



Building Economic Resilience through South-South Cooperation and Targeted Policy Strategies

Session 5: South-South cooperation and regional integration for sustainable development of SIDS

Hamza Ali Malik

Director

Macroeconomic Policy and Financing for Development Division

United Nations Economic and Social Commission for Asia and the Pacific

Thursday, 29 February 2024

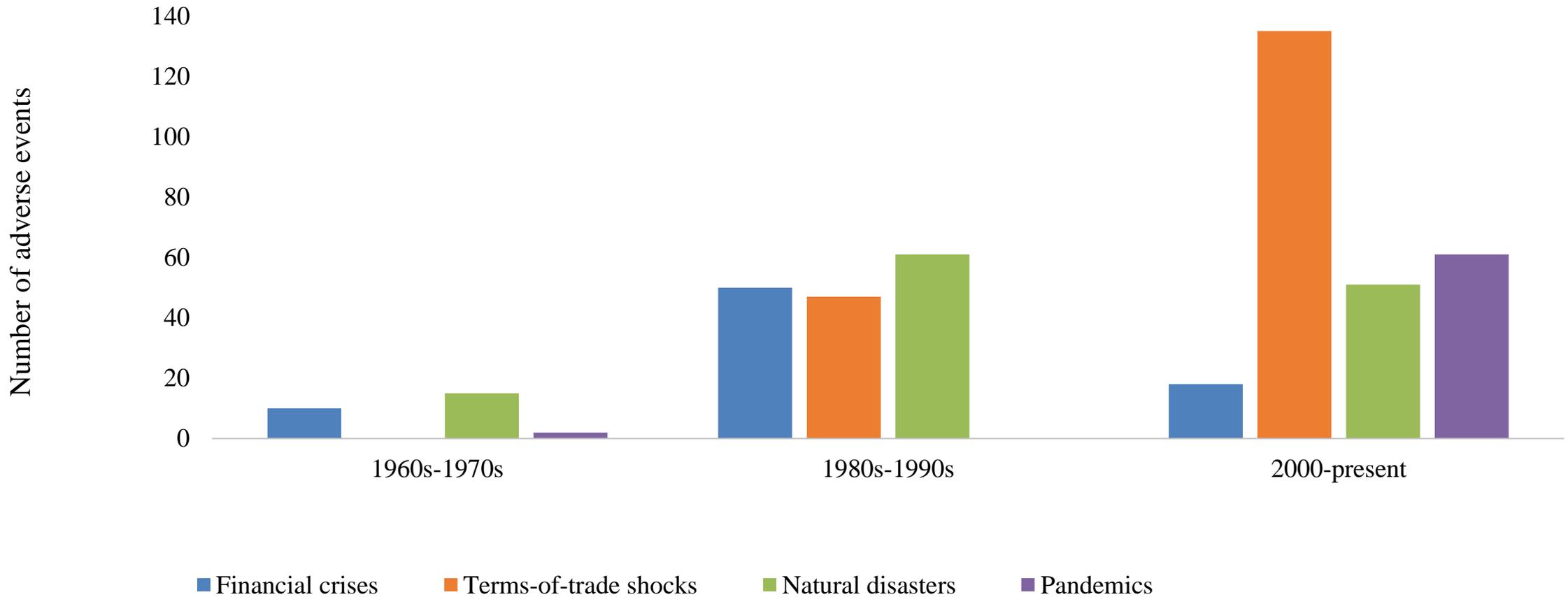
Bridgetown, Barbados



Understanding impacts of shocks: learning from the past

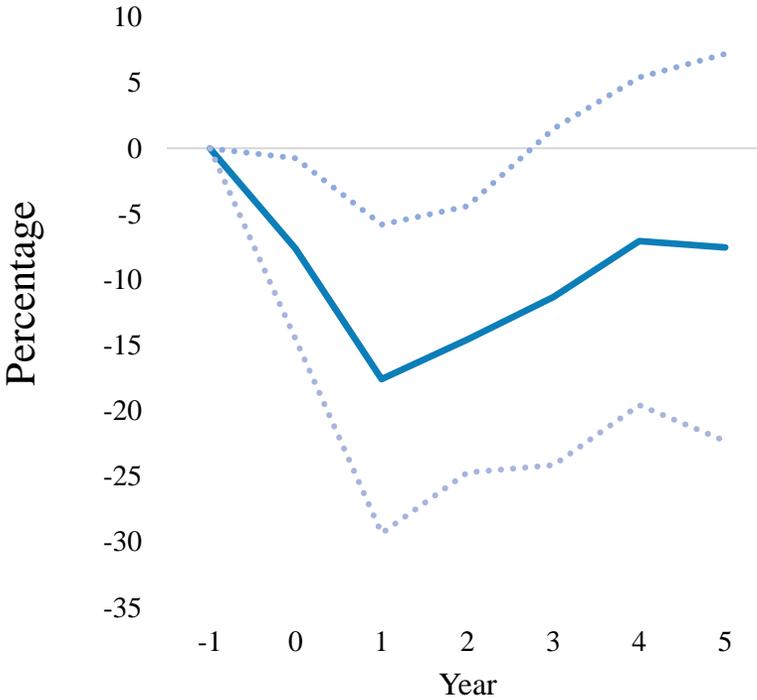
Asia-Pacific faces a wide risk landscape ...

