



DIALOGUE OF THE EXECUTIVE SECRETARIES OF THE REGIONAL COMMISSIONS WITH THE UN GENERAL ASSEMBLY SECOND COMMITTEE

“Rising global inequalities: turning promises into action”

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I. BACKGROUND

The 2030 Agenda with its core principle of leaving no one behind and the inclusion of *Goal 10: reducing inequality within and among countries*, has placed the pursuit of equality at the heart of development policymaking and, in so doing, made addressing inequalities integral to achieving the Sustainable Development Goals.

While globalization has benefitted overall global growth, it has also contributed to structural inequalities between countries and within countries. Despite some regional variations, the devastating impact of the COVID-19 pandemic has exacerbated these inequalities, posing threats to realising a more equitable and sustainable world. Some of the inequalities observed during the early phase of the COVID-19 crisis have not persisted, while others carry the risk of leaving lasting legacies. There is however increasing recognition that it is not only the impact of the pandemic that is differentiated and unequal but also the recovery, with the bulk of the fiscal stimulus response concentrated in the developed world, making the need for addressing inequalities within and between nations and regions more urgent than ever.

Snapshots of regional trends in the impact of the pandemic on different types of inequalities

ECE region

The average direct fiscal effort in the Economic Commission for Europe programme countries in 2020 was only 3.7% of GDP, against 8.8% in the rest of the region. Despite this more limited support, the legacy of increased public debt, which grew by around 10 percentage points of GDP on average in programme countries between 2019 and 2020, has reduced the capacity for developmental spending. Vaccination rates are highly unequal among countries in the region, which includes countries where the prevalence of vaccination remains low. Even in the more advanced countries in the region, the negative impact of the pandemic on education could have long-lasting effects, reducing opportunity and increasing inequalities. The ongoing recovery in output is being accompanied by inflationary pressures in many countries, in particular regarding food and energy prices, which is taking a toll on the most vulnerable sectors of the population.

ECLAC region

Latin America and the Caribbean has been the hardest hit developing region by the Covid-19 pandemic. The region represents 8% of the global population but has registered more than 30% of global fatalities. In 2020, the region faced its worst economic recession in 120 years,



with GDP contracting by 6.8%, the number of employed persons falling by 9%, and more than a third of its population living in poverty. According to ECLAC's projections, the region will grow 5.9% in 2021, reflecting a statistical carry-over effect that will moderate to 2.9% in 2022. The pandemic has magnified the region's structural gaps namely inequality, with the Gini coefficient of income inequality rising by 2.9% in 2020, if exacerbated by informality, low productivity and limited fiscal space, it could set the region back more than a decade in development progress particularly for women, whose labour force participation fell to levels last seen in 2002 (46.9%).

ESCAP region

The pandemic caused unprecedented social-economic disruptions to the Asia and the Pacific, region reversing hard-earned development gains by years, if not decades. The average debt-to-GDP ratio in emerging and middle-income Asian nations increased from 57 per cent in 2019 to 70 per cent in 2021. Revenue fell by an average of 1.4 per cent while expenditure increased by 1.9 per cent, causing a sharp increase in budget deficits. The region's investment in social protection is lower than the global average, resulting in 60 per cent of the population remaining vulnerable to ordinary contingencies throughout their lives. Shrinking economies, job losses and falling household incomes have pushed up poverty, particularly among vulnerable groups, which led to greater inequality within and between countries. Universal social protection could reduce poverty and inequality as well as advance the inclusion of vulnerable and marginalized populations in development. These challenges will require sufficient allocation of public funds and resources towards the realization of inclusive social protection for all.

ESCWA region

In the Arab region, the pandemic, including access to vaccines, has both highlighted and exacerbated existing inequalities. Only 3% of people in low-income countries have been vaccinated with at least one dose, compared to 60% cent in high-income countries. This is also true of inequality within countries, where urban centres report higher vaccination rates than rural areas. Similarly, migrant workers and refugees have had limited access to vaccines, with only 50% of hosting countries providing access.

