunity to repurpose the $540 billion in annual global agricultural subsidies to promote healthier and more sustainable, equitable and efficient systems of food production and consumption, and to reduce inefficient or environmentally harmful incentives. It is necessary to support smallholder farmers and reward good practices such as incentivizing a shift to regenerative agriculture that can help transform food systems, restore ecosystems and protect biodiversity.[3]

4.3 Redefining regional cooperation with people and planet at the centre

Regional cooperation has a vital role to play in putting countries on a path to inclusive and resilient recovery. Strengthened cooperation among member states can also enhance the provision of regional public goods. These public goods can only be managed effectively through collective action and offer an opportunity for a more concerted approach to sustainable recovery from the crisis. 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 outlined in Chapter 3. This includes regional mechanisms and online platforms to facilitate learning, knowledge exchange and capacity development.

Multi-stakeholder partnerships are an increasingly important contributor to strengthening regional cooperation and helping drive systems change. Such partnerships bring together a range of actors, including national entities, UN agencies, bilateral and multilateral development partners, foundations, the private sector, think tanks, academia and other civil society organizations. They can improve the provision of regional public goods, capture tacit knowledge and promote collaboration on SDG-aligned national recovery strategies. Perhaps most significantly, multi-stakeholder partnerships can serve to test, replicate and scale practical solutions that help countries make progress toward the SDGs.

In Asia and the Pacific, regional cooperation and integration have focused mostly on economic and trade issues, and more recently on digital connectivity as highlighted in the 2021 SDG Partnership Report. The primary focus here is on social and environmental dimensions of sustainable development where, overall, regional cooperation has gained less traction. Three priority areas for stepped-up regional support and cooperation are highlighted below.

Priority areas for action

Coping with the ongoing impacts of COVID 19 while preparing for future pandemics. Continued collaboration to ensure universal access to vaccines remains imperative to contain the COVID-19 pandemic. At the same time, sustaining efforts to prepare for and build resilience to future pandemics is essential. Key measures include pooling of vaccine procurement; establishing or strengthening regional hubs and public-private partnerships to expand vaccine development, manufacturing and distribution; stepping-up transfer of knowledge, technology and resources between countries; and promoting coherent regulatory and normative systems to ensure quality standards.

Strengthening regional cooperation to protect the region's biodiversity and ecosystems. The focus here should be on expanding and scaling up ongoing efforts to improve the management and protection of transboundary landscapes and ecosystems, including terrestrial and marine protected and conserved areas. For terrestrial areas, this includes measures to restore ecosystems and reverse deforestation and land degradation. For marine areas, this involves tackling coastal and ocean pollution, overfishing, coral reef degradation, and species loss. In all cases, securing the land, resource and territorial rights of indigenous peoples and local communities, including the rights of women within these groups, is vital. Analytical frameworks for monitoring and assessing regional cooperation must be strengthened to better account for and monitor changes in environmental sustainability. These issues have been integrated into key tools such as the ESCAP Sustainable Regional Integration Index and Indicator Framework and the ADB Asia Regional Cooperation and Integration Index.

4.4 Conclusion

Governments and local communities are in the midst of navigating the intertwined crises of pandemic recovery and prevention, biodiversity loss and climate change, and eradicating poverty. To turn a blind eye now to inclusive and green recovery efforts would have severe negative consequences for years to come. The Asia-Pacific region and the global community have the experience and knowledge to shape the post-pandemic transformation needed to forge an inclusive and resilient recovery that leaves no one behind. We must not waste it.

The 2030 Agenda and the SDGs, and related global and regional agreements and policy frameworks, provide a roadmap for a more sustainable future. It is up to governments and private sector and civil society actors to mobilize—together with development partners—the collective will to bring about transformative change and put in place the policies and institutions that are needed to make it a reality.

Endnotes

Introduction

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Chapter 1.

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Chapter 3.

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Chapter 4.

1. This includes Integrated National Financing Frameworks (INFFs). Introduced in the 2015 Addis Ababa Action Agenda on Financing for Development, INFFs provide a holistic framework for bringing together the policies used to mobilize and govern public and private financing to meet national sustainable development objectives and the SDGs. More than 70 countries, including 27 in Asia and the Pacific, are pursuing INFFs.

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