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Compounded Challenges: How Developing Countries are Coping with the COVID-19 Pandemic in Asia and the Pacific

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Introduction

As the world is struggling with the severe health, economic and social impacts of the COVID-19 pandemic, the developing countries are at greater risk from this global shock. With limited resources and weak capacity to carry out lockdown measures, support their economies and deal with external shocks, developing countries are in a particularly difficult position to respond and recover. The extreme economic, social and sustainable development consequences they are facing may reverse decades of development progress and further jeopardise efforts to achieve the 2030 Agenda for Sustainable Development. It is therefore crucial to support developing

countries address their priorities and most urgent needs in the current crisis, through sub-regional, regional, and even inter-regional collaboration efforts.

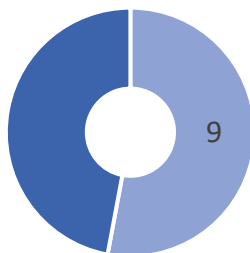
To access the information on priorities directly from developing countries in Asia and the Pacific, the Regional Office of the Asia-Pacific of the United Nations Office for South-South Cooperation (UNOSSC) launched a survey that targets at 30 countries in the region. Seventeen (57%) responses were received between 17 August – 8 September 2020. The survey has questions on the countries' priorities to recover from public health, economic and social impacts, as well as their prime concerns in responding to the pandemic. It also collected data on the assistance received and given by the countries through South-South cooperation. The complete survey questions can be accessed [here](#).

About survey respondents

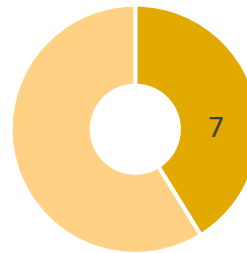
Countries in the Global South have designated South-South cooperation focal points, who were contacted to fill out the survey on behalf of their governments. It is our understanding that most of the focal points reached out to other relevant government departments to gather information for survey response.

Among the 17 responding countries, 9 are from the Pacific region and 7 are Least Developed Countries (LDCs), as shown in Figure 1¹. In terms of the direct impact of COVID-19, most countries responding to the survey have largely contained the pandemic. (Figure 2, data retrieved from WHO² as of 8 September, 2020). Seven of the respondents have had no cases at all while another 4 have had less than 500 (Figure 3, data retrieved from WHO³ as of 8 September, 2020).

9 out of 17 countries
are from the Pacific



7 out of 17 countries
are Asia-Pacific LDCs



¹ Information on the countries that are currently designated by the United Nations as "Least Developed Countries" (LDCs) can be found here: <https://unctad.org/en/Pages/ALDC/Least%20Developed%20Countries/UN-recognition-of-LDCs.aspx>

