

**ECONOMIC AND SOCIAL COMMISSION FOR ASIA AND THE PACIFIC**

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Concept Note

Panel Discussion under Agenda Item 2

**Towards an inclusive, resilient and sustainable economic recovery
from the pandemic**of the third session of the ESCAP Committee on Macroeconomic Policy,
Poverty Reduction and Financing for Development**1100-1200 hours, 20 October 2021**

via video conference

Background

The COVID-19 pandemic took a heavy toll on the socio-economic wellbeing of people in Asia and the Pacific and exposed chronic development fault lines in the region. Initial policy responses have helped to mitigate the immediate shocks. However, they also left significant gaps as highlighted in the Economic and Social Survey of Asia and the Pacific 2021.

First, the disproportionate impact of the pandemic on poor and vulnerable groups and the uneven access to COVID-19 vaccines have exacerbated the economic inequality problem. This poses a significant risk of a “K-shaped” economic recovery characterized by widened inequality gaps both within and across countries. *Second*, the pandemic has revealed the region’s vulnerability to non-economic shocks and further demonstrated that even countries not directly affected by these shocks can still be deeply harmed by cross-border spillovers. *Third*, the pandemic is a reminder that long-term and systematic development risks, when they materialize, can cause years of social-economic progress to evaporate. However, climate change, the single greatest known systematic development risk, is yet to be fully incorporated into macroeconomic policy considerations in many countries. *Finally*, public support for post-pandemic recovery in developing Asia-Pacific has been significantly lower than in advanced countries owing to fiscal and financial constraints. This lack of fiscal means has left little space for investments in the transformation towards resilient and sustainable economies. In some countries, the increasing debt stress also threatens the continuity of essential fiscal spending and investments in future development and pursuit of SDGs.

Many of these issues have been broadly recognized by policymakers in Asia and the Pacific. For instance, many have included targeted support for the poor and vulnerable groups in their economic stimulus packages and expanded social benefit and cash transfer programs. Ambitious new commitments to green development and carbon neutrality were announced during the pandemic and more investments in sustainable development are expected to emerge in the follow-up stimulus packages, when countries shift their focus from damage control to recovery. Debt relief options as well as multilateral and bilateral cooperation for COVID-19 vaccination are being extensively discussed as well.

Nevertheless, a more comprehensive recovery path towards inclusive, resilient and sustainable economy is yet to be articulated. A full gamut of policies to implement such a transition in the Asia-Pacific context also remains to be spelled out. In particular, some cross-cutting issues require urgent

policy attention, such as (i) sustaining and strengthening support for poor and vulnerable groups to avert further economic divergence, both within and across countries; and (ii) financing public investments in sustainable development and economic resilience when fiscal space is squeezed and private investments remain subdued.

Objectives

In this context, the main objective of this panel discussion is to set the stage for deliberations of the delegates on pragmatic economic policy options that Asia-Pacific policymakers can consider to not only recover from the pandemic but also build inclusive, resilient and sustainable economies.

Some guiding questions for the panelists are:

1. To what extent have policymakers mainstreamed inclusive development policies into their post-COVID recovery strategies? What additional measures, at both national and regional levels, can be taken to ensure that the recovery does not leave any country or anyone behind?
2. To build resilience to future shocks, how can policymakers better integrate risk management into economic policy considerations and development planning? How can development partnerships and regional cooperation enhance the resilience of Asia-Pacific economies against economic and non-economic shocks?
3. What are the key bottlenecks that are inhibiting a transition towards green economy? What additional policy measures are needed to support such a transition?
4. How can countries facing fiscal constraints and public debt distress strike a balance between fiscal sustainability considerations and spending needs for the post-pandemic recovery? What feasible policy options can they explore?

A background document, prepared by the secretariat, would be available in due course at: <https://www.unescap.org/events/2021/committee-macroeconomic-policy-poverty-reduction-and-financing-development-third>

Format and Participation

Agenda Item 2 will comprise an introduction by the ESCAP secretariat, a panel discussion segment featuring ministers and experts, and an open discussion segment where official country representatives can make their statements, and participating organization and stakeholders can share their perspectives on the subject.

All 53 member States and 9 associated members of ESCAP are invited to the third session of the ESCAP Committee on Macroeconomic Policy, Poverty Reduction and Financing for Development, together with senior experts and representatives from major international organizations and other stakeholders.

1100-1200 hrs **Agenda item 2: Towards an inclusive, resilient and sustainable economic recovery**

- Introduction by ESCAP secretariat (5 minutes)
- Panel discussion (30 minutes)
- Country Statements and open discussion (45 minutes)

Tentative program for panel discussion and speaker names

Wednesday, 20 October 2021	Time Bangkok (UTC+7)
Moderator Sweta Saxena, Section Chief, MPFD (2-3 minutes)	11:00 – 11:05
Speakers <ul style="list-style-type: none">- PAN Sobandith, Under Secretary of State, Ministry of Planning, Cambodia- Poonam Gupta, Director-General, National Council for Applied Economic Research (NCAER), India- Donghyun Park, Principal Economist, Economic Research and Regional Cooperation Department, Asian Development Bank- Antonio Fatás, Portuguese Council Chaired Professor of European Studies and Professor of Economics at INSEAD	11:05 – 11:35
Country Statements and open discussion (to be continued in the afternoon)	11:35 – 12:00