Asia-Pacific Risk Landscape: major shocks during 1960-2018

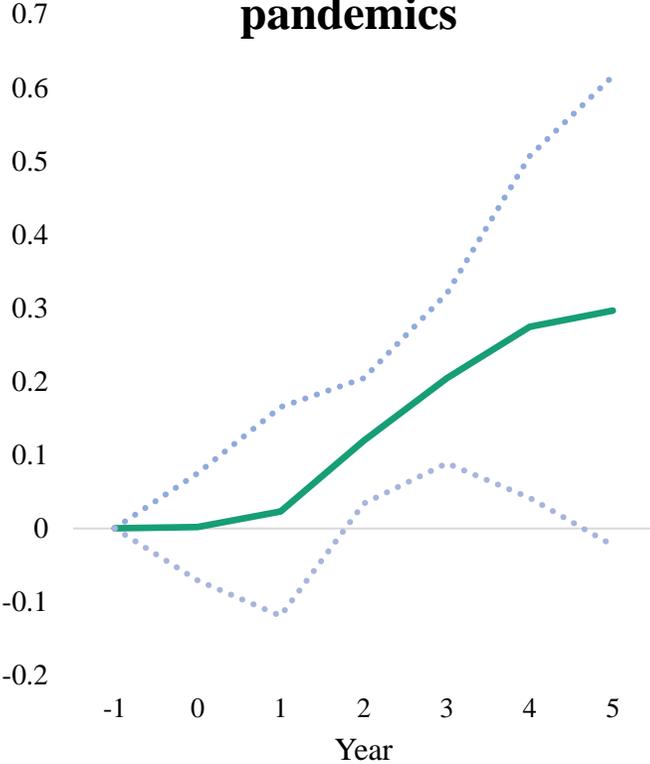


... where adverse shocks reverse hard-won gains and leave long-term scars

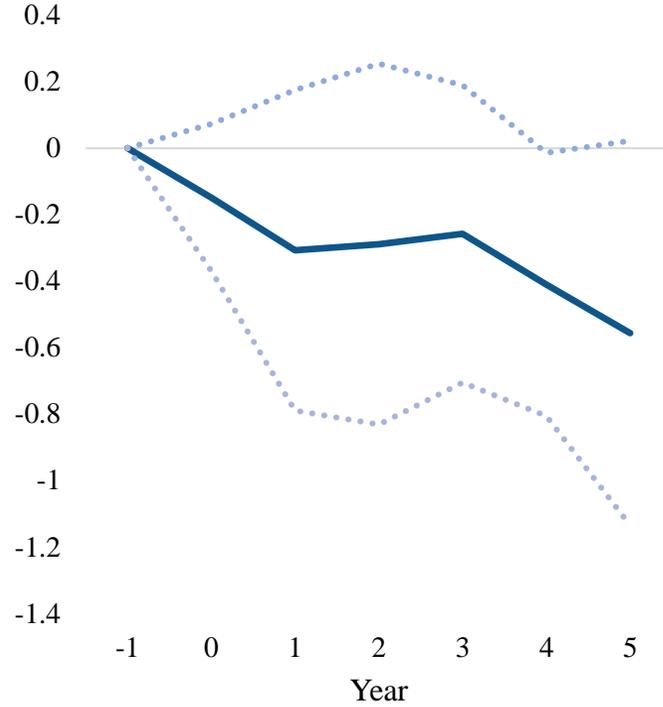
Investment slowdown from financial crises