² <https://covid19.who.int/table>

³ <https://covid19.who.int/table>

Figure 1 Composition of responding countries

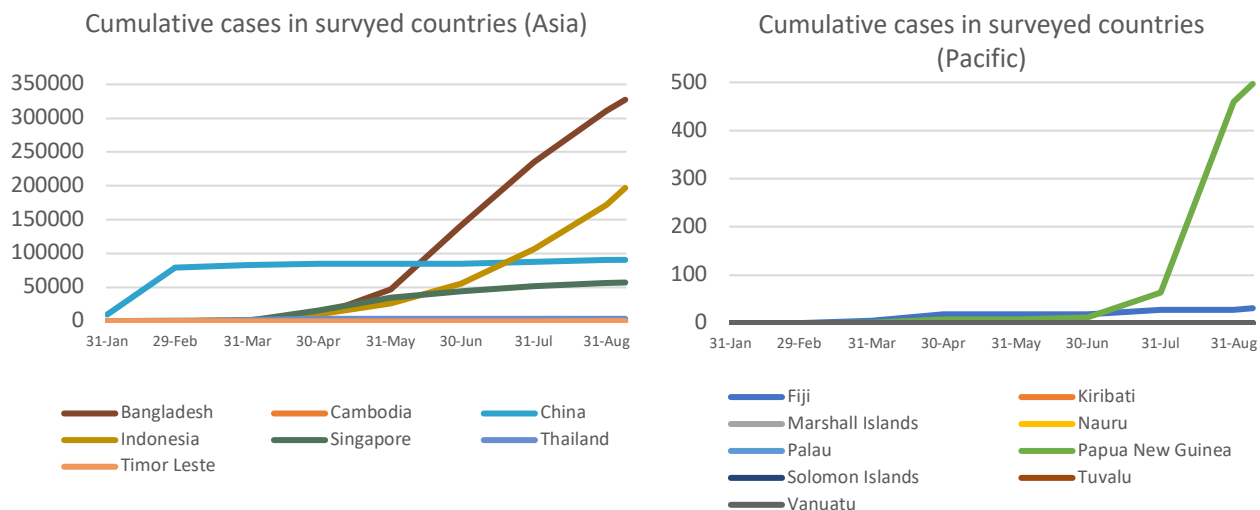


Figure 2 Number of cumulative COVID-19 cases in surveyed countries (from 31 Jan 2020 to 8 September 2020, data from WHO)

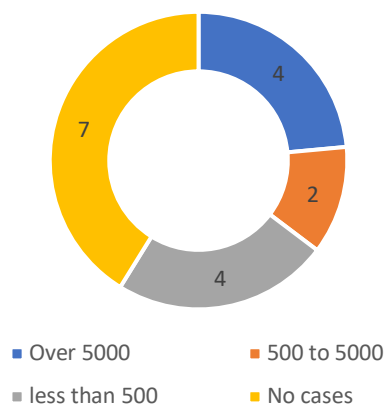


Figure 3 Grouping of cumulative COVID-19 cases in surveyed countries (from 31 Jan 2020 to 8 September 2020, data from WHO)

The role of South-South cooperation in COVID-19 response

The survey found that there is a strong presence of South-South cooperation in the fight against COVID-19 pandemic, as all the countries that have participated in the survey indicated that they received support from other developing countries.

More than half of the countries have also given support to other countries, except several LDCs and SIDS (Small Island Developing States) which probably do not have the capacity to do so.

For countries that have provided support, most of them indicated that it was given to neighbouring countries or countries in the region. This also illustrates the regional dynamics on South-South cooperation.

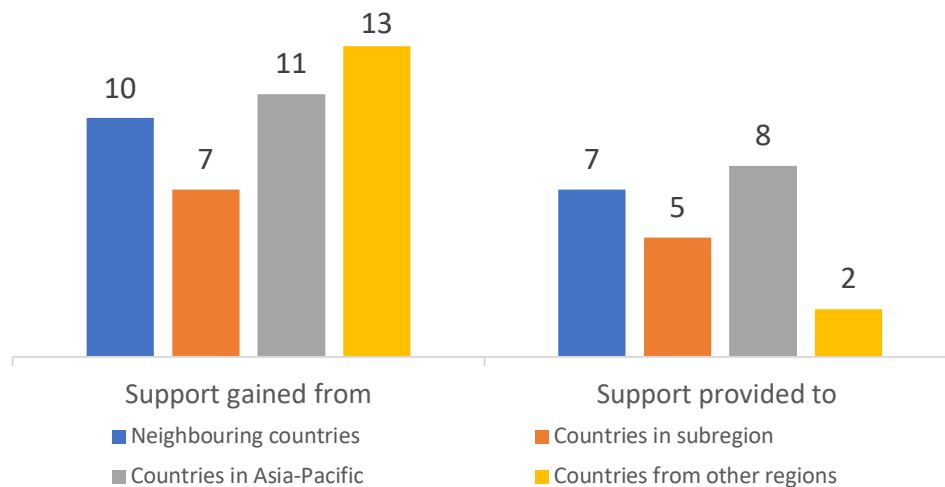


Figure 3 Support gained and provided by countries participating in the survey.

Recovering from the impact on public health

To recover from the impact pertaining to public health, respondents were asked to select no more than three of the most urgent issues. As shown in figure 4, most responding countries prioritised the following, 1) improve healthcare infrastructure particularly in the rural or remote areas (selected by 16 countries), 2) protect health workforce from risky working environment (selected by 12 countries) and 3) improve early warning system for communicable diseases (selected by 12 countries).

The prioritisation of healthcare infrastructure in remote areas as a major concern has also been identified in other recent case studies done by the Western Pacific and South-East Asia regional offices of WHO and the ADB⁴ in September 2020. Their studies found that universal health coverage (that everybody can access the quality health services they need without suffering financial hardship) is crucial to limit both the health and economic impacts of the pandemic.