Countries in the region with above-average fiscal support in 2020 are expected to return to pre-pandemic GDP levels in 2022. In contrast, those with below-average support will not see a return to 2019 levels until 2023. Pre-crisis unemployment levels were already high, at 10.3%, double the world average, with rates as high as 26.1 % for youth. Available data on unemployment rates point to increasingly high levels post-COVID, with an estimated rate of 12 percent in 2020. Vaccine rollouts are critical to economic and social recovery. The speed of recovery will be faster if vaccine production is expanded and distribution accelerated—supported by global and regional cooperation. In such a scenario, growth in the region would be boosted by roughly 1/4 percentage point in 2021, accelerating to an additional 3/4 percentage point in 2022.

ECA region

The Africa region experienced an economic contraction of -3.4 percent in 2020, much higher than the developing country average of -2.5 percent. While the region is expected to experience positive growth of 3.4 percent in 2021, this figure is below the developing country and global



averages of 5.7 percent and 4.7 percent in the same year (WESP 2021). Developed countries are projected to grow at 4.0 percent following a 5.6 percent contraction in 2020. Factors constraining Africa's recovery include limited access to vaccines. These divergent economic recovery trajectories across regions are expected to worsen if Africa does not receive massive multilateral support needed to put the world economy on the path of an inclusive and resilient recovery. Rising expenditures coupled with declining revenues have contributed to worsen fiscal deficits and elevate debt vulnerabilities.

The Africa region also experienced a deepening of previous existing inequalities across health, education and gender. Out-of-pocket expenditure remains the single largest component (36 per cent) of total healthcare expenditure on average, which slows down poverty reduction and exacerbates inequalities. Over 70 percent of informal workers do not have insurance and bear the costs of COVID-19 testing and treatment. Coupled with the care taking activities within households complemented by the overrepresentation of women in the informal sector which exacerbates gender inequalities in accessing health services. The region suffers from vast within- and across-country differentials in terms of access to secondary education. Due to cost-sharing requirements, access of rural dwellers, women and low-income groups is limited with up to 50 per cent of household budgets devoted to education-related spending.

The current crisis brings a generational opportunity to build forward better for a more equal, resilient and sustainable world. The Secretary-General's report on "Our Common Agenda" encompasses a robust call for global solidarity and to reinvigorate collective efforts to accelerate the implementation of the Sustainable Development Goals, with a focus on delivering more for generations to come in the long term. A renewed multilateral approach to strengthen the UN's support to global and regional public goods issues is critical to safeguard the gains of the past and build a more resilient future. Public goods include among others: health, climate change, gender equality, youth, and financing for development:

- *On health:* While more than 5.7 billion vaccine doses have been administered globally, 73 percent have been given in just 10 out of more than 190 countries. High-income countries have administered 61 times more doses per inhabitant than low-income countries. Addressing vaccine disparity is a moral imperative. Experiences relating to vaccine access and administration underscored the need to strengthen health systems in the regions, particularly in low- and middle-income countries, including allowing them to access, adapt and benefit from modern health technologies and systems. Investing in people-centered and gender-responsive health is critical as part and parcel of strengthening overall social protections.
- *On climate change,* the recent IPCC report delivered a "code red for humanity" while the OECD reported a gap of at least \$20 billion in much needed climate finance to developing countries, urgent and bold steps are needed to address the triple crisis of climate disruption, biodiversity loss and pollution, including the redesign of financial and investment systems.
- *On Youth:* Close to 90 per cent of today's youth live in developing countries, with limited access to education, or training, with bleak prospects to access decent jobs. The pandemic has exposed large disparities between developed and developing countries in the numbers and quality of productive engagement of young people online. In developed countries, young people have



never been more educated or more connected, yet they continue to face significant obstacles to achieving their full potential. In developing countries the situation is less optimistic. Many young people have limited access to digital space, the emerging digital economy as well as a lack of trust in institutions and leaders.

- *On gender:* The pandemic has had a disproportionate impact on women. Around the world, domestic violence has increased and most of the care work remains unpaid and done by women and girls, perpetuating economic inequality between genders. Enacting legislation to end all forms of discrimination and violence against women and girls and expanding women's representation and participation in all aspects of public life remain critical. Enforcing and implementing legislation with well funded strategies and programs is even more critical.
- *On financing for development:* The pandemic has magnified asymmetries between developed and developing countries, including in relation to the policy space to undertake expansionary and full employment policies and finance a sustainable recovery. In contrast to the massive fiscal stimulus implemented in developed countries, many developing countries face rising debt and debt servicing costs, negative risk assessments which constrain their policy autonomy for longer-term economic and social development and for investments in their green transition and climate change resilience.