Increased inequality from pandemics

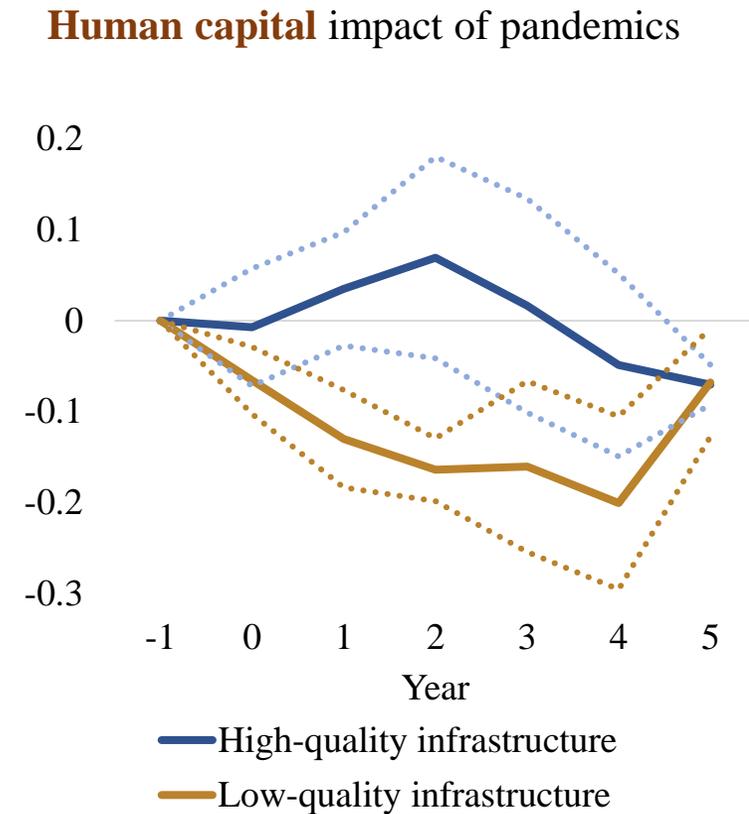
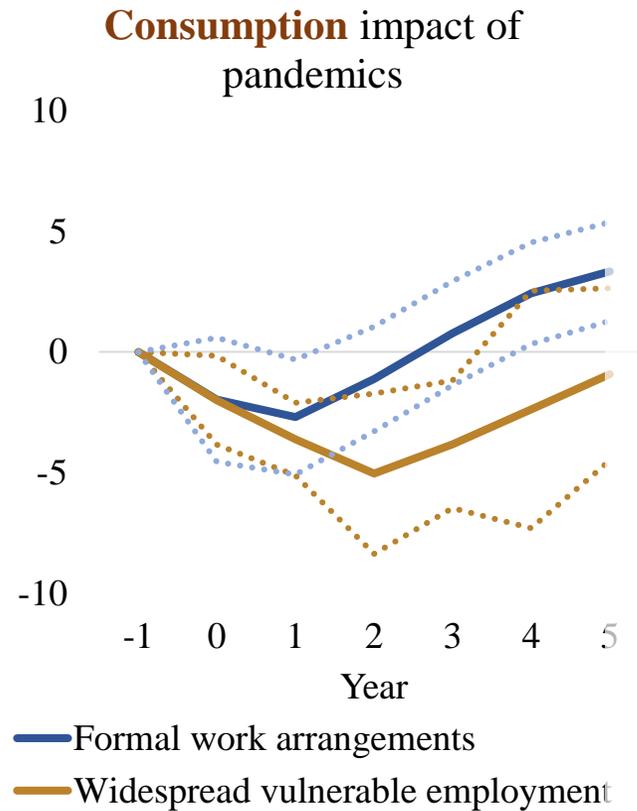
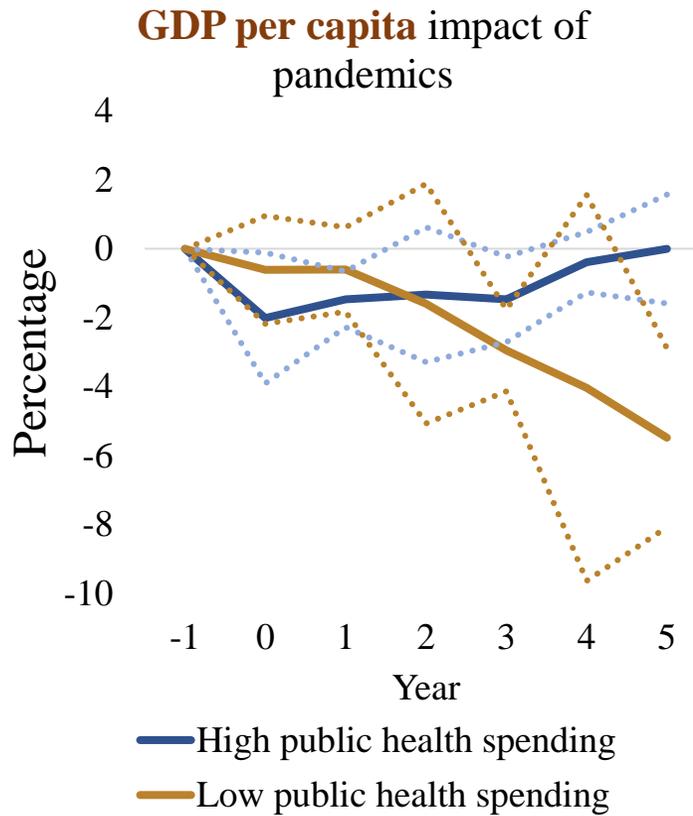