⁴ <https://www.who.int/westernpacific/news/feature-stories/detail/how-countries-in-asia-and-the-pacific-are-working-towards-universal-health-coverage-and-combating-covid-19>

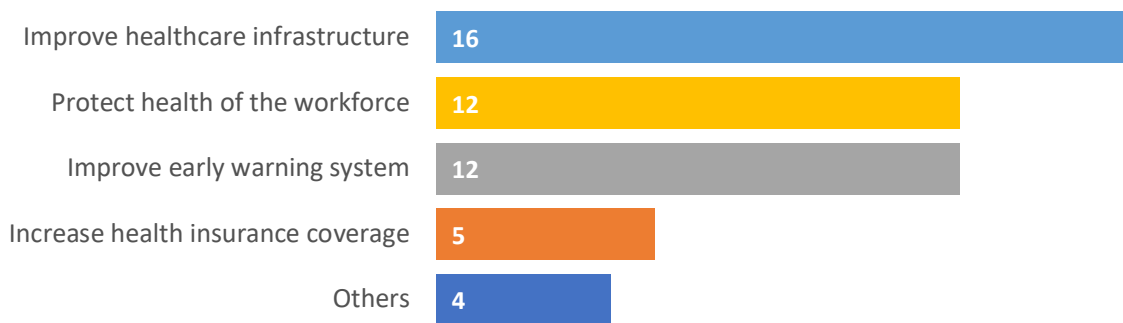


Figure 4 Priorities for Health Recovery in countries which participated in the survey

Coping with the economic impact of COVID-19

Figure 5 shows the priorities for dealing with economic impact of COVID-19, respondents were asked to select the top 3 priority areas. Sixteen responding countries highlighted stimulus that targets the most affected industries, MSMEs (micro, small and medium sized industries) as well as workers in the informal economy. A global survey on COVID-19 business impact done by the International Trade Centre recently also revealed that companies believe tax waivers, temporary tax relief and financial programmes would be the most helpful government measures to support them⁵. The preference for financial support demonstrated by both the governments and the private sector who participated in the two surveys confirms the urgency of dealing with liquidity crisis during the pandemic. The importance of having a more targeted stimulus package that focuses on helping MSMEs and vulnerable businesses was also stressed by panellists of the Webinar on Supporting SMEs in response to COVID-19 pandemic in Asia-Pacific organized by the UNOSSC Regional Office for Asia-Pacific in July 2020. Helping MSMEs weather the storm and keep them in business requires less resources than rebuilding them from scratch and reduces the risk of turning the current crisis into a longer recession.

⁵ International Trade Centre (2020). SME Competitiveness Outlook 2020: COVID-19: The Great Lockdown and its Impact on Small Business. ITC, Geneva.

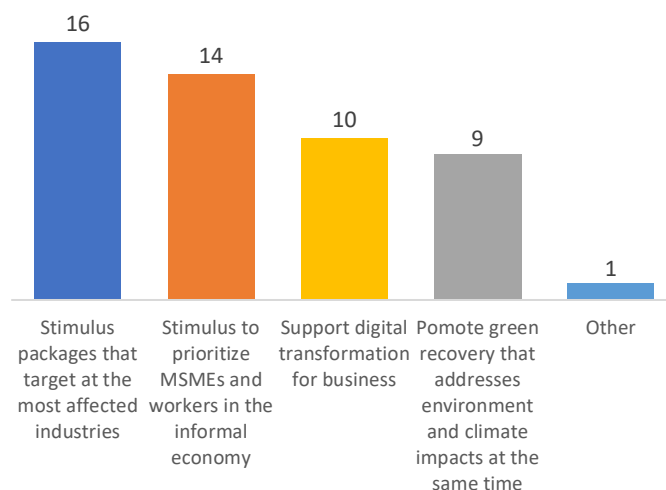


Figure 5 Priorities for economic recovery in countries which participated in the survey

The respondents in the Pacific countries pointed out to an urgent concern on addressing environmental and climate challenges in the process of recovery. Altogether, 7 out of 9 responding Pacific Island Countries chose green recovery as one of their three priorities in dealing with the economic impact of COVID-19. The same concern is also reflected in the Global Risks Report 2020 issued by the World Economic Forum in January 2020. The report ranks the highest risks perceived by more than 750 global experts and decision-makers and for the first time, the top five global risks for the next decade were climate and environment-related⁶. As one of the most vulnerable regions to climate change in the world, it is crucial for the Pacific island countries to come up with a green recovery plan that not only targets the current crisis brought by the pandemic, but also the pre-existing threats of climate change.