Over the past decade, the Regional Commissions have generated a wealth of knowledge on the adverse social, environmental and economic consequences of inequality and promotion of greater equality through adequate social protection, health, education, labour and fiscal policies. It is important to bring this body of knowledge to bear to re-examine prevailing global asymmetries and their impact on equitable, inclusive and sustainable recovery from the pandemic.

II. OBJECTIVES

Building on the theme of the general debate of the Second Committee, "*Crisis, resilience and recovery – Accelerating progress towards the 2030 Agenda*", the Dialogue will focus on the theme of "**Rising global inequalities: turning promises into action**" and allow debate on regional perspectives and solution pathways.

Key objectives of the Dialogue will be to:

1. share latest data, insights and regional perspectives on the economic, social and environmental impacts of the pandemic, in particular on inequality and the new ways in which it has been exacerbated, such as through austerity measures, unequal access to vaccines, job losses, as well as racial, gender and other forms of discrimination;
2. raise awareness on innovative thinking and policy responses to build forward more inclusive and sustainable societies and to transform economies to reverse underinvestment in social protection systems and accelerate achievement of the SDGs;
3. reflect and exchange views on opportunities and implications of emerging developments in financing development needs such as the New Global Tax Agreement, allocation and recycling of unused Special Drawing Rights (SDRs), as well as in areas such as digital inclusion, climate adaptation and resilience, etc.; and



4. showcase how the Regional Commissions, building on their convening and advocacy power, normative capacity and the knowledge of the countries they serve, continue to work toward tackling inequalities/ global asymmetries, thus helping to lay the basis for sustainable long term recovery in the regions.

III. **FORMAT**

Opening remarks will be delivered by the Chair of the General Assembly Second Committee H.E. Ms. Vanessa Frazier, Ambassador and Permanent Representative of Malta to the UN; followed by the Executive Secretaries of the five UN Regional Commissions who will make presentations (10 mins each). Then there will be interactive rounds of discussion with members of the Committee. The Director of the Regional Commissions New York Office will moderate the discussion.

IV. **PROGRAMME**

- 10:00 Opening remarks, Chair Second Committee, H.E. Ms. Vanessa Frazier, Ambassador and Permanent Representative of Malta to the UN.
- 10:05 Welcoming remarks, Moderator, Ms. Rosa Malango, Director, Regional Commissions New York Office.
- 10:10 Presentations by the Executive Secretaries of the Regional Commissions:
- Executive Secretary ESCAP and USG Ms. Armida Salsiah Alisjahbana;
 - Executive Secretary ECA and USG Ms. Vera Songwe;
 - Executive Secretary UNECE and USG Ms. Olga Algayerova;
 - Executive Secretary ECLAC and USG Ms. Alicia Bárcena;
 - Executive Secretary ESCWA and USG Ms. Rola Dashti (Coordinator of the five Regional Commissions).
- 11:00 Round of interventions from the floor.
- 12:00 Responses from the Executive Secretaries of the Regional Commissions.
- 12:50 Concluding remarks by the Moderator.
- 12:55 Closing remarks by the Chair.

V. **FOCUS AREAS**

Against the background outlined above, the following questions are suggested to frame the Dialogue:

- As we applaud the launch of the UN Common Agenda as a plan of action to accelerate the implementation of the SDGs, how can action at the regional level contribute to reinvigorating the multilateral response?



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- COVID-19 has dramatically exposed the fault lines in global cooperation which has in turn led to deepening existing inequalities. What is your perspective on how this unfolded in your respective regions and its impact?
- How can the extensive body of knowledge of Regional Commissions on inequality be leveraged to re-examine prevailing global asymmetries and their impact on equitable, inclusive and sustainable recovery from the COVID19 pandemic? How are the Regional Commissions supporting UN regional and country efforts in the response to COVID-19?
- What actions are the Regional Commissions taking to support member States address disparities between and among countries in the five regions? What are the opportunities for joint advocacy? Which actions are needed from the international community?

VI. DOCUMENTATION

A comprehensive matrix featuring the work of the Regional Commissions on inequality over the past years will be shared with the Committee in advance of the Dialogue.