Environmental damage from natural disasters



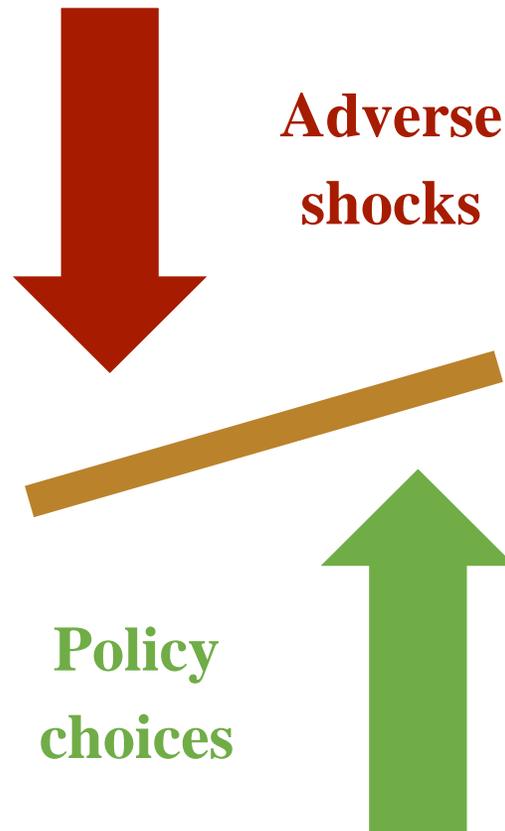
Source: ESCAP estimates.

... and pandemics have more severe socio-economic impacts ... in countries with pre-existing structural vulnerabilities