Business digital transformation is also favoured by four of the seven least developing countries that participated in the survey. The lockdown measures adopted by countries in the region have made it imperative for many businesses to go digital and it is significant for those in the developing countries and LDCs in particular to gain necessary help to achieve it.

Regional concerns on social impact

Figure 6 shows responses on social recovery which prioritised 1) design and implement emergency social protection responses (such as cash assistance, social insurance etc.); and 2) improve access of disadvantaged groups to social services.

⁶ World Economic Forum (2020). The Global Risks Report 2020 15th Edition. WEF, Cologny.

Although 15 countries have identified emergency social protection responses as their top priorities, it must be noted that it often requires huge fiscal investment to provide enough support to the poor, and developing countries and low-income countries in particular may not have that much resources to meet their needs. The International Monetary Fund estimated that for advanced economies, they can leverage as high as 7.9% of their 2020 GDP for fiscal support, while the figure drops to 1.4% for low-income developing countries⁷.

Other efforts such as addressing violence against women and children, developing on-line education schemes and supporting migrant workers during the pandemic are also considered as priorities by fewer countries that participated in the survey. As social impacts of COVID-19 are multi-dimensional and take longer to reveal, more detailed studies are needed to understand these social challenges faced by developing countries in the region.

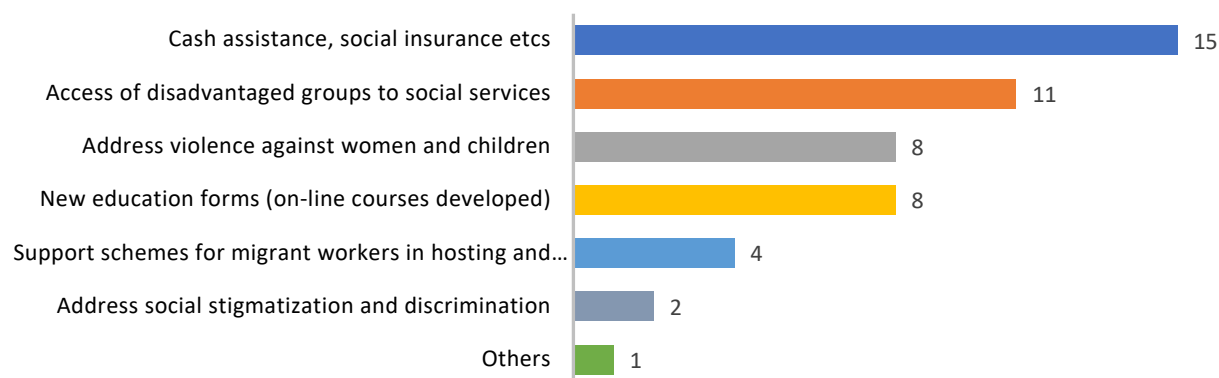


Figure 6 Priorities for social recovery in countries which participated in the survey

Emergency Response measures still needed in the region

Besides the priorities for recovery, survey respondents were also asked about their current COVID -19 response priorities. Their responses in figure 7 show that despite the fact that **most** countries who participated in the survey only have a limited number of cumulative or new cases, emergency response measures such as enhancing testing and hospital capacity for COVID-19 and providing adequate supply of necessities are still on top of the agenda. The near exponential growth of cases in the world in the past months means that most countries anticipate that it will reach them sooner or later. Thus, governments in the region are very much in the preventive and responsive stages relating to the pandemic.

⁷ <https://blogs.imf.org/2020/08/27/covid-19-without-help-low-income-developing-countries-risk-a-lost-decade/>