Source: ESCAP estimates

However, policy choices can reduce such setbacks



Economic policies

Fiscal policy

Monetary and financial measures

Reserves and exchange rate regime

External financing

Structural factors

Health and social protection system

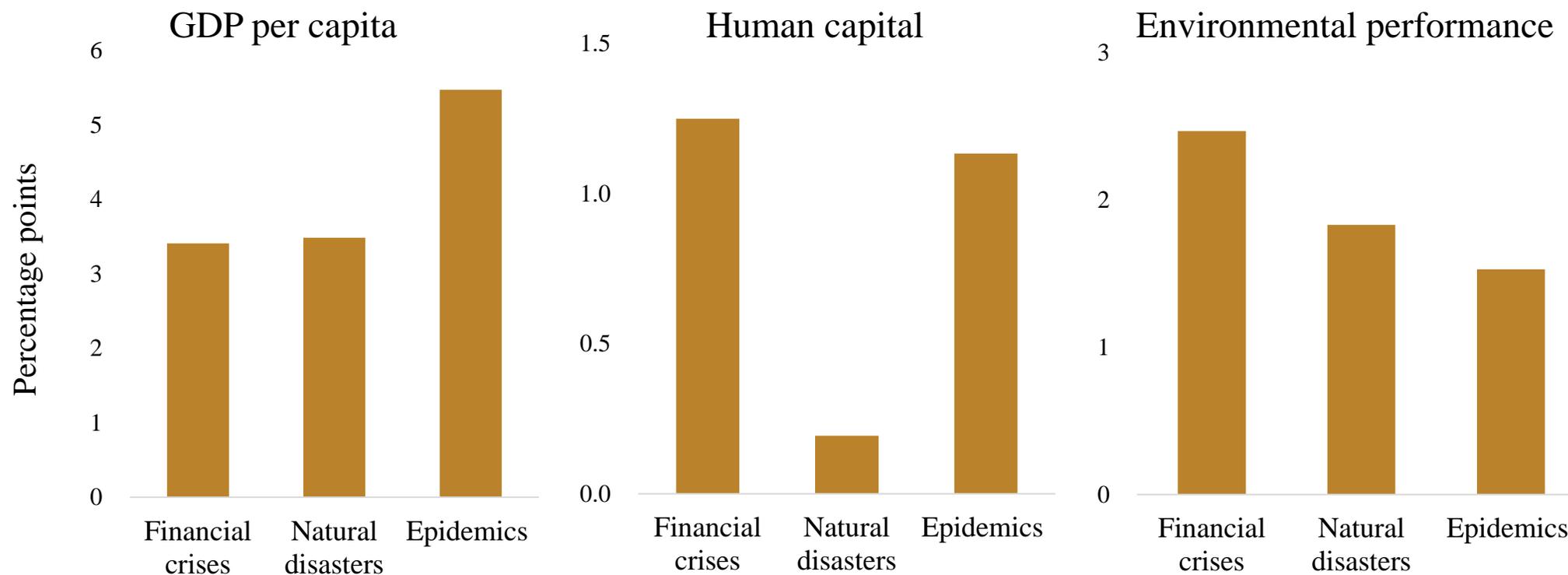
Infrastructure quality

Economic diversification

Governance and institutions

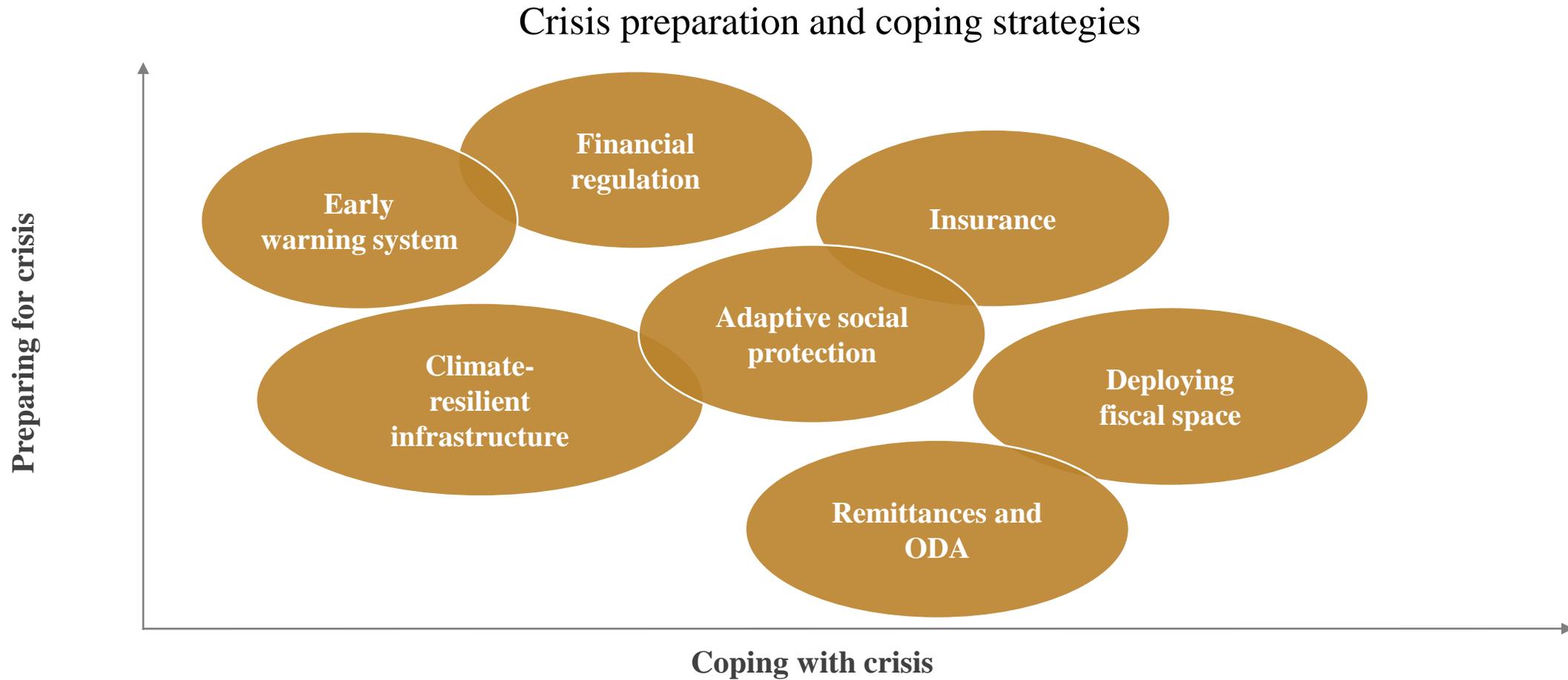
Lesson learned – 1: Respond strongly and swiftly to shocks to safeguard sustainable development

Potential boost to sustainable development from resilience-enhancing policies

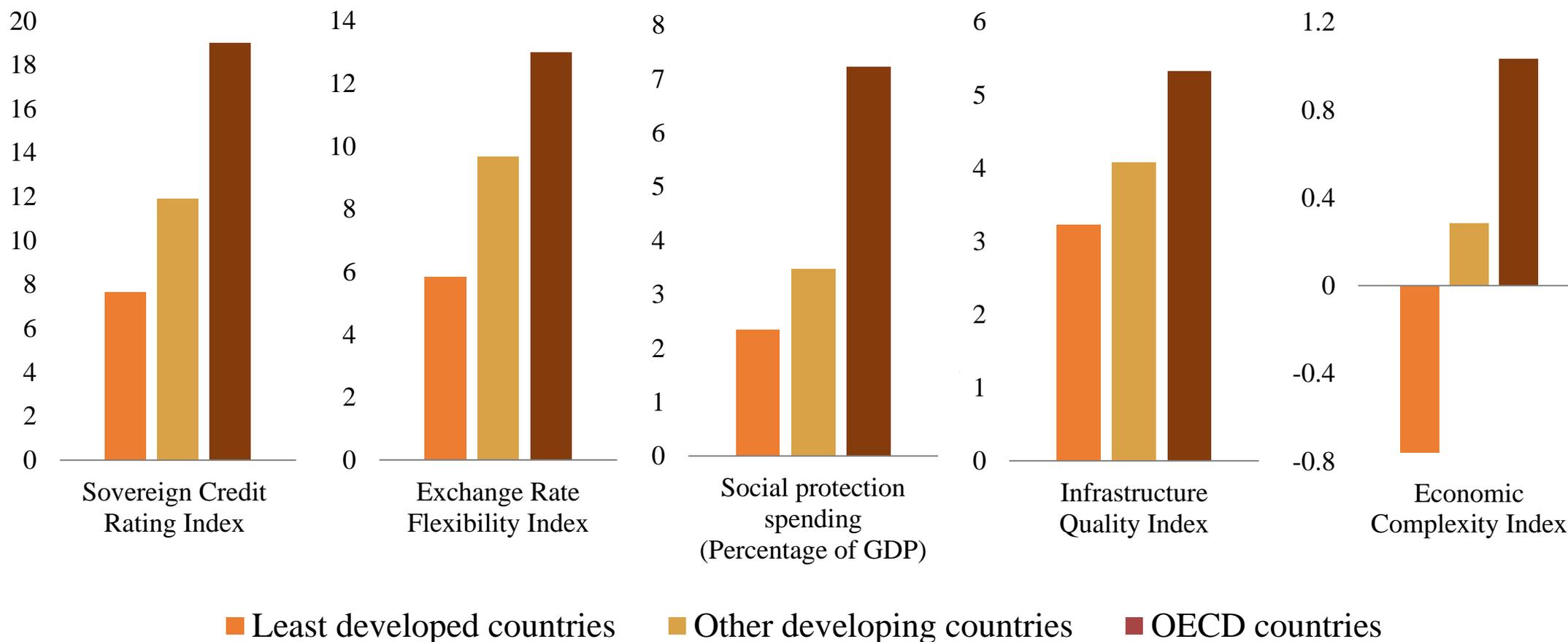


Source: Economic and Social Survey of Asia and the Pacific 2021, ESCAP

Lesson learned – 2: Integrate risk management into national development planning and policymaking



Lesson learned – 3: Difference in resilience enhancing policies explains difference in development performance