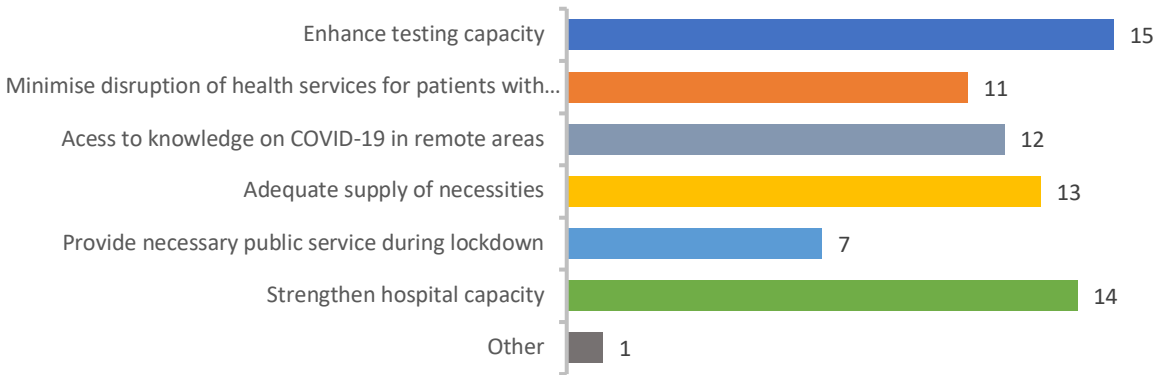


Figure 7 Priorities for COVID-19 response in countries which participated in the survey

What can be done through South-South cooperation

UNOSSC also collected data on how countries in the South can best support each other to recover from the pandemic. Responses (figure 8) were almost evenly distributed among the four forms of South-South cooperation listed in the survey, showing the potential of South-South cooperation in offering various help to address the challenges.

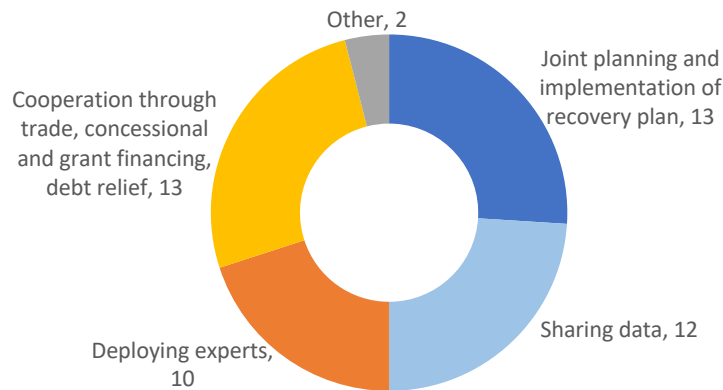


Figure 8 How to support countries through South-South cooperation

“Boosting development cooperation through trade, concessional and grant financing and debt relief” was selected by 13 countries. The tightening finance constraint caused by the current crisis has made it ever more necessary for countries in the South to gain external financial support to mitigate the economic and social impacts they are facing. According to the estimates made by the United Nations Conference on Trade and Development (UNCTAD) earlier in May, developing

countries will need at least \$2.5 trillion over the next two years to meet their external financing needs⁸.

“Joint planning and implementation of recovery plan” was also highlighted by 13 survey respondents. A shared vision that unites developing countries to carry out collective actions is needed more than ever. The ASEAN member states and their partners have set a good example of how countries in the region can work together towards a resilient recovery. A Plan of Action on Mitigating the Economic Impact of the COVID-19 Pandemic was jointly issued in August by the Member States of the Association of Southeast Asian Nations (ASEAN), the People’s Republic of China, Japan, and the Republic of Korea, following the Joint Statement of the Special ASEAN Plus Three (APT) Summit on COVID-19 in April this year. Having coordinated actions and strong partnership like this will be crucial for a sustainable recovery in the South.

Another example of ASEAN’s approach is the ASEAN Comprehensive Recovery Framework and Implementation Plan that is being led by the ASEAN Coordinating Council Working Group on Public Health Emergencies, supported by the ASEAN Secretariat. The Working Group is a recently established body with cross-pillar representation and reports to the ASEAN Coordinating Council, the second highest body after the ASEAN Summit. The framework, along with its implementation plan, are expected to be submitted to the leaders at the 37th ASEAN Summit in November⁹.

More than half (10) of the survey respondents also stressed the importance of sharing data and deploying experts in coping with the pandemic. The principles of solidarity, sharing and people to people connectivity are right in the centre of South-South cooperation and these are usually shown through sharing information and expertise.

Other concerns and ideas

Survey respondents were also requested to provide their thoughts on COVID-19 recovery. These are captured below.

“Sharing of knowledge and ideas is very important and we need to build our own resilience in order to live in this post-COVID 19 (world)”.

“The compounded costs and impacts from COVID-19 and other disasters that are happening in parallel in some countries need to be considered. Those responses need to be able to capture that.”

“The cooperation on health infrastructure is of the most crucial importance in order to win against COVID-19.”

⁸ <https://unctad.org/en/pages/newsdetails.aspx?OriginalVersionID=2381>

⁹ https://asean.org/storage/2012/05/Op-Ed-by-Secretary-General-of-ASEAN-on-COVID19_290920_FINAL-Clean-0021.pdf

Several initiatives in Singapore were also highlighted by respondent, as shown in the table below.

Case Summary: Singapore

Singapore believes that South-South cooperation is critical for global COVID-19 recovery. Through the Singapore Cooperation Programme (SCP), Singapore is offering virtual courses to share its experiences with fellow developing countries. These courses cover topics such as COVID-19 management, sustainable infrastructure and other areas which would aid post-COVID-19 recovery.

Singapore has equipped Singapore Cooperation Centres in Cambodia, Laos and Vietnam with videoconferencing facilities so that participants in these countries can participate in online courses (with trainers based in Singapore) in a conducive environment.

On social protection priorities, Singapore's responses have focused on jobs support, financial assistance, and other forms of support for vulnerable groups such as women, children, and persons with disabilities. A National CARE Hotline was set up to provide emotional and psychological support to those suffering from mental health issues as a result of the pandemic. Assistance has also been provided to the self-employed who have suffered significant income loss. The government has worked with social service agencies, family service centres and other relevant partners to ensure the continued provision of services to vulnerable Singaporeans.

On support schemes for migrant workers, an Inter-Agency Taskforce was set up in April 2020 to focus on ensuring the well-being of migrant workers in dormitories following COVID-19 outbreaks there. Progress has been made on two key priorities – (a) ensuring the health and safety of migrant workers; and (b) that workers continue to be paid on time despite being away from work. The range of measures are aligned with guidance from the International Organisation for Migration (IOM) and the Office of the United Nations High Commissioner for Human Rights (OHCHR). These include providing onsite medical and isolation facilities, telemedical care, distributing personal protective equipment (e.g. face masks), bringing in supplies (e.g. free Wi-Fi and SIM cards) and catering meals, providing for their mental well-being such as through free counselling sessions by religious groups and NGOs, disseminating materials in migrant workers' native languages, requiring employers and dormitories to put in place safe management measures at workplaces and residences, and facilitating remittances so that they can provide for their families in their home countries, among others. The government has also put in place measures to ensure that migrant workers continue to retain their jobs and are accorded with COVID-19 testing and treatment. It also aims to improve the standards of dormitory living and design and to make them more resilient to public health risks in the future.

Way Forward

The COVID-19 pandemic is compounding the existing challenges faced by developing countries. Support of the international community is key to enable them to tackle the pandemic and recover

from the multifaceted crisis it brings. The survey respondents indicated several priorities that can be supported through international help and South-South cooperation: namely, 1) provision of essential health supplies, including COVID-19 testing equipment; 2) granting debt relief and concessional finance to ensure developing countries have enough fiscal resources; 3) supporting the development and implementation of green recovery plans; (4) removing technological barriers to speed digital transformation.

The UNOSSC Regional Office in Asia-Pacific is working with its development partners to address these priorities: a green recovery project is in the pipeline to support ASEAN member states to build back better, in collaboration with UNEP and UNDP; capacity building activities are planned for Pacific island countries to meet their needs of tackling climate change and the pandemic together, as part of the on-going South-South cooperation between China and Fiji. Through working together in solidarity, the Global South will achieve a more equitable, sustainable and resilient future.

Acknowledgement

The Survey on Priorities for COVID-19 Recovery and South-South cooperation in Asia-Pacific was designed and implemented by Denis Nkala, Xin He, Leba Salusalu and Saowalak Sangsomboon. Analysis of the survey was done by Denis Nkala and Xin He. Respondents were reached also through the help from Etti Diana, Yejin Kim, Ayu Primarini, Louismongkol Sapkul, Caihong Wang and Asad-Uz-Zaman.

We appreciate the time and trust of the South-South country focal points from Bangladesh, Cambodia, China, Fiji, Indonesia, Kiribati, Marshall Islands, Nauru, Palau, Papua New Guinea, Singapore, Solomon Islands, Thailand, Timor Leste, Tuvalu, Vanuatu and Vietnam, who responded to the survey.