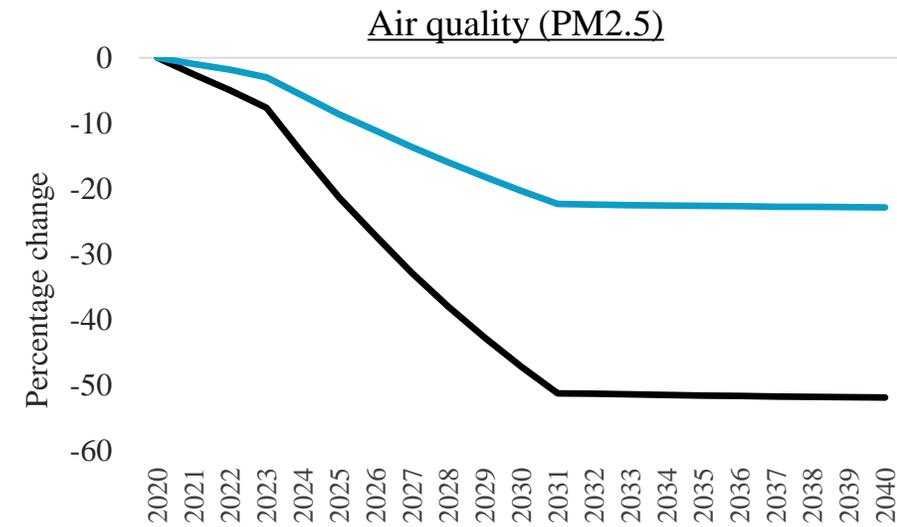
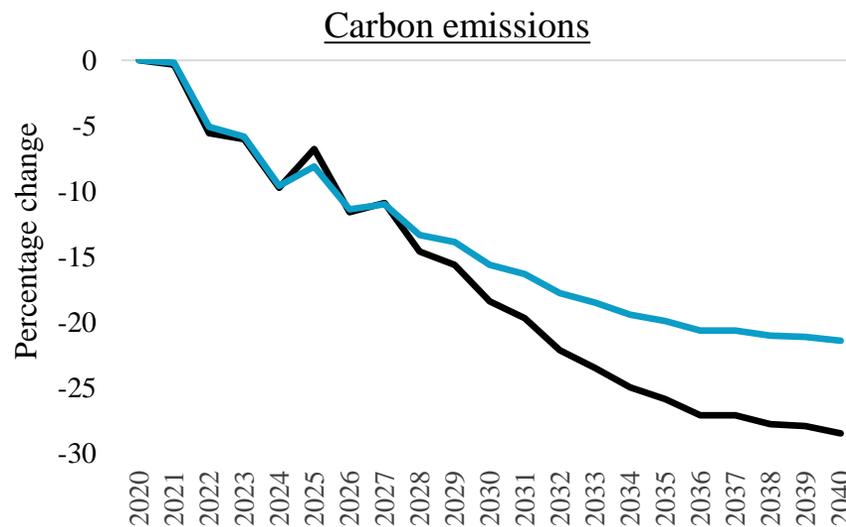
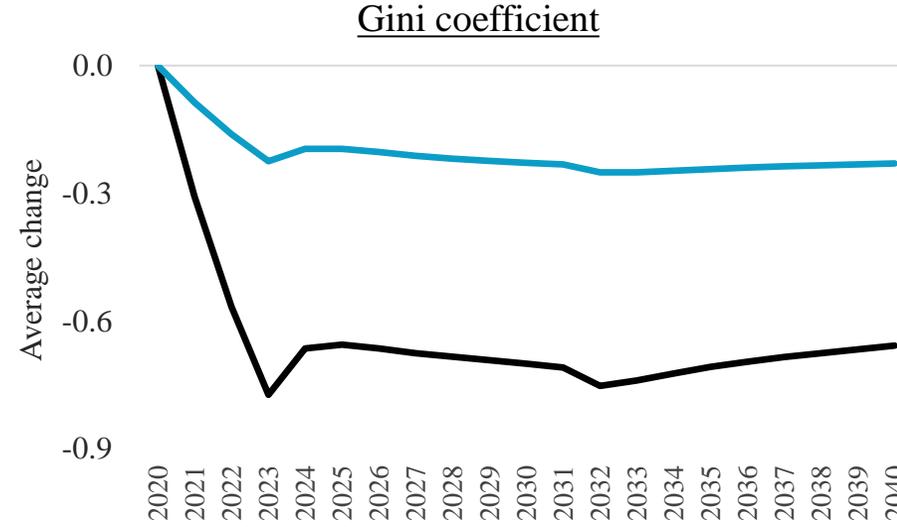
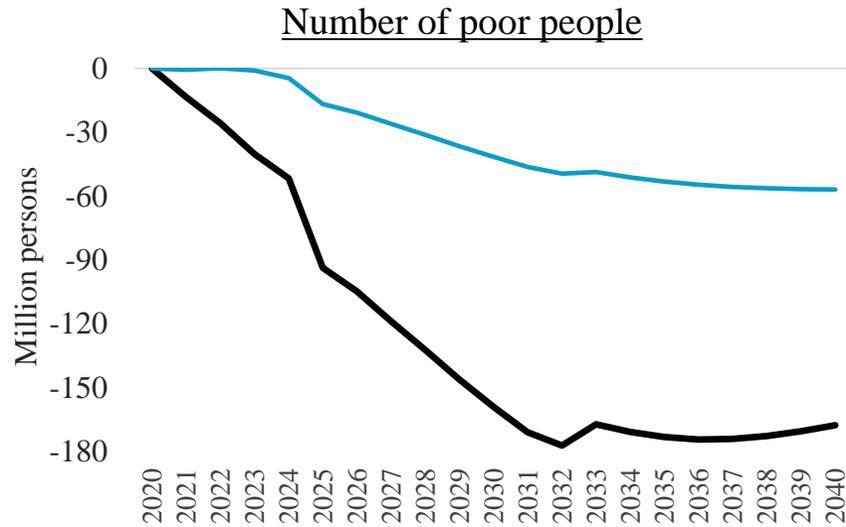
Dealing with the impact of shocks: looking into the future

A transformation of economies is needed ... towards resilient, inclusive, and green development pathways

ESCAP's 'Build Forward Better' policy package



Such transformation offers notable socio-economic and environmental benefits ... if ambitious investments are undertaken ...



— Ambitious Spending

— Business-as-usual spending

Promoting South-South Cooperation in SIDS: some examples from Asia-Pacific

ESCAP and South-South Cooperation

- As a UN Regional Commission, supporting South-South Cooperation is part and parcel of ESCAP's work through its nine substantive areas – statistics, economic policy and financing, trade, social, environment, disaster risk reduction, ICT and STI, transport, and energy.
- We promote peer-learning, sharing of experiences, cooperation and collaboration through 3 modes of our work – analytical research and knowledge production; technical assistance and capacity building support; facilitation of inter-governmental dialogues and consensus building.
- ESCAP hosted and co-organized the Global South-South Development (GSSD) Expo 2022, in Bangkok, Thailand – a flagship event of the United Nations Office for South-South Cooperation (UNOSSC).
- We also hosted the 2022 edition of the South-South Cooperation Directors General Forum for Sustainable Development

ESCAP Trust Fund for Tsunami Disaster and Climate Preparedness

- Advancing national early warning systems since 2005.
- SIDS in the South Pacific Ocean have benefitted from the learning of the approaches of the Indian Ocean SIDS.
- For example, Maldives has been supported to conduct seasonal multi-stakeholder Monsoon Forums since 2012.
- Based on a decade of learning from Maldives, Pacific SIDS have followed suit.
- In 2023 Papua New Guinea was supported to conduct their 10th forum, and Samoa their very first.

Supporting Energy Regulators

- Under the Green Grids Initiative (GGI), ESCAP and Regulatory Energy Transition Accelerator (RETA) organizes knowledge exchange workshops between energy regulators from the Pacific and the Caribbean SIDS.
- Focus is on strategies to accelerate sustainable power system development for their specific context.
- Energy regulators in SIDS, and challenges faced by the Pacific region are similar to those faced in the Caribbean. So, this knowledge exchange between the two regions helps deepen the learning.
- The first module (two workshops in March and April 2023) focused on “Technical standards for Distributed Energy Sources” and “Tariff setting and regulatory reforms in systems with high DER penetration.”
- The second module (two workshops in September and November 2023) focused on “Increasing access to electricity” and “Resilient electricity access”.

Collaboration on Statistics

- Organized by the Statistics for Development Division of the Pacific Community (spc.int) and ESCAP, the Pacific Civil Registrars Network (PCRN) provides a platform for SIDS to share knowledge and experience on issues related to Civil Registration and Vital Statistics (CRVS).
- Based on such exchanges, Fiji has provided support for Samoa in its CRVS inequality assessment.
- Other examples include, Indonesian statistics office providing a two-year training course at the BPS Indonesia for the Timor Leste statistics office staff.

Catalyzing Women's Entrepreneurship (CWE)

- The CWE project in the Pacific SIDS (focus on Fiji and Samoa) aims to strengthen the policy and governance ecosystem to make it more gender-responsive while developing relevant national policies and institutional frameworks to strengthen women's entrepreneurial knowledge and capacities.
- In Samoa, following the identification of lack of available and disaggregated data pertaining to women-led businesses, the first-ever baseline assessment was carried out, leading to the improvement of targeted interventions for women in the informal and micro-enterprise sectors.
- The Women MSME Fintech innovation fund has been established to provide co-financing and technical support to Fintechs and digital start-up companies to design and test innovative digital solutions that improve access to financial services for WMSMEs.
- In Fiji, Investment Fiji has implemented 15 initiatives to target more gender impacts of direct investments in Fiji.

The Pacific subregional internet exchange points (IXP)

- ESCAP is working with Fiji, Samoa and New Zealand to bridge the digital divide and promote digital transformation for an inclusive digital society. In this vein, establishment of the Pacific subregional Internet Exchange Points (IXPs) will be an important milestone to improve the Internet's affordability, latency and traffic capacity.
- ESCAP and partners have co-funded the development of several technical studies to inform the subregional dialogue and the operationalisation of the Pacific IXP proposal, conducted multistakeholder consultations and developed an operational guideline to guide key stakeholders on implementation.
- There is growing interest across the Pacific to assist and work with partners so that a decrease of Internet service prices and improvement in overall engagement of the local operators to minimize costs to the process takes place.

Promoting Transport Connectivity

- 2024 Asia-Pacific Regional Dialogue on Sustainable Maritime Connectivity will be held in the Pacific, 22-23, July 2024, Fiji (Nadi)), in partnership with IMO, SPC, and the Fiji Ports Corporation Limited.
- ESCAP also supports “Regional Cooperation Mechanism on Low Carbon Transport” and conducted a Subregional Consultation and Capacity Building Workshop for the Pacific to discuss and share subregional low carbon transport priorities, respective national plans, policies and best practices
- ESCAP will be supporting the Pacific Port Vision, an initiative of the Pacific Community endorsed at the Fifth Pacific Regional Energy and Transport Ministers’ Meeting.
- ESCAP is also working on “Developing a Regional Road Map for the Wider Deployment of Sustainable Smart Transport Systems”. This example was highlighted during the 5th Asia-Pacific Directors General Forum for South-South and Triangular Cooperation, organized by ESCAP.

Promoting Urban climate resilience

- The Pacific Urban Forum hosted with ESCAP is a critical institutional entry point for South-South cooperation, serving as the apex multi-stakeholder urban forum and dialogue platform. Its a catalyst for constructive engagement between subnational and local governments, enabling them to collectively address the unique urban challenges faced by Pacific SIDS.
- The Sixth Pacific Urban Forum (PUF6) last year focused on strategies to build environment modifications & innovations (including through finance schemes) to retrofit urban infrastructure.
- ESCAP's 'Ocean Cities' project (in 2020) documents a variety of city-to-city partnerships and South-South cooperation initiatives in a publication and provides a solid basis for southern partners to design better policies to prevent, mitigate and adapt to climate change.

Macroeconomic Policy and Financing for Development Division, ESCAP

escap-mpdd@un.org



www.unescap.org



unescap



unitednationescap



united-nations-escap



unescap



